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Notice of Electronic Transmittal

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Appeal of the Community Plan Evaluation for 2750 19th Street

DATE:	October 22, 2018
TO:	Angela Calvillo, Clerk of the Board of Supervisors
FROM:	Lisa Gibson, Environmental Review Officer – (415) 575-9032 Jessica Range, Principal Environmental Planner – (415) 575-9018 Justin Horner, Environmental Planner – (415) 575-9023
RE:	File No. 180956, Planning Department Case No. 2014.0999ENV – Appeal of the Community Plan Evaluation for the 2750 19th Street Project.
HEARING DATE:	October 30, 2018

In compliance with San Francisco Administrative Code Section 8.12.5, "Electronic Distribution of Multi-Page Documents," the Planning Department has submitted an Appeal Response for the Community Plan Evaluation for the proposed project at 2750 19th Street in digital format. One hard copy will be submitted to the Clerk of the Board for the file of the Clerk. Additional hard copies may be requested by contacting Justin Horner of the Planning Department at (415) 575-9023.

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2750 19th Street Project

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TO:	Angela Calvillo, Clerk of the Board of Supervisors
FROM:	Lisa Gibson, Environmental Review Officer – (415) 575-9032
	Jessica Range, Principal Environmental Planner – (415) 575-9018
	Justin Horner, Environmental Planner – (415) 575-9023
RE:	Board of Supervisors File No. 180956, Planning Department Case No. 2014.0999ENV – Appeal of the Community Plan Evaluation for the 2750 19th Street Project.
PROJECT SPONSOR:	Steve Perry, Perry Architects – (415) 806-1203
APPELLANT:	Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction – (415) 317-0832
HEARING DATE:	October 30, 2018
ATTACHMENTS:	A – Appeal of Community Plan Exemption for 2918-2924 Mission Street Project (Planning Department response) B – Supplemental Response for 2918-2924 Mission Street Project (Planning Department response)

INTRODUCTION

This memorandum and the attached documents respond to a letter of appeal dated September 24, 2018, and a supplemental letter of appeal dated October 19, 2018, to the Board of Supervisors (the "Board") regarding the Planning Department's (the "Department") issuance of a Community Plan Evaluation ("CPE") under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report*

("Eastern Neighborhoods PEIR" or "PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA") for the 2750 19th Street Project (the "project").

The Department's review of both the September 24, 2018 appeal letter and the October 19, 2018 appeal letter, as described below, shows that the Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The letters also raise no specific environmental concern that could result from the implementation of the proposed project, but rather raise concerns with the Eastern Neighborhoods PEIR. Accordingly, for the reasons set forth in this memorandum, the Department recommends that the Board uphold the Department's CEQA determination and reject the appeal.

The Department, pursuant to CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code, determined that the project is consistent with the development density established by zoning, community plan, and general plan policies for the project site in the Eastern Neighborhoods Rezoning and Area Plans (the "Eastern Neighborhoods Area Plans"), for which the PEIR was certified, and issued the CPE for the project on May 30, 2018. Where, as here, an EIR has been certified for a community plan, CEQA strictly limits the City's review of individual projects that are consistent with the plan to consideration of environmental effects which the Department determines:

1. Are peculiar to the project or the parcel on which the project would be located;
2. Were not analyzed as significant effects in the PEIR;
3. Are potentially significant off-site impacts and cumulative impacts which were not discussed in the PEIR; or
4. Are previously identified significant effects which, as a result of substantial new information which was not known at the time the PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR.

If an impact is not peculiar to the project, has been addressed as a significant impact in the Eastern Neighborhoods PEIR, or can be substantially mitigated by imposition of uniformly applied development policies or standards, then CEQA provides that an additional EIR need not be prepared for the project.

The Department determined that the project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the project is therefore exempt from further environmental review beyond what was conducted in the CPE Initial

[1] The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area, specifically the Mission Plan Area.

Study and the Eastern Neighborhoods PEIR in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

The decision before the Board is whether to uphold the Planning Department's determination that the project is not subject to further environmental review (beyond that conducted in the CPE Initial Study and the PEIR) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 and deny the appeal, or to overturn the Department's CPE determination for the project and return the CPE to the Department for additional environmental review. The Board's decision must be based on substantial evidence in the record. (See CEQA Guidelines section 15183(b) and (c).)

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is located on the northeast corner of the intersection of Bryant Street and 19th Street in the Mission neighborhood. The project site is currently occupied by three, one-story, 22-foot-tall industrial buildings built between 1880 and 1914, totaling 10,935 sf of Production, Distribution and Repair ("PDR") uses. The project site is located in the Urban Mixed Use ("UMU") Zoning District and a 68-X Height and Bulk District.

The proposed project would include the demolition of the three existing industrial buildings, retention of the principal two-story façade along 19th and Bryant streets, and construction of a six-story, 68-foot-tall (77-foot, 7-inch tall with rooftop equipment) mixed-use building with approximately 10,000 square feet of ground-floor PDR, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and bicycle and vehicle parking in a basement. The proposed project would include 3,200 sf of common open space on the second floor and a 4,800-sf roof deck. The residential lobby entrance would be located on Bryant Street and basement vehicle parking entry would be located on 19th Street. The proposed project would include 26 vehicle parking spaces and 60 Class 1 bicycle parking spaces in the basement, and three Class 2 bicycle parking spaces along 19th Street.[2] The proposed project would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut on 19th Street that would be used for the proposed garage entrance. Construction of the project would require approximately 8,533 cubic yards of excavation to a depth of approximately 15 feet and would last approximately 18 months. The proposed project would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

[2] Section 155.1(a) of the planning code defines class 1 bicycle spaces as "spaces in secure, weather-protected facilities intended for use as long-term, overnight, and work-day bicycle storage by dwelling unit residents, nonresidential occupants, and employees" and defines class 2 bicycle spaces as "spaces located in a publicly-accessible, highly visible location intended for transient or short-term use by visitors, guests, and patrons to the building or use."

SETTING

The project vicinity is a mix of residential, industrial and commercial uses. The industrial and commercial businesses in the project vicinity are mostly housed in one- and two-story structures. The residential buildings range from two to five stories in height.

Immediately adjacent to the north of the project site is a two-story, approximately 25-foot-tall commercial building constructed in 1964. Immediately adjacent to the project site to the east is a one-story, approximately 20-foot-tall commercial building constructed in 1908. At the northwest intersection of Bryant and 19th streets, which is across the street to the west of the project site, are three residential properties: a two-story, approximately 25-foot-tall building built in 1907, a three-story, approximately 40-foot-tall building built in 1900, and a two-story, approximately 22-foot-tall building built in 1907. A portion of a two-story, approximately 30-foot-tall industrial building built in 1934 is located across Bryant Street from the project site. Across 19th Street, to the south of the project site, is a four-story, approximately 60-foot-tall mixed-use residential building constructed in 1919.

The project site is served by transit lines (Muni lines 8, 9, 9R, 14X, 27, and 33) and bicycle facilities (there are bike lanes on 17th, 23rd, Folsom and Harrison streets). Zoning districts in the vicinity of the project site are UMU, Production, Distribution and Repair-1-General ("PDR-1-G") and Residential-Housing-Two Family ("RH-2"). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

ENVIRONMENTAL REVIEW PROCESS

The project sponsor, Perry Architects, filed the environmental evaluation application (Case No. 2014.0999ENV) for the project on November 17, 2014. On May 30, 2018, the Department issued a CPE Certificate and Initial Study, based on the following determinations:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;

2. The proposed project would not result in significant effects on the environment that are peculiar to the project or the project site or effects that were not identified as significant effects in the Eastern Neighborhoods PEIR;

3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;

4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and

5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

The Planning Commission considered the project on August 23, 2018. On that date, the Planning Commission adopted the CPE and approved the Large Project Authorization for the project (Planning Commission Resolution No. 20264), which constituted the Approval Action under Chapter 31 of the Administrative Code.

On September 24, 2018, Larisa Pedroncelli and Kelly Hill, on behalf of Our Mission No Eviction ("Appellant"), filed an appeal of the CPE determination. On October 19, 2018, the Appellants submitted a supplemental appeal letter. The Appellant's letters and supporting materials are available in Board of Supervisors File No. 180956.[3]

CEQA GUIDELINES

Community Plan Evaluations

CEQA section 21083.3 and CEQA Guidelines section 15183 mandate that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, shall not require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

Significant Environmental Effects

CEQA Guidelines section 15064(f) provides that the determination of whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15604(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: "The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption."

San Francisco Administrative Code Section 31.16(b)(6) provides that, in reviewing an appeal of a CEQA decision, the Board of Supervisors "shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts,

[3]https://sfgov.legistar.com/LegislationDetail.aspx?ID=3691502&GUID=FFAA47AD-5018-45C7-A669-CC6BAF12DDBB&Options=ID|Text|&Search=180956

evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions."

BACKGROUND: EASTERN NEIGHBORHOODS PEIR AND PROJECT CPE

Eastern Neighborhoods PEIR

As discussed on pages 2 through 3 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines section 15168, a program EIR:

> … is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the lead agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork. Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

As discussed on page 2 of the CPE Certificate, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. The PEIR also identified mitigation measures that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines section 15162(c) establishes that, once a project is approved:

> "[T]he lead agency's role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any." [Emphasis added.]

As discussed on page 12 of the CPE Initial Study, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce the environmental impacts identified in the PEIR. These include, but are not limited to:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014 (see CPE Initial Study, page 12);

- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled analysis, effective March 2016 (see CPE Initial Study, page 13);

- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adopted in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passed in November 2014, and the Transportation Sustainability Program (see CPE Initial Study "Transportation and Circulation" section);

- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment, effective June 2015 (see CPE Initial Study "Noise" section);

- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see CPE Initial Study "Air Quality" section);

- San Francisco Clean and Safe Parks Bond passed in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adopted in April 2014 (see CPE Initial Study "Recreation" section);

- Urban Water Management Plan adoption in 2015 and Sewer System Improvement Program process (see CPE Initial Study "Utilities and Service Systems" section)[4];

- Article 22A of the Health Code amendments effective August 2013 (see CPE Initial Study "Hazards and Hazardous Materials" section).

Project CPE

As discussed under Community Plan Evaluations, above, CEQA limits future environmental review for projects that are consistent with the development density established by the Eastern Neighborhoods Rezoning and Area Plans. For such projects, lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not disclosed as significant effects in the PEIR, or which substantial new information shows will be more significant than described in the PEIR as a result of the proposed project. Under CEQA Guidelines section 15183, "this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." That is, lead agencies are not permitted or required to reanalyze impacts that are attributable to a project that is consistent with the Eastern Neighborhoods Rezoning and Area Plans unless substantial new information shows that the impacts resulting from the project will be more significant than described in the PEIR.

In accordance with CEQA Guidelines section 15183, a project-level environmental review was undertaken as documented in the CPE Initial Study to determine whether the 2750 19th Street Project would result in additional impacts specific to the development proposal or the project site to assess whether further environmental review was required.

The CPE Initial Study fully described the proposed project (consistent with CEQA Guidelines section 15124), its existing environmental setting (consistent with CEQA Guidelines section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines section 15126).

Impacts to the environment that might result from implementation of the project were analyzed in the CPE Initial Study according to the project's potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and topic-specific analyses. The CPE Initial Study prepared for the project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific analyses were conducted for all CEQA topics to determine if the project would result in any significant environmental

[4] The CPE Initial Study incorrectly referenced the immediately previous Urban Water Management Plan, which was adopted in 2011. While that citation was in error, both plans indicate that there is sufficient water availability to accommodate projected growth in San Francisco, including the proposed Project.

impacts peculiar to the project or the project site that were not identified in the Eastern Neighborhoods PEIR.

The CPE Initial Study determined that the proposed project would result in significant impacts to archeological resources, noise and hazardous material abatement during construction. The CPE applied three appropriate mitigation measures that were included in the Eastern Neighborhoods PEIR to address the project's significant environmental impacts. The CPE concluded that with implementation of the PEIR mitigation measures, the proposed project would not result in a significant impact that was not previously identified and analyzed in the Eastern Neighborhoods PEIR.

In summary, project-level environmental review was conducted in accordance with CEQA Guidelines section 15183. The environmental analysis in the CPE Initial Study concluded that with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any environmental effects that are peculiar to the project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR. The CPE also determined that there was no substantial new information showing that the environmental impacts from the project would be more significant than described in the PEIR. Therefore, per CEQA Guidelines section 15183, no further environmental review may be required, and a Community Plan Evaluation was issued based on the environmental analysis in the CPE Initial Study.

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The four-page appeal letter of September 24, 2018 contains four bulleted items expressing the general basis for the appeal. The Department responds to each of these concerns in order below. The supplemental appeal letter received on October 19, 2018 raises no new concerns that are not addressed in the Department's responses below.

Concern 1: The Appellant claims that the cumulative impacts of this project have not been properly analyzed and that the Letter of Determination and CPE erroneously conclude that there would be no significant impacts of this Project that were not evaluated in the Eastern Neighborhoods PEIR. The assumptions upon which the PEIR is based are outdated.

Response 1: The Appellant's claim that the PEIR analysis of environmental effects is more severe than disclosed because the PEIR's projections for housing have been exceeded misconstrues the context in which growth projections were used in the Eastern Neighborhoods PEIR. Further, the Appellant does not identify specific data demonstrating that development pursuant to the Eastern Neighborhoods Plan would result in physical environmental effects not disclosed in the PEIR or that the proposed project would result in physical environmental effects not disclosed in the PEIR. Finally, there was no Letter of Determination issued for the proposed project.

The Appellant alleges that the Department's determination to issue a CPE for the project is invalid because the residential development assumptions upon which the analyses of the PEIR are based are set

to exceed the amount that has been constructed, entitled, or in the development pipeline.[5] This is a claim that has been made in previous appeals of the Department's CEQA determination for residential projects in the Mission District, including the following projects: 901 16th Street/1200 17th Street, 1296 Shotwell Street and 2918 Mission Street. In each case, the Board found that the PEIR was, in fact, adequate and that the use of a CPE relying on the Eastern Neighborhoods PEIR was appropriate.[6]

As in the other cases, the Appellant portrays the PEIR as outdated because housing production appears to be on track to exceed the housing projections used in the Eastern Neighborhoods PEIR to analyze physical environmental effects of the plan. The Appellant claims that "it would be a mistake to assume that other impacts, which may not have been identified as significant in the PEIR would not be significant given the substantial increase in the number of housing units." The Appellant provides no evidence of any significant environmental impacts and, as discussed above, significant impacts must be based on substantial evidence in the record. Furthermore, the question to be addressed is whether the proposed project would result in significant environmental effects not disclosed in the PEIR, not whether the PEIR's analysis of environmental effects remain valid.

The growth projections included in the Eastern Neighborhoods PEIR were based upon the best estimates of foreseeable development that could occur under the Plan available at the time the Eastern Neighborhoods PEIR was prepared. The growth projections informed the analysis of some, but not all, of the environmental analyses in the PEIR. For the reasons described below, the proposed project would not result in new significant environmental effects not disclosed in the PEIR.

1) Overall growth (residential and non-residential) projected under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR; in particular, growth in non-residential land uses has been less than projected under the PEIR.

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, and C. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified. The Eastern Neighborhoods PEIR projected

[5] The Appellant notes that cumulative impacts have not been properly analyzed in the "Letter of Determination and Community Plan Checklist." There was no Letter of Determination issued for the proposed project. The Department is assuming in this case that the Appellant means the Certificate of Determination, which, along with the CPE Checklist, constitutes the environmental document for the proposed project.

[6] The Board found the 2918 Mission Street project CPE adequate in all respects except for potential project-specific shadow effects on a nearby school.

that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space and a reduction of about 3,400,000 sf of PDR space.

The growth projections in the PEIR were used as an analytical tool to estimate the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.), and analyzed potential impacts based on this total development amount. The PEIR used population growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water.

Currently the number of dwelling units constructed, entitled, or proposed in the Mission Plan Area exceeds that anticipated in the PEIR by approximately 792 dwelling units based on the 2018 first quarter development pipeline.[7] However, the amount of projected non-residential space in the Mission Plan Area is well below the maximum evaluated in the Eastern Neighborhoods PEIR. For example, Option C, as studied in the PEIR projected an approximately 3.4 million-square-foot reduction in PDR space and 3.5 million-square-foot increase in non-residential space. Of that, the pipeline shows 340,000 square feet of PDR building space has been removed and 360,000 square feet of non-residential uses have been developed, entitled or proposed.

Non-residential uses, such as office, retail, and restaurants, have higher trip generation rates than residential uses. According to the San Francisco Transportation Impact Analysis Guidelines (October 2002) used in the Eastern Neighborhoods PEIR and which continues to be used to estimate person trips from a development project, a one to two bedroom residential unit would generate 7.5 to 10 trips per day, whereas non-residential uses of approximately the same square footage[8] would generate the following daily trip rates per 1,000 square feet: 18 trips for office use (PDR uses are considered office uses for the purposes of transportation analysis); 150 trips for general retail use; and 200 trips for quality sit-down restaurant uses. Given that the transportation impact analysis in the Eastern Neighborhoods PEIR is based on trip generation associated with six times more non-residential uses than has been completed, approved, or proposed to date, and that residential development results in substantially fewer trips on a per square foot basis than non-residential development, the environmental impacts from development to

[7] SF Planning Department, The Pipeline Report, http://sf-planning.org/pipeline-report.

[8] Two-bedroom residential unit sizes vary, but this analysis is assuming 1,000 square feet per two-bedroom residential units as a proxy. This assumption is based on a Planning Code allowance for these size units: section 151.1 allows one car per dwelling unit in certain use districts, including Eastern Neighborhoods, that include at least two bedrooms and at least 1,000 square feet. Even if average two-bedroom residential unit sizes were lower (e.g., 600 or 800 square feet), the estimated number of trips for non-residential uses would still be higher than that estimated for residential uses.

date can reasonably be assumed to be lower than what was anticipated in the PEIR. Because vehicle trips are a component of overall person trips, correspondingly, the transit delay, noise, and air quality effects related to vehicle trips would also be less severe than were disclosed in the PEIR.

An appeal solely on the grounds that residential development exceeds that projected in the PEIR is without merit because the Appellant has not established that a significant environmental impact would occur as a result of the project that was not disclosed in the PEIR. As shown above, on a per square foot basis, non-residential development generates substantially more trips than residential development. Moreover, the amount of non-residential development, which has a greater environmental impact in terms of person trips, and corresponding transportation, noise, and air quality impacts, is well below that projected in the PEIR.

2) The CPE prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site.

The project- and site-specific analysis contained in the CPE is based on updated growth projections and related modelling, and updated analysis methodology, to evaluate project-level and cumulative impacts on transportation, air quality, and greenhouse gases. For example, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis methodology for all projects to use a 2040 horizon year; in other words, an updated cumulative growth projection. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE that was conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through the year 2040. San Francisco 2040 cumulative conditions were projected using the San Francisco County Transportation Authority's ("Transportation Authority") San Francisco Activity Model Process ("SF-CHAMP") and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on pages 27 to 29 of the CPE, the project's air quality impacts were screened using both screening criteria established by the Bay Area Air Quality Management District in 2017[9] and the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative $PM_{2.5}$ concentration and cumulative cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on pages 29 to 32 of the CPE, the project's greenhouse gas emissions

[9] The CPE Initial Study references the Bay Area Air Quality Management District's 2011 CEQA Air Quality Guidelines. These guidelines were updated in 2017, but the screening criteria did not change between these two versions of the guidelines.

impacts were evaluated for consistency with San Francisco's GHG Reduction Strategy. This strategy that has resulted in a 28.4 percent reduction in GHG emissions in 2015 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan.[10]

3) The Appellant has not provided evidence that significant physical environmental impacts not already disclosed in the Eastern Neighborhoods PEIR would occur, much less that the project would have a considerable contribution to an undisclosed significant environmental impact.

The Appellant provides no information about how the claim of residential growth exceeding the PEIR projections has or would result in direct, indirect, and/or cumulative environmental impacts not already disclosed in the PEIR. Further, the Appellant has provided no evidence that the 2750 19th Street project, with its 60 dwelling units, would have a considerable contribution to a significant cumulative environmental impact not disclosed in the PEIR. The Appellant must demonstrate the absence of substantial evidence supporting the Planning Department's analysis and has not done so.

At most, the Appellant shows that residential growth in the Mission Plan Area may exceed that projected in the Eastern Neighborhoods Plan EIR at some time in the future. Such speculation is not evidence that the *project* will cause specific environmental impacts that neither the PEIR or the CPE disclosed.

Concern 2: The Appellant claims that the CEQA findings did not take into account the potential impacts due to gentrification and displacement to businesses, residents, and nonprofits, including impacts to cultural resources.

Response 2: The CEQA findings adopted by the Planning Commission on August 23, 2018 as part of the Commission's approval of the Large Project Authorization for the project are not subject to appeal under the San Francisco Administrative Code. Moreover, under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE Initial Study and additional Planning Department analyses have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits, or impacts to cultural resources.

CEQA Findings

The Appellant claims to appeal the Planning Commission's adoption of CEQA findings. CEQA section 21151(c) provides:

[10] The CPE Initial study noted that this reduction was 23.3% in 2012 when compared to 1990 levels. The information presented here in the Appeal Response is an updated analysis which tracks progress to 2015.

> If a nonelected decision-making body of a local lead agency certifies an environmental impact report, approves a negative declaration or mitigated negative declaration, or determines that a project is not subject to this division, that *certification, approval, or determination* may be appealed to the agency's elected decision-making body, if any (emphasis added).

That is, CEQA provides for appeal to the Board ("the agency's elected decision-making body") of the determination that the project is exempt from CEQA by the Planning Commission ("a nonelected decision-making body of a local lead agency"). Section 21151(c) does not provide for appeal of any project approval actions.

Chapter 31 of the city's administrative code establishes the types of environmental review decisions that may be subject to appeal, as well as the grounds for such an appeal. Chapter 31.16(a) establishes that: (1) certification of a final EIR by the Planning Commission; (2) adoption of a negative declaration by the first decision-making body; and (3) determination by the Planning Department, or any other authorized city department, that a project is exempt from CEQA are the only environmental review decisions that may be appealed to the Board. Chapter 31.16(e)(3) states that the grounds for appeal of an exemption shall be limited to whether the project conforms to the requirements of CEQA for an exemption.

The Planning Commission's CEQA findings are part of a project's approval and not environmental determinations subject to appeal under Chapter 31 or CEQA section 21151(c). Any challenge to the CEQA findings must be included as part of an appeal of the project's approval action, which was a Large Project Authorization.

Socioeconomic Consideration Under CEQA

Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE and additional Planning Department analyses have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits, or impacts to cultural resources.

There is no substantial evidence in the record, or additional information provided by the Appellant, indicating that the project would cause adverse physical environmental impacts due to gentrification and displacement of existing residents and businesses. The Department recognizes that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The Department is actively engaging with the community, the Board, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the Calle 24 Special Use District, Mission Action Plan 2020 ("MAP2020"), and a broader citywide analysis of socioeconomic trends.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and

implementation efforts aimed at addressing socioeconomic issues. The Planning Department is working on a Community Stabilization Strategy[11] to undertake a broader analysis of displacement and gentrification issues citywide with a focus on equity working with UC Berkeley's Urban Displacement Project. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity. The Department is also at work on its Racial and Social Equity Initiative to train staff on these issues and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Mission.

The most robust effort to date, MAP2020, is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past three years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to implement and advance its specific strategies through programs and legislation, and to track implementation. To that end, the Department recently released the first annual MAP2020 Status Report to highlight accomplishments, call out continued areas of need, and track demographic trends.[12]

While the Department recognizes the impacts of displacement in the Mission, the Department disagrees with the Appellant's position that gentrification and displacement has resulted in more severe environmental effects than disclosed in the Eastern Neighborhoods PEIR. Gentrification and displacement were considered as part of the Eastern Neighborhood PEIR development process. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan-level and project-level CEQA documents under the relevant resource

[11] SF Planning, Community Stabilization Strategy, https://sf-planning.org/community-stabilization-strategy.

[12] SF Planning, MAP2020 Status Report, October 2018.
http://default.sfplanning.org/Citywide/Mission2020/MAP2020_Status_Report_2018.pdf

topics such as population and housing, transportation, air quality, noise, parks and open space, and public services.

In addition, to inform its responses to two previous CEQA appeals, the Department undertook analysis of gentrification and displacement, citywide, and in the Mission, specifically, to determine whether individual projects contribute to gentrification and displacement and whether either of these phenomena directly or indirectly result in physical environmental effects (see Attachment A of Attachment A (Department response prepared for the 2675 Folsom Street CEQA appeal) and Attachments A and B prepared for the 2918-2924 Mission Street CEQA appeal). The Planning Department worked with ALH Urban & Regional Economics to prepare two analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to the construction of market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement (see Attachment C of Attachment A and Attachment H of Attachment B for the ALH technical studies). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

The Appellant asserts that gentrification and displacement would result in impacts to cultural resources. However, the Appellant does not identify any resource that could be affected by the project. In the absence of any such information, the Department cannot reasonably address the Appellant's concern. Pursuant to CEQA Guidelines sections 15064.5(a)(1) and 15064.5(a)(2), historical resources are buildings or structures that are listed, or are eligible for listing, in the California Register of Historical Resources or are identified in a local register of historical resources, such as Articles 10 and 11 of the San Francisco Planning Code. The CPE Initial Study (page 18) indicates that the project site is not within any historic district, and that the existing buildings on the subject site are not eligible for listing in the California Register under any criteria individually or as part of an historic district.[13]

CEQA also applies to archeological resources that are determined to be historic resources or unique archeological resources. (CEQA Guidelines section 15064.5(c)). The CPE Initial Study (page 18) indicates that given the depth of excavation, and a reasonable potential that archeological resources may be present at the site, the project may result in significant impacts to archeological resources. To mitigate this impact, the CPE includes (and the project sponsor has agreed to) an archeological mitigation measure from the

[13] SF Planning, Preservation Team Review Form 2750 19th Street, August 24, 2017.

Eastern Neighborhoods PEIR (Project Mitigation Measure 1: Archeological Resources). Therefore, the CPE correctly determined that the project would not contribute to a significant cultural resource impact not already identified in the Eastern Neighborhoods PEIR. The Appellant has not provided additional information that impacts to cultural resources as a result of the project would be more severe than was disclosed in the CPE Initial Study.

Concern 3: The Appellant claims that community benefits from the Eastern Neighborhoods Area Plans, outlined in the 2008 PEIR, its approvals, and the statement of overriding considerations have not been fully funded, implemented, or are underperforming, and that the determinations and findings for the proposed project that rely on these benefits to override impacts outlined in the PEIR are not supported.

Response 3: The Appellant's contentions concerning the Eastern Neighborhoods community benefits are not valid grounds for an appeal of the proposed project's CPE because they do not demonstrate that the project would result in significant effects that are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR, or which substantial new information shows will be more significant than described in the PEIR.

The Appellant's contentions concerning the funding and implementation of community benefits do not demonstrate that the project would result in significant environmental effects that are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR, nor do they demonstrate substantial new information showing that the project's impacts would be more significant than described in the PEIR. Therefore, these contentions do not present a valid ground for an appeal of the determination that the project qualifies for a CPE.

For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and statement of overriding considerations for the adoption of the Eastern Neighborhoods Area Plans is provided. The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a public benefits program detailing a framework for delivering infrastructure and other public benefits as described in an implementation document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.[14] The public benefits program consists of:

1) an improvements program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;

[14] San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing*, Case No. 2004.0160EMTUZ. April 17, 2008. Available at: http://sf-planning.org/sites/default/files/FileCenter/Documents/1507-VOL3_Implementation.pdf, accessed July 14, 2017.

2) a funding strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the improvements plan, and matches these sources to estimated costs; and

3) a section on program administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, under Planning Code section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee), fees are collected for transit, complete streets, recreation and open space, child care, and in some portions of the Mission District and the South of Market Area, affordable housing. The public benefits program was not intended to be a static list of projects; rather, it was designed to be modified by a citizens advisory committee as needs were identified through time.

In terms of the process for implementing the public benefits program, new development within the Eastern Neighborhoods Plan areas, including the project, are required to pay development impact fees upon issuance of the "first construction document" (either a project's building permit or the first addendum to a project's site permit). These impact fees are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan areas. Additional funding mechanisms for infrastructure improvements are identified through the City's 10-year capital plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee ("CAC") and the City's Interagency Plan Implementation Committee ("IPIC"). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Office of Resilience and Capital Planning are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration.

Infrastructure projects that have been completed or are currently underway are listed in the Planning Department's 2018 Interagency Plan Implementation Committee Annual Report. [15] Completed projects in the Mission include traffic calming on Bryant Street, improvements to Folsom Street, the 14-Mission Street Muni Forward improvements, improvements to 24th Street BART Plaza and Cesar Chavez

[15] *City and County of San Francisco, Interagency Plan Implementation Committee Annual Report*, January 2018. Available at http://default.sfplanning.org/plans-and-programs/plan-implementation/2018_IPIC_Report_FINAL.pdf, accessed October 11, 2018.

streetscape improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of the revenue generated through this fee are allocated according to Table 411A.6A in the ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are designed to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. Regarding recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources are discussed on pages 33 and 34 of the CPE Initial Study. As of 2017, two of these open spaces, Daggett Park and In Chan Kaajal Park (formerly 17th and Folsom Park) have opened and are available for public use, one of which is in the Mission. The CPE provides further information regarding improvements within the Eastern Neighborhoods Plan Area.

The public benefits program is not a set of mitigation measures. There were no impacts identified in the PEIR that were determined to be less than significant as a result of the adoption of the public benefits program. Even if none of the elements of the public benefits program were implemented, the conclusions reached by the PEIR regarding environmental impacts would not change. Therefore, the perceived lack of funding and implementation of the public benefits program does not constitute evidence that there are new or more severe environmental impacts than were identified in the PEIR. Also, as discussed above, based on the available evidence, the public benefits included in the public benefits program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development. The Eastern Neighborhoods CAC is the central community advisory body charged with providing input to City agencies and decision makers with regard to all activities related to implementation of the Eastern Neighborhoods Area Plans. Members of the public may contact the CAC with concerns about the pace or direction of public benefits program implementation.

The PEIR did contain mitigation measures, distinct from the public benefits program, to address identified environmental impacts. For example, regarding transit, as discussed on pages 22 and 23 of the CPE Initial Study, Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the project, each is in some stage of implementation (see discussion on pages 22 and 23 of the CPE Initial Study).

Concern 4: The Appellant claims that substantial new information affecting environmental analysis has become available. When new information becomes available, the CEQA Guidelines require comprehensive analysis of these issues. Numerous changes have taken place since the certification of the Eastern Neighborhoods PEIR, including an unanticipated rapid pace of development, the disproportionate construction of market rate units as compared to affordable units, the impact of tech shuttles from a traffic standpoint and the effect of tech shuttle stops on housing demand, and increases in rates of automobile

ownership and traffic that have resulted from gentrification, transportation network companies ("TNCs") and reverse commuting of displaced families back to the Mission District.

Response 4: CEQA Guidelines section 15183 requires additional analysis if the proposed project would result in significant environmental effects as a result of new information which was not known at the time of the certification of the PEIR is "determined to have a more severe adverse impact than discussed in the prior EIR." While some of the information presented by the Appellant is new, the appeal does not identify how, because of this new information, the project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR, or in more severe adverse impacts than were discussed in the PEIR. The Department has analyzed these issues and determined that, as a result of this new information, the project would not result in new or more severe adverse impacts that were not disclosed in the PEIR.

The Appellant states that "substantial new information" has become available that was not discussed in the PEIR or the CPE and that the CEQA Guidelines require "comprehensive analysis" of these issues. As discussed in the Background section above, the Eastern Neighborhoods PEIR need not reexamine the environmental effects disclosed in the PEIR unless a subsequent discretionary approval is required for the Plan. However, for subsequent projects being evaluated under a CPE, indeed, CEQA Guidelines section 15183 requires additional analysis if there is new information presented which was not known at the time of the certification of the PEIR which indicates that the proposed project would result in a new or more severe adverse impact than was discussed in the Eastern Neighborhoods PEIR. While the information provided by the Appellant may be new, the discussion below provides substantial evidence that this new information is not indicative of a new or more severe impact than previously identified in the Eastern Neighborhoods PEIR or that the project would result in a considerable contribution to any such impact.

Unanticipated Rapid Pace of Development

The Appellant asserts that development has accelerated at a faster pace than anticipated in the PEIR and that unforeseen development projects in the Eastern Neighborhoods, including the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Arena, and the new Central SOMA plan are bringing unanticipated office development to the area.

As discussed above in Response 1, the pace of development with respect to the PEIR's growth projections does not, in itself, constitute a new or more severe adverse environmental impact than disclosed in the PEIR. In addition, the Appellant does not provide any evidence that the pace of development would result in any new or more severe adverse environmental impacts than those disclosed in the PEIR.

As the Appellant states, there have indeed been projects and plans proposed or developed subsequent to certification of the Eastern Neighborhoods PEIR, such as the Warriors Arena and the 5M Project. The question for the proposed project under CEQA, however, is not whether there are additional projects that may combine to have substantial adverse effects not disclosed in the PEIR, but rather, the question is two-fold. The first question to be addressed is whether the proposed project, when combined with such projects, would result in a new significant impact or an increase in the severity of a previously identified

significant impact. If so, the second question to be addressed is whether the proposed project would make a *cumulatively considerable* contribution to that impact. Both questions must be concluded in the affirmative and based on substantial evidence to be ineligible for an exemption pursuant to CEQA Guidelines section 15183 relating to CPEs. The Appellant provides no evidence, and the Department's own analysis of this relatively modest, 60-unit development with replacement PDR does not indicate that there would be any new significant impacts or more severe impacts taking into consideration existing development and reasonably foreseeable cumulative development not disclosed in the PEIR *and* that the proposed project's contribution to any previously undisclosed cumulative impact would be cumulatively considerable. For example, the CPE Initial Study discloses that the proposed project is below the screening criteria established by the Bay Area Air Quality Management District for determining whether a project would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Therefore, even though the Bay Area is not in attainment for certain criteria air pollutants under the Clean Air Act, due to the project's size, the project would not make a considerable contribution to this already significant cumulative impact. Therefore, to the extent that these additional unforeseen projects at the time the PEIR was certified would result in significant air quality impacts not contemplated in the Eastern Neighborhoods PEIR, the proposed project was determined to not make a considerable contribution to the cumulative impact.

Disproportionate Construction of Market Rate Units

The Appellant asserts that the City has exceeded its 2015-2022 Regional Housing Needs Allocation (RHNA) for above-moderate income housing and that the production of low income housing in Supervisorial Districts 9 and 10 continues to be below RHNA targets. The Appellant provides no evidence that the failure to meet these targets has resulted in physical environmental affects that are more severe than those disclosed in the PEIR or discussed in the CPE. The PEIR's analysis of physical environmental effects relied on population projections that did not differentiate between an affordable housing unit or a market rate development. Therefore, the affordability of residential development does not affect the environmental analysis in the PEIR.

Tech Shuttle Gentrification and Transportation-Related Displacement Impacts

The Appellant asserts that the influx of high earners in the Mission has resulted in an increase in the use of transportation network companies ("TNCs") and a higher rate of automobile ownership, and that these phenomena have resulted in "significantly changed" traffic patterns, according to the Appellant. However, the Appellant does not demonstrate what is significantly different from that disclosed in the PEIR. In addition, the Appellant asserts that the PEIR did not take into account "displacement commutes," or travel undertaken by families no longer living in the Mission traveling back to the Mission for employment and education. The Appellant also states that the traffic study did not contain any cumulative analysis.

Traffic Volumes and Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, as discussed in the CPE Initial Study (page 13) automobile delay, as described solely by level of service or similar measures of traffic congestion, is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579. Accordingly, the CPE evaluates whether the proposed project would result in significant impacts on vehicle miles traveled ("VMT").

Even though the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the Department has conducted additional transportation analysis based on updated local and regional transportation modeling, census data, and traffic counts at intersections in the Mission. This analysis was undertaken as part of the Department's response to CEQA appeals filed for two projects in the Mission District: 2675 Folsom Street Appeal Response (Attachment A of Attachment A) and in the 2918-2924 Mission Street Appeal Response (Attachments A and B). The additional analysis conducted by the Department provides evidence that TNC use, automobile ownership rates and purported increased reverse commute distances by families that no longer live in the Mission are not causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR. The additional analysis includes a 2016 transportation study and April 2017 traffic counts conducted for 2675 Folsom Street (Attachment B of Attachment A), and 2018 traffic counts conducted for 2918-2914 Mission Street (Attachment F of Attachment B). Based on these studies, observed traffic volumes were generally *lower* than what would be expected (using the Eastern Neighborhoods PEIR trip generation methodology) compared to the amount of estimated development completed as of the date of the studies (2017 and 2018). This indicates that current traffic volumes are similar to or slightly below PEIR projections. In other words, recent traffic data collected by the Department indicates that the Eastern Neighborhoods PEIR overestimated vehicle trips. This includes traffic at certain intersections in the Mission District. The specific findings of each study are described further below.

Observed traffic volumes in 2016 (Attachment B of Attachment A) were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. In April 2017, updated traffic counts were conducted at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR.[16] Compared to traffic volume projections for 2017 and compared to what the PEIR projected under Option C, the updated traffic counts showed fewer vehicles at three of the intersections (3, 10, and

[16] Fehr & Peers, *Updated Eastern Neighborhoods Traffic Counts*, April 17, 2017.

14 percent decreases in 2017; and 8, 14, and 28 percent below what was projected for 2025 under Option C) and more vehicles at one intersection (6 percent increase). The 6 percent increase is at the intersection of 16th and South Van Ness, where there was an increase in traffic travelling northbound and southbound, which likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR (e.g., transit only lanes on Mission Street and lane reduction on Valencia Street). Regardless, the proposed project's contribution to p.m. peak hour traffic volumes would be 46 vehicle trips, which is a minor amount and would be dispersed along the local roadway network. Overall, there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to traffic volume projections for 2017.

Transportation consultants also performed traffic counts at the Potrero Avenue/23rd Street and Mission Street/24th Street intersections on April 10, 2018 in Attachment H of Attachment B (2918 Mission Transportation Analysis Memorandum). Traffic volumes were 5 percent lower at the Potrero Avenue/23rd Street intersection and 44 percent lower at the Mission Street/24th Street intersection than would be expected in 2018 based on projected volumes derived from the Eastern Neighborhoods PEIR. In fact, the total traffic volume had decreased from the 2000 baseline data used for the PEIR transportation impact analysis. Further, environmental review for the commuter shuttle program concluded that the program reduces the number of commuters who drive alone to work, reducing regional VMT, and would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, or loading.[17]

The effects of TNCs on congestion in San Francisco were analyzed by the San Francisco County Transportation Authority ("CTA") in a recent report entitled "TNCs and Congestion."[18] The CTA analyzed congestion citywide between 2010 and 2016 and found that congestion has increased (i.e. travel speeds have decreased and hours of delay have increased). The report found that 51% of the increase in delay from 2010 to 2016 could be attributed to TNCs. The Eastern Neighborhoods PEIR also projected an increase in traffic volumes and congestion. As discussed above, recent traffic counts have shown an increase in traffic volumes, but not an increase over and above what was expected in the transportation analysis in the Eastern Neighborhoods PEIR. The CTA report does not specifically address the Eastern Neighborhoods PEIR or its transportation projections. While the report does reflect the PEIR's underlying assumption that congestion would increase under the Plan, the study does not constitute substantial

[17] SF Planning, *Certificate of Determination for SFCTA Commuter Shuttle Program*, October 22, 2015.

[18] SFCTA, "TNCs and Congestion," October 2018.
https://www.sfcta.org/sites/default/files/content/Planning/TNCs/TNCs_Congestion_Report_181015_Final.pdf . Accessed October 17, 2018.

evidence that the proposed project would result in new, or more severe, impacts than already disclosed in the PEIR.

Travel Demand

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the CTA countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and the three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans, and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

> "[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario."

As stated on page 19 of the CPE Initial Study, the Department conducted project-level analysis of the pedestrian, loading, bicycle, emergency access, and construction transportation impacts of the project and determined that the project would not result in an individual or cumulative significant transportation impact. As discussed in the CPE Initial Study, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using the SF-CHAMP model and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As noted above, recent traffic data collected by the Department has indicated that the Eastern Neighborhoods PEIR overestimated vehicle trips at certain intersections in the Mission District. The Department is currently undergoing a revision of its transportation analysis guidelines to, among other things, update project trip generation and mode split for proposed projects. This revision relies on observational and intercept survey data collected from recently-completed projects in the Mission and

elsewhere in San Francisco. The data collected to support updated trip generation rates were collected in 2016 and 2017, when TNCs were widely in use and therefore takes into account estimates of the number of for-hire vehicles (taxis/TNCs) from new development. The draft updated trip generation was applied to the proposed project for comparison against the Department's current trip generation rates. Using the draft updated trip generation rates and mode split, the proposed project's estimated new vehicle trips would be less than previously estimated, inclusive of TNCs. Given that recent direct observation of Mission District intersections has indicated that there are fewer vehicle trips than would be expected at this time according to the PEIR's transportation projections, that a recent survey of development in San Francisco has indicated that the methodology used for the PEIR's transportation analysis likely overestimated vehicle trips from residential projects, and that the Appellant has provided no evidence that the proposed project would result in new, or more severe, transportation impacts, there does not exist substantial evidence that the proposed project would result in new, or more severe, impacts than already disclosed in the PEIR.

CONCLUSION:

The Appellant has not demonstrated that the Planning Department's determination that the proposed project qualifies for streamlined environmental review pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 is not supported by substantial evidence. The Appellant's letters focus on the Eastern Neighborhoods PEIR and do not raise specific environmental concerns that could result from the implementation of the proposed project. The Department conducted necessary project-specific studies and analyses regarding the environmental effects of the project, in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Department respectfully recommends that the Board of Supervisors uphold the Department's CPE and reject the appeal.

Attachment A

Appeal of Community Plan Exemption for 2918-2924 Mission St. Project

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Appeal of Community Plan Evaluation
2918-2924 Mission Street Project

DATE: February 5, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032

Chris Kern, Principal Environmental Planner – (415) 575-9037

Julie Moore, Senior Environmental Planner – (415) 575-8733

RE: Board of Supervisors File No. 180019, Planning Department Case No. 2014.0376ENV – Appeal of the Community Plan Evaluation for the 2918-2924 Mission Street Project. Block/Lots: 6529/002, 002A, and 003

PROJECT SPONSOR: Mark Loper, Reuben, Junius & Rose, on behalf of RRTI, Inc. – (415) 567-9000

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of Calle 24 Latino Cultural District Council – (415) 317-0832

HEARING DATE: February 13, 2018

ATTACHMENTS: A – Appeal of Community Plan Exemption for 2675 Folsom Street, March 13, 2017
B – Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends (January 2017) and Updated Eastern Neighborhood Traffic Counts (April 2017)
C – ALH Urban & Regional Economics, Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA (March 2017)

INTRODUCTION

This memorandum and the attached documents respond to a letter of appeal to the Board of Supervisors (the "Board") regarding the Planning Department's (the "Department") issuance of a Community Plan Evaluation (CPE) under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report*

("Eastern Neighborhoods PEIR or PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA") for the 2918-2924 Mission Street Project (the "Project").

As described below, the Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. Accordingly, based solely upon the information presented by the Appellant, the Planning Department would recommend that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

However, subsequent to the January 2, 2018 Appeal Letter, the Planning Department received information regarding the potential for the 2922 Mission Street building to be considered a historic resource for its association with the Mission Coalition of Organizations during the late 1960s and early 1970s. In light of this new information, the Planning Department has determined that additional research is required to assess whether the proposed project would result in a significant impact to a historic resource. As such, the Department requests that the Board continue the February 13, 2018 CEQA appeal hearing to a date to be determined in consultation with the Clerk of the Board to provide additional time needed to complete this analysis.

The Department, pursuant to CEQA, the CEQA Guidelines, 14 Cal. Code of Reg. sections 15000 *et seq.*, and Chapter 31 of the San Francisco Administrative Code, determined that the Project is consistent with the development density established by zoning, community plan, and general plan policies in the Eastern Neighborhoods Rezoning and Area Plans (the "Eastern Neighborhoods Area Plans") for the project site, for which a Programmatic EIR (the "PEIR") was certified, and issued the CPE for the Project on August 30, 2017. CEQA limits the City's review to consideration of the following factors:

1. Whether there are effects peculiar to the project or its parcel, not examined in the Eastern Neighborhoods PEIR;

2. Whether the effects were already analyzed as significant effects in the Eastern Neighborhoods PEIR;

3. Whether the effects are potentially significant off-site or cumulative impacts that were not discussed in the Eastern Neighborhoods PEIR;

4. Whether there is substantial new information that was not known at the time the Eastern Neighborhoods EIR was certified, which indicates that a previously identified significant impact had a more severe adverse impact than was discussed in the Eastern Neighborhoods PEIR.

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[1] The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

If an impact is not peculiar to the project, has been addressed as a significant impact in the Eastern Neighborhoods EIR, or can be substantially mitigated by imposition of uniformly applied development policies or standards, then CEQA provides that an additional EIR need not be prepared for the project.

The Department determined that the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the Project is therefore exempt from further environmental review beyond what was conducted in the CPE Initial Study and the Eastern Neighborhoods PEIR in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

The decision before the Board is whether to uphold the Planning Department's determination that the Project is not subject to further environmental review (beyond that conducted in the CPE Initial Study and the PEIR) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 and deny the appeal, or to overturn the Department's CPE determination for the Project and return the CPE to the Department for additional environmental review. The Board's decision must be based on substantial evidence in the record. (See CEQA Guidelines section 15183(b) and (c).)

PROJECT DESCRIPTION

The project site is located on the west side of Mission Street between 25th Street and 26th Street in San Francisco's Mission neighborhood. The project site consists of three adjacent rectangular parcels: Assessor's Block 6529, Lots 002, 002A and 003. Lots 002 and 002A each have an area of approximately 2,600 square feet (sf). The southernmost lot, Lot 003, has an area of 6,433 sf and extends from Mission Street to Osage Alley. Lots 002 and 002A are occupied by a 5,200-sf, one-story, commercial building occupied by a coin laundry and market. Lot 003 is a 6,400-sf surface parking lot with curb cuts on both Mission Street and Osage Alley.

The proposed Project consists of merging the three lots into a single 11,653-sf lot, demolishing the existing building, and constructing an eight-story, 85-foot-tall, approximately 67,300-sf building containing 75 dwelling units (18 studio, 27 one-bedroom, and 30 two-bedroom units) with ground floor retail. Two retail spaces, totaling about 7,000 sf, would front Mission Street on either side of the building lobby. A 44-foot-long white loading zone would be provided in front of the lobby and the existing parking lot curb cut would be removed. No vehicle parking is proposed. A bicycle storage room with 76 class 1 bicycle spaces would be accessed through the lobby area and from Osage Alley. Six street trees and seven bicycle racks (14 class 2 bicycle parking spaces) would be installed on Mission Street. Open space would be provided by common terraces on the second floor and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf of private decks. The proposed building would include an elevator and stair penthouse approximately 9 feet in height above the 85-foot-tall roof.

The project would require waivers, concessions, and/or incentives from Planning Code physical development limitations pursuant to California Government Code section 65915, commonly known as the state Density Bonus Law, including for a building height 20 feet above the 65-foot height limit.

Project construction is estimated to take approximately 20 months, which includes about two to three months for demolition, excavation, and pile driving, which would be the most intensive phases of construction. Construction of the proposed building would generally involve excavation of about 3 feet of soil over the entire project site and up to an estimated 17 feet deep at the location of two areas of known soil contamination, resulting in removal of about 2,100 cubic yards of soil from the project site. The building slab foundation would be constructed on top of an impermeable vapor barrier placed over a gravel layer and a passive ventilation system.

SITE DESCRIPTION

The project site is located on a block bounded by Mission Street to the east, Osage Alley to the west, 25th Street to the north and 26th Street to the south. The project area along Mission Street is primarily zoned Mission NC-T and characterized by two- and three-story buildings with ground floor retail. West of the site in the Residential Transit Oriented-Mission (RTO-M) zoning between Osage Alley and Orange Alley, the uses are predominantly residential buildings, two to four stories in height; with a seven-story apartment building at the northwest corner of Osage Alley and 25th Street. Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east. The western boundary of the Calle 24 Latino Cultural District is located along the eastern side of Mission Street; the boundary of the Calle 24 Special Use District is situated generally one block further east on Lilac Street.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid, 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile. Access to U.S. 101 is less than one mile southeast of the site via Cesar Chavez Street.

ENVIRONMENTAL REVIEW PROCESS

The project sponsor, RRTI, Inc., filed the environmental evaluation application (Case No. 2014.0376ENV) for the Project on June 30, 2015. On August 30, 2017, the Department issued a CPE Certificate and Initial Study, based on the following determinations:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;

2. The proposed project would not result in effects on the environment that are peculiar to the Project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;

3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;

4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and

5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate Project-related significant impacts.

The Planning Commission considered the Project on December 15, 2017. On that date, the Planning Commission adopted the CPE and approved the Conditional Use Authorization for the Project and the Mission 2016 Interim Zoning Controls (Planning Commission Resolution No. 19865), which constituted the Approval Action under Chapter 31 of the Administrative Code.

The Conditional Use Authorization was also approved under California Government Code section 65916-65918 and Planning Code section 206.6, the State Density Bonus Law. The State law permits a 35 percent density bonus and three concessions or incentives if at least 11 percent of the "base project" units are affordable to very low income households (as defined in California Health and Safety Code section 50105). The Project also proposes waivers to the development standards for: 1) rear yard; 2) dwelling unit exposure; 3) height; and 4) bulk. The Planning Commission found that these waivers are required in order to construct the Project at the density allowed by State law (Planning Commission Motion 20066).

In accordance with the Mission 2016 Interim Zoning Controls, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR, the project sponsor provided, and the Planning Commission reviewed and considered, such additional analysis before approving the Conditional Use Authorization.[2] The Project sponsor's analysis reflects that the Project will not displace any current residential uses, PDR uses, or existing tenants. The existing self-service laundromat uses various independent contractors to manage the facility and does not have any employees on site. There are several laundromats in the site vicinity, including three within 300 feet of the Project site. The Project would contribute to the supply of housing, which is in high demand across the City, including a broad unit-type mix of new market rate housing in

[2] San Francisco Planning Department, Executive Summary, Conditional Use Authorization, Case No. 2014.0376CUA, 2918 Mission Street, September 7, 2017.

addition to on-site below market rate units that would provide for a mix of income levels within the new development.

On January 2, 2018, J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District (Appellant), filed an appeal of the CPE determination. The Appellant's letter also includes 97 pages of supporting materials that are provided in the file "Appeal Ltr 010218.pdf," available online as part of Board of Supervisors File No. 180019.[3]

CEQA GUIDELINES

Community Plan Evaluations

As discussed in the Introduction above, CEQA section 21083.3 and CEQA Guidelines section 15183 **mandate** that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, **shall not** require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

Significant Environmental Effects

CEQA Guidelines section 15064(f) provides that the determination of whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15604(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: "The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption."

San Francisco Administrative Code Section 31.16(b)(6) provides that, in reviewing an appeal of a CEQA decision, the Board of Supervisors "shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts, evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions."

[3] https://sfgov.legistar.com/LegislationDetail.aspx?ID=3306976&GUID=573556D0-4ACA-4E05-A3BE-0E0EC81CF040&Options=ID|Text|&Search=180019

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The three-page Appeal Letter contains seven bulleted items expressing the general basis for the appeal. These seven general concerns are summarized in order below as Concerns 1 through 5 (the first, second, and fifth bulleted items are included under the discussion of Concern 1, followed by the Department's responses.

Concern 1: The Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts with respect to: consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission.

Response 1: The appeal does not identify any substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified establishing that the Project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR or in more severe adverse impacts than discussed in the PEIR. Therefore, CEQA Guidelines section 15183 provides that an additional EIR must not be prepared for the project. Additionally, absent a change in the Eastern Neighborhoods Rezoning and Area Plans, reopening the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA.

The Appellant alleges that the Department's determination to issue a CPE for the Project is invalid because substantial changes have occurred with respect to the circumstances under which the Eastern Neighborhoods Area Plans were approved due to the involvement of new significant environmental effects and a substantial increase in the severity of previously identified significant effects in the Eastern Neighborhoods PEIR. The fifth bullet of the Appeal Letter states:

> "Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report."

The Appellant provides no evidence whatsoever regarding what "substantial changes in circumstances" have occurred or what "new information of substantial importance" has been identified. Nor has the Appellant provided any link as to how the purported changes and new information affect the conclusions of the Eastern Neighborhoods PEIR. Because the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR, CEQA does not require a revised EIR in this case.

Eastern Neighborhoods PEIR and the Project CPE

Eastern Neighborhoods PEIR

As discussed on pages 2 through 4 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines section 15168, a program EIR:

> … is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the lead agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork. Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

The Eastern Neighborhoods PEIR evaluated three rezoning alternatives, including two community-proposed alternatives focused largely on the Mission District, and a "No Project" alternative. The alternative ultimately approved, or the "Preferred Project", represented a combination of two of the rezoning alternatives. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR.

As discussed on page 5 of the CPE Certificate, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. The PEIR also identified mitigation measures that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines section 15162(c) establishes that, once a project is approved:

> "[T]he lead agency's role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any." [Emphasis added.]

Thus, even if the Appellant's unsubstantiated claims that the build-out of development consistent with the adopted rezoning and area plans constituted new information or changed circumstances resulting in new or more severe impacts on the physical environment than previously disclosed (i.e., the conditions described in subdivision (a) of CEQA Guidelines section 15162(c)), the Eastern Neighborhoods PEIR would remain valid under CEQA.

Project CPE

As discussed under Community Plan Evaluations, above, CEQA Guidelines section 15183 limits future environmental review for projects that are consistent with the development density established by the Eastern Neighborhoods Rezoning and Area Plans. Lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. Under CEQA Guidelines section 15183, "this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." That is, lead agencies are not permitted or required to reanalyze impacts that are attributable to a project that is consistent with the Eastern Neighborhoods Rezoning and Area Plans unless substantial new information shows that the impacts will be more significant than described in the PEIR.

In accordance with CEQA Guidelines section 15183, a project-level environmental review was undertaken as documented in the CPE Initial Study to determine whether the 2918-2924 Mission Street Project would result in additional impacts specific to the development proposal or the project site, and whether the proposed development was within the scope of the Eastern Neighborhoods PEIR, to assess whether further environmental review was required.

The CPE Initial Study fully described the proposed project (consistent with CEQA Guidelines section 15124), its environmental setting (consistent with CEQA Guidelines section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines section 15126).

Impacts to the environment that might result with implementation of the Project were analyzed in the CPE Initial Study according to the project's potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and substantial evidence in the form of topic-specific analyses. The CPE Initial Study prepared for the Project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific analyses related to archeological resources, transportation, noise, geology, hazardous materials, wind, and shadow were prepared for the Project to determine if it would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

The CPE Initial Study determined that the proposed project would not have a significant impact that was not previously identified and analyzed in the Eastern Neighborhoods PEIR. The CPE Initial Study identified (and updated as needed to conform with current Planning Department practices) four mitigation measures from the Eastern Neighborhoods PEIR to be applied to the Project to avoid impacts previously identified in the PEIR related to archeological resources, noise, and hazardous materials.

As discussed on pages 10 and 11 of the CPE Initial Study, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include, but are not limited to:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014 (see CPE Initial Study, page 11);
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled analysis, effective March 2016 (see CPE Initial Study, page 11);
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through January 14, 2018 or when permanent controls are in effect, whichever occurs first;
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see CPE Initial Study "Transportation and Circulation" section);
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment, effective June 2015 (see CPE Initial Study "Noise" section);
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see CPE Initial Study "Air Quality" section;

- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see CPE Initial Study "Recreation" section);
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see CPE Initial Study "Utilities and Service Systems" section);
- Article 22A of the Health Code amendments effective August 2013 (see CPE Initial Study "Hazards and Hazardous Materials" section); and
- San Francisco's "Strategies to Address Greenhouse Gas Emissions", a greenhouse gas emissions reduction strategy prepared November 2010 (See CPE Initial Study "Greenhouse Gas Emissions" section).

In summary, project-level environmental review was conducted in accordance with CEQA Guidelines 15183. The environmental analysis in the CPE Initial Study concluded, based on substantial evidence in the record that, with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any project-specific effects that are peculiar to the Project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR, and that there was no substantial new information showing that the impacts would be more significant than described in the PEIR. Therefore, per CEQA Guidelines section 15183, no further environmental review may be required, and a Community Plan Evaluation was issued based on the environmental analysis in the CPE Initial Study.

Concern 1 alleges that substantial changes with respect to the circumstances under which the Eastern Neighborhoods Area Plans has been undertaken have occurred, including growth that has exceeded that which was considered in the Eastern Neighborhoods PEIR, the pace of that growth, and impacts associated with displacement of existing residents and businesses. As noted above, Concern 1 also alleges that there have been substantial increases in the severity of previously identified significant effects including, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission. The Appellant provides no specific data to substantiate these claims or to show how these impacts are different from the Eastern Neighborhoods EIR. The Department responds to each of these concerns as follows:

Growth Projections

In its assertion that the Eastern Neighborhoods PEIR no longer fully discloses the cumulative impacts of Eastern Neighborhood projects, the Appellant states on page 2 of his Appeal Letter:

> "The project's cumulative impact was not considered because the PEIR's projections for housing, including this project and those constructed, entitled, and /or in the pipeline, have been exceeded. Therefore, 'past, present, and reasonably foreseeable probable future projects' were not properly considered (Guidelines, § 15355)."

Although the Eastern Neighborhoods PEIR contains projections of population and housing growth through the year 2025, the PEIR does not include these population and housing projections as a cap or limit to growth within the areas that would be subject to the Eastern Neighborhoods Area Plans. Rather, the growth projections were based upon the best estimates available at the time the Eastern Neighborhoods PEIR was prepared. Regardless, the Appellant's claim that the project's cumulative impact was not considered because the PEIR's projections for housing have been exceeded misconstrues the context in which the growth projections were used in the Eastern Neighborhoods PEIR and is not supported for the following reasons, discussed more fully below:

1) Growth under the Eastern Neighborhoods Area Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR.

2) The CPE Initial Study prepared for the Project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site.

3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, merely contemplated. However, population growth from potential projects is speculative, and is insufficient to provide substantial evidence of a significant environmental impact.

4) Appellant has not provided any evidence that significant physical environmental impacts have resulted from population growth exceeding Eastern Neighborhoods PEIR projections.

5) Because non-residential land uses generate more trips (including vehicle, transit, walk, and bike) per square-foot of development, the corresponding environmental impacts related to transportation, noise, and air quality are substantially greater for non-residential development than for residential development; therefore, the associated environmental impacts related to growth in Eastern Neighborhoods PEIR are less severe than anticipated. Appellant does not present evidence showing otherwise.

6) Appellant has not demonstrated that the Project would have a considerable contribution to a significant cumulative environmental impact.

1) Growth under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in

an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

As of September 2017, projects containing 2,846 dwelling units and 560,460 square feet of non-residential space (excluding PDR loss), including the 2918-2924 Mission Street Project, had been completed, approved or are proposed to complete environmental review within the Mission Plan Area. Of the 2,846 dwelling units that are under review or have completed environmental review, building permits have been issued for 712 dwelling units, or approximately 25 percent of those units, well below the PEIR projection of 2,054 dwelling units. The remainder are projects that are in the "pipeline", which represents projects that are proposed and still undergoing review. Based on historical records, it is unlikely that all of the potential growth represented by projects in the pipeline will actually occur. Some of these projects may not be approved. Others may be reduced through the entitlement and permitting processes. Even approved projects may not ultimately be constructed, based on changing economic conditions or other reasons. In any case, projects in the pipeline represent *potential future growth* not actual growth. For these reasons, only development that is completed or that is under construction should be considered in evaluating whether population growth in the Mission plan area has actually exceeded the growth projections assumed in the PEIR. Projects in the pipeline are only relevant in evaluating whether future growth may eventually exceed the PEIR projections. The current total of all non-residential development included in the Mission Plan Area as of the September 2017 pipeline of 560,460 square feet is well below the PEIR projections of 700,000 to 3.5 million square feet.

The growth projections in the PEIR were used as an analytical tool to contextualize the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.), and analyzed potential impacts based on this total development amount. Although the number of dwelling units currently proposed in the Mission Plan Area could eventually exceed the range of residential development anticipated by the Eastern Neighborhoods PEIR by approximately 792 dwelling units (if all proposed projects are both approved and constructed), the total amount of foreseeable non-residential space in the Mission Plan Area, is well below the maximum evaluated in the Eastern Neighborhoods PEIR.

Even if population growth in the Mission Plan Area exceeded the projections in the Eastern Neighborhoods PEIR, an appeal on these grounds would be without merit. The Eastern Neighborhoods PEIR used population growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water. The population growth projections do not represent a cap or upper limit of development permissible under the Eastern Neighborhoods Area Plans, nor would exceedance of the growth projections necessarily result in significant physical environmental impacts. For example, population estimates are used to assess whether the Eastern Neighborhoods Area Plans would increase the use of neighborhood parks such that substantial physical deterioration of the facilities would occur or

require construction of new physical recreation facilities that might have an adverse physical effect on the environment. Similarly, population estimates are used to analyze the potential need for new public services (such as a police or fire station) and utility facilities, the construction of which could result in adverse physical effects. The Appellant provides no evidence of physical environmental impacts resulting from growth exceeding PEIR population projections.

2) The CPE Initial Study prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the Project would have significant impacts that are peculiar to the Project or site.

The Project- and site-specific analysis contained in the CPE Initial Study is based on updated growth projections and related modelling to evaluate project-level and cumulative impacts on traffic and transportation, air quality, and greenhouse gases. For example, the projected transportation conditions and cumulative effects of Project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using a run of the San Francisco County Transportation Authority's (Transportation Authority) San Francisco Activity Model Process (SF-CHAMP) and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on pages 26 to 28 of the CPE Initial Study, the Project's air quality impacts were screened using screening criteria established by the Bay Area Air Quality Management District in 2011 and screened using the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative $PM_{2.5}$ concentration and cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on pages 28 to 30 of the CPE Initial Study, the Project's greenhouse gas emissions impacts were evaluated against consistency with San Francisco's GHG Reduction Strategy, a strategy that has resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan.

3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, but are merely contemplated.

Appellant claims that the PEIR's projections for housing, including this Project and those "constructed, entitled, and/or in the pipeline" have been exceeded. Some of these projects in the "pipeline" are merely contemplated and are still undergoing review; some of these projects may not be approved. Others will be smaller than originally proposed. Still others may not rely on the projections in the PEIR, but will

instead conduct separate, independent environmental review altogether, which will include consideration of cumulative impacts as required by CEQA. Thus, the Appellant's speculation that housing development *may* someday exceed the growth projected in the Eastern Neighborhood Plan EIR is not compelling evidence that growth projections have been exceeded. The Project's residential units and the number of existing or entitled units does not exceed the PEIR projections.

4) There is no evidence in the record showing that significant physical environmental impacts have resulted from housing growth exceeding Eastern Neighborhoods PEIR projections and the Appellant does not provide any evidence to substantiate its allegations of such impacts.

The Appellant claims that the 2008 Eastern Neighborhoods Plan EIR is out of date because *housing* projections have been exceeded; therefore, the EIR analysis and determination cannot be relied upon. However, the Appellant provides no information to substantiate how the unsubstantiated claim of growth exceedance has resulted in direct, indirect, and/or cumulative environmental impacts beyond those disclosed in the PEIR or the CPE Initial Study. The Appellant must demonstrate the absence of substantial evidence supporting the Planning Department's analysis. At most, the Appellant shows that the pace of residential growth has been more rapid than projected in the Eastern Neighborhoods Plan EIR, such that someday in the future, that development may exceed the PEIR's projections for housing development. Such speculation is not evidence that the Project will cause specific environmental impacts that neither the PEIR or the CPE Initial Study disclosed.

Traffic

In bullet item 3 of the Appeal Letter (discussed further below under Concern 2), the Appellant notes several transportation-related issues allegedly not anticipated by the Eastern Neighborhoods PEIR, including "increased traffic due to reverse commutes and shuttle busses." No evidence was presented in support of these allegations. In fact, the available evidence indicates that traffic volumes at several intersections within the Mission District are actually *lower* than projected in the Eastern Neighborhoods PEIR, as discussed in more detail in Attachment A, Appeal of Community Plan Exemption for 2675 Folsom Street, based on additional transportation studies included as Attachment B. Observed traffic volumes in 2016 were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. In April 2017, updated traffic counts were conducted at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR.[4] Compared to traffic volume projections for 2017, the updated traffic counts showed fewer vehicles at three of the intersections (3, 10, and 14 percent decreases) and more vehicles at one intersection (6 percent increase). The 6 percent increase is at the intersection of 16th and

[4] Fehr & Peers, *Updated Eastern Neighborhoods Traffic Counts*, April 17, 2017.

South Van Ness, where there was an increase in traffic volume travelling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR (e.g., transit only lanes on Mission Street and lane reduction on Valencia Street). Overall, there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to traffic volume projections for 2017.

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the San Francisco County Transportation Authority (SFCTA) countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and the three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans, and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

> "[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario."

As discussed on pages 17 through 21 of the CPE Initial Study for the Project, significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for transportation and circulation (specifically, transit). The Appellant provides no evidence that traffic conditions in the area of the Project today represent "changed circumstances" necessitating further environmental review beyond what was conducted in the CPE Initial Study, nor does the Appellant identify specific significant transportation and circulation impacts that would result from the Project that were not already analyzed in the PEIR.

As stated on page 17 of the CPE Initial Study, the Planning Department conducted project-level analysis of the pedestrian, loading, bicycle, emergency access, and construction transportation impacts of the Project. As discussed in the CPE Initial Study, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected

using the SF-CHAMP model and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

The potential transportation and circulation impacts of the Project are evaluated under Topic 4 of the CPE Initial Study (pages 16 through 21). As discussed on page 11 of the CPE Initial Study, with the Planning Commission's adoption of Resolution 19579 on March 3, 2016, the City no longer considers automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, to be a significant impact on the environment under CEQA. Consistent with Resolution 19579, the CPE Initial Study provides an analysis of the Project's anticipated project-specific and cumulative contribution to vehicle miles traveled and induced automobile travel. In both instances, the analysis determined that the Project would not result in a significant project-specific or cumulative impact. Furthermore, as discussed on page 11 of the CPE Initial Study under "Aesthetics and Parking," the Project qualifies as an infill project: it is in a transit priority area, it is on an infill site, and it is a mixed-use residential project. Consistent with CEQA section 21099, aesthetics and parking are not considered as significant environmental effects for such infill projects.

The "Transportation and Circulation" section of the CPE Initial Study provides a comprehensive analysis of the Project's anticipated trip generation and its potential effects on transit, pedestrians, bicyclists, loading, and construction traffic. The analysis is based on the Planning Department's transportation calculations and review, as stated above, and the analysis and conclusions presented in the Eastern Neighborhoods PEIR. On the basis of the substantial evidence provided by the Planning Department's review and an analysis of the Project's potential transportation and circulation effects in relation to the Eastern Neighborhoods PEIR, the CPE Initial Study concluded on pages 20 and 21 that the Project would not result in significant impacts on transit, pedestrians, and bicycles beyond those identified in the Eastern Neighborhoods PEIR.

The Appellant's contention that the environmental analysis in the CPE Initial Study is flawed because the Eastern Neighborhoods PEIR did not consider traffic and circulation, transit and transportation effects is not based upon substantial evidence and fails to reflect that traffic congestion is no longer considered an impact under CEQA; the Appeal Letter does not provide specific technical analysis with observable traffic and transportation effects.

Recreation and Open Space

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts on recreation and open space. As discussed above, the total amount of development assumed in the PEIR has not been exceeded. Moreover, the appellant has not demonstrate that the PEIR conclusion that implementation of the Eastern Neighborhoods Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment are no longer valid as a result of significant new information or changed circumstances.

Further, the CPE Initial Study (page 32) identifies new open spaces and recreational facilities that have opened in the Mission since the PEIR. The Appeal Letter does not demonstrate either that population growth in the plan area exceeds the projections used to support the analysis of impacts on recreational resources in the PEIR or that such growth has resulted in the substantial deterioration of existing recreational resources or the need for construction of new recreational facilities beyond those identified in the PEIR. Moreover, the appeal provides no evidence or analysis that the Project would have a cumulatively considerable contribution to any such effects. Thus, the appellant's claims concerning impacts on recreation and open space do not support a determination that the Project would result in new or more severe impacts on recreational resources that are peculiar to the project or its site.

Shadow

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to shadow, yet again fails to provide any evidence of such claims. The PEIR determined shadow impacts to be significant and unavoidable because it could not determine the feasibility of complete mitigation for potential new shadow impacts of unknown proposals. The CPE Initial Study page 31 describes the project-specific preliminary shadow fan analysis that was prepared for the Project and states that the Project would not cast shadows on any neighborhood parks or outdoor public recreational facilities, and correctly determines that the Project would not result in significant shadow impacts that were not identified in the Eastern Neighborhoods PEIR. The Appeal Letter does not provide any evidence that the project would result in new or substantially more severe shadow impacts than were identified in the Eastern Neighborhoods PEIR.

Land Use and Consistency with Area Plans and Policies

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to land use and consistency with area plans and policies; no evidence is provided. The CPE Initial Study page 12 describes that the Eastern Neighborhoods PEIR determined that the rezoning and Area Plans would not divide individual neighborhoods or subareas and that the Planning Department has determined that the Project is consistent with the development density established in the Eastern Neighborhoods Area Plan. (Refer also to Concern 5, for further discussion of consistency with the Mission Area Plan)

Noise, Health and Safety, and Other Impacts

The Appellant also contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to noise, health and safety, and "other impacts to the Mission", yet provides no evidence to substantiate these assertions. Impacts related to noise and health and safety are discussed in more detail below in Concern 4. The Appellant neither describes the "other impacts to the Mission," nor provides any evidence of those impacts. Accordingly, the Appeal letter offers no substantial evidence to support its claim of "other impacts."

5) Non-residential development to date, which is associated with higher trip generation than residential development, has been lower than projected in the Eastern Neighborhoods PEIR, resulting in lesser impacts related to transportation, noise, and air quality than anticipated.

As noted above in Concern 1, the growth assumptions in the Eastern Neighborhoods PEIR are based on both household population and employment population from non-residential uses. As of September 2017, non-residential development completed, approved, or proposed in the Mission Plan Area accounts for 560,460 square feet of non-residential space (excluding PDR loss). The Eastern Neighborhoods PEIR forecast of up 3,481,536 square feet of non-residential development is approximately six times higher than has been completed, approved, or proposed to date. Non-residential uses, such as office, retail, and restaurants have higher trip generation rates than residential uses. According to the San Francisco Transportation Impact Analysis Guidelines (October 2002) utilized in the Eastern Neighborhoods PEIR, a one to two bedroom residential unit would generate roughly 7.5 to 10 trips per day, whereas non-residential uses of approximately the same square footage[5] would generate the following daily trip rates per 1,000 square feet: 18 trips for office use; 150 trips for general retail use; and 200 trips for quality sit-down restaurant uses. Given that the transportation impact analysis in the Eastern Neighborhoods PEIR is based on trip generation associated with six times more non-residential uses than has been completed, approved, or proposed to date, the impacts associated with development's trips to date can reasonably be assumed to be lower than anticipated in the PEIR. In addition, as documented by SFMTA's recent travel decision survey summary report 2013 – 2017, the percentage of trips made by automobile, including for-hire vehicles, has not changed substantially over the last five years.[6] Because vehicle trips are a component of overall person trips, correspondingly, the noise and air quality effects related to vehicle trips would also be less severe than anticipated.

6) Appellant has not demonstrated that the Project would make a considerable contribution to a significant cumulative environmental impact.

The Appellant has provided no evidence that the 2918-2924 Project, with its 75 dwelling units, would have a considerable contribution to a significant cumulative environmental impact.

[5] Two-bedroom residential unit sizes vary, but this analysis is assuming 1,000 square feet per two-bedroom residential units as a proxy. This assumption is based by a Planning Code allowance for these size units: section 151.1 allows one car per dwelling unit in certain use districts, including Eastern Neighborhoods, that include at least two bedrooms and at least 1,000 square feet. Even if average two-bedroom residential unit sizes were lower (e.g., 600 or 800 square feet), the estimated number of trips for non-residential uses would still be higher than that estimated for residential uses.

[6] Fehr & Peers, 2013-2017 Travel Decision Survey Data Analysis and Comparison Report, Prepared for SFMTA, July 2017. Available at https://www.sfmta.com/sites/default/files/reports/2017/Travel_Decision_Survey_Comparison_Report_2017.pdf

Conclusion

On page 3 of the Appeal Letter, the Appellant states: "The City is engaging in a pattern and practice of approving residential projects in the Mission based on a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review." This is incorrect. The Planning Department properly relies upon CEQA Guidelines section 15183 to determine if additional environmental review is required for projects that are consistent with the development density established under existing zoning, community plans, or general plan policies, including the Eastern Neighborhoods Plan, for which an EIR was certified. In accordance with this provision of the CEQA Guidelines, additional environmental review **shall not** be required for such projects except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the Project or its site and which were not addressed in as significant impacts in a prior EIR, or which substantial new information shows will be more significant than described in that EIR. Here, the project-level environmental review in the CPE Initial Study determined that the Project would not result in significant effects that are peculiar to the Project or its site that were not previously disclosed in the Eastern Neighborhoods PEIR, and that there was no substantial new information to show that such impacts would be more significant than described in the PEIR.

The Appellant does not demonstrate that the Planning Commission's determination that the Project would not result in significant effects that are peculiar to the project or its site and that were not previously disclosed in the Eastern Neighborhoods PEIR is not supported by substantial evidence.

Concern 2: The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered. Previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects.

Response 2: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission's approval of the Conditional Use Authorization for the Project are not subject to appeal under the San Francisco Administrative Code. Further, under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE Initial Study and additional Planning Department analysis have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits.

Under San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3), the grounds for appeal of an environmental determination are limited to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings made as a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Any challenge to the CEQA findings must be

included as part of an appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

Regardless, there is no substantial evidence in the record showing that the Project will cause adverse physical environmental impacts due to gentrification and displacement of existing residents and businesses. In fact, as discussed below, substantial evidence shows that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

Gentrification and Displacement

The Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The Department is actively engaging with the community, the Board, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls Interim Zoning Controls for Restaurants and Storefront Mergers in the Mission Interim Controls Area, the Calle 24 Special Use District, Mission Action Plan 2020 ("MAP2020"), and a broader citywide analysis of socioeconomic trends.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission Interim Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the Latino Cultural District, and 24th Street in particular.

The most robust effort to date, the MAP2020 is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past three years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to implement and advance its specific strategies through programs and legislation through the summer of 2018.

In addition, the Planning Department is working on a Community Stabilization and Anti-Displacement Strategy to undertake a broader analysis of displacement and gentrification issues citywide with a focus on equity working with UC Berkeley's Urban Displacement Project. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

However, the Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2918-2924 Mission Street project are responsible for residential or commercial displacement. As shown in the attached analysis (Attachment A prepared for the 2675 Folsom Street CEQA appeal, the Appellant's contention that the proposed Project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement (see Attachment C for the ALH technical study). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

The issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues,

examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan-level and project-level CEQA documents under the relevant resource topics such as population and housing, transportation, air quality, noise, parks and open space, and public services. The appellant asserts that gentrification and displacement would result in impacts to cultural and historic resources, health and safety, and increased traffic due to reverse commutes and shuttle busses, and that these impacts have not been considered; however, no evidence of these purported impacts has been provided. These topics are discussed individually below.

Cultural and Historic Resources

The Calle 24 Latino Cultural Heritage District was identified in 2014,[7] subsequent to certification of the Eastern Neighborhoods PEIR. The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The CPE Initial Study (page 15) indicates that the Project site is not within the Calle 24 Latino Cultural Heritage District; the western boundary of the district is across Mission Street from the Project site. As discussed, a cultural heritage district is defined as a region and a community linked together by similar cultural or heritage assets, and offering visitor experiences that showcase those resources.[8] The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed Project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

Therefore, the CPE Initial Study correctly determined that the Project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR and that the

[7] Board of Supervisors Resolution, File No. 140421, May 28, 2014.

[8] Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf, accessed June 8, 2016.

designation of the Calle 24 Latino Cultural District does not constitute significant new information that would result in a new significant historic resource impact or change the conclusions set forth in the Eastern Neighborhoods PEIR.

Health and Safety

Because the Appeal Letter provides no supporting evidence, it is unclear how the Appellant believes gentrification and displacement within the LCD would result in impacts to health and safety. The CPE Initial Study discusses health and safety concerns related to various environmental topics: pedestrian safety (page 21); noise (pages 23 and 24); air quality and health risks (pages 25 to 28); seismic and geologic hazards (pages 36 to 37); flooding risks (page 39); and hazards and hazardous materials (pages 40 and 41). Further discussion of this topic is provided below under Concern 4. The Appeal Letter does not provide any analysis connecting gentrification and displacement with public health and safety impacts.

Traffic

The Appellant claims that there is increased traffic due to reverse commutes and shuttle busses since certification of the Eastern Neighborhoods PEIR, which was not considered. At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, as discussed in the CPE Initial Study (pages 11 and 17,) automobile delay, as described solely by level of service or similar measures of traffic congestion is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579. Accordingly, the CPE evaluates whether the proposed project would result in significant impacts on vehicle miles traveled (VMT).

Even though, as discussed above, the CPE Initial Study establishes that the proposed Project would not have significant impacts either individually or cumulatively related to increased VMT, additional Planning Department analysis - based on updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission - presented in the 2675 Folsom Street Appeal Response (Attachment A) rebuts the Appellant's claim that increased commute distances by displaced workers are causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR. As shown in the 2016 transportation study and April 2017 traffic counts (Attachment B), observed traffic volumes and the percentage of estimated development completed were generally *lower* than expected in the Eastern Neighborhoods PEIR; this indicates traffic volumes similar to or slightly below PEIR projections. Further, environmental review for the commuter shuttle program concluded that the program reduces the number of commuters who drive alone to work, reducing regional VMT, and would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading. Thus, the available evidence demonstrates that new or substantially more severe transportation impacts on the Latino Cultural District are not occurring as a result of increased traffic.

Other

The Appeal letter claims that "previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects." The Appellant provides no support whatsoever for this general assertion and has specified neither which reports, nor in what respects the reports are erroneous, hence no further response is given.

Conclusion

Available evidence refutes the Appellant's contention that development under the Eastern Neighborhoods Rezoning and Area Plans is responsible for gentrification and displacement affecting the Calle 24 Latino Cultural District. Moreover, gentrification and displacement are socioeconomic impacts that are not within the scope of CEQA environmental review. Because the Calle 24 Latino Cultural District is not a historic resource under CEQA, any potential impacts would be considered social or economic effects, and not impacts on the physical environment subject to CEQA analysis. The Appellant's claim that impacts to the Calle 24 Latino Cultural District were not considered with respect to cultural and historic resources, health and safety, and transportation is not supported by the record. Not only were these topics considered, the environmental analysis is supported by substantial evidence. The Appellant has not provided any information to the contrary.

Concern 3: The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.

Response 3: The Appellant's contentions concerning community benefits are not valid grounds for an appeal of the CPE because they do not demonstrate that the Project would result in significant effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, or which substantial new information shows will be more significant than described in the PEIR.

As stated above, CEQA section 21083.3 and CEQA Guidelines section 15183 mandate that projects that are consistent with the development density established under existing zoning, community plans, or general plan policies for which an EIR was certified shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not addressed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. The Appellant's contentions concerning the funding and implementation of community benefits do not demonstrate that the Project would result in significant environmental effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, nor do they demonstrate substantial new information showing that impacts would be more significant than described in the PEIR.

Therefore, these contentions do not present a valid ground for an appeal of the determination that the project qualifies for a CPE.

For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and Statement of Overriding Consideration for the adoption of the Eastern Neighborhoods Area Plans is provided.

The Appellant does not specify which community benefits "have not been fully funded, implemented or are underperforming..." or which findings and determinations for the Project "rely on the claimed benefits to override impacts outlined in the PEIR." Regardless, as the following discussion indicates, community benefits are being provided under the Eastern Neighborhoods Plan through an established process.

The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a Public Benefits Program detailing a framework for delivering infrastructure and other public benefits as described in an Implementation Document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.[9] The Public Benefits Program consists of:

1) an Improvements Program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;
2) a Funding Strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the Improvements Plan, and matches these sources to estimated costs; and
3) a section on Program Administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, Planning Code section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee) fees are collected for "Transit", "Complete Streets", "Recreation and Open Space", "Child Care", and in some portions of the Mission District and the South of Market Area, "Affordable Housing". Other benefits were to be funded by fees accrued with development and through other sources of funding. The Public Benefits Program was not intended to be a static list of projects; rather, it was designed to be modified by a Citizens Advisory Committee as needs were identified through time.

[9] San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing,* Case No. 2004.0160EMTUZ. April 17, 2008. Available at: http://sf-planning.org/sites/default/files/FileCenter/Documents/1507-VOL3_Implementation.pdf, accessed July 14, 2017.

The Appellant's assertion that "the claimed benefits to override impacts outlined in the PEIR are not supported," stating that benefits have not been have not been fully funded, implemented, or are underperforming, is incorrect.

In terms of the process for implementing the Public Benefits Program, new development within the Eastern Neighborhoods Plan area, including the Project, are required to pay development impact fees upon issuance of the "first construction document" (either a project's building permit or the first addendum to a project's site permit), which fees are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan area. Additional funding mechanisms for infrastructure improvements are identified through the City's 10-year Capital Plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects, until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee (CAC) and the City's Interagency Plan Implementation Committee (IPIC). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Capital Planning Program are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration. As stated in the January 2016 Planning Department's Interagency Plan Implementation Committee Annual Report,[10] the Planning Department forecasts that pipeline projects, including the proposed project, would contribute approximately $79.1 million in impact fee revenue within the Eastern Neighborhoods Plan area between fiscal years 2017 and 2021.

Infrastructure projects that are currently underway are also listed in the Planning Department's Interagency Plan Implementation Committee Annual Report. These include various streetscape, roadway, park, and childcare facility improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of the revenue generated through this fee are allocated according to Table 411A.6A in the Ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are designed to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. The CPE Initial Study provides further information regarding improvements within the Eastern Neighborhoods Plan Area. Regarding transit, as discussed on pages 20 and 21 of the CPE Initial Study, Mitigation Measures E-5

[10] *City and County of San Francisco, Interagency Plan Implementation Committee Annual Report*, January 2016. Available at http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/2016_IPIC_Report_FINAL.pdf, accessed July 14, 2017.

through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the Project, each is in some stage of implementation (see discussion on pages 20 and 21 of the CPE Initial Study). Regarding recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources are discussed on pages 32 and 33 of the CPE Initial Study.

Thus, based on the available evidence, the public benefits included in the Public Benefits Program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development.

Concern 4: The CEQA findings did not take into account the potential impacts on the Zaida T. Rodriguez school and the school's children with respect to shadow; noise impacts on the Speech and Learning School; transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children; and overall health and safety of the children.

Response 4: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission's approval of the Conditional Use Authorization for the Project are not subject to appeal under San Francisco Administrative Code. The CPE Initial Study considered and did not identify significant environmental impacts peculiar to the Project or its site on the Zaida T. Rodriguez School or its students.

San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3) limits the grounds for appeal of an environmental determination to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings are a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Challenging the CEQA findings would appropriately be part of any appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

The CPE Initial study identified the Zaida T. Rodriguez School adjacent to the Project site and considered the potential environmental effects of the Project on the school and the school's children, as further described below.

Shadow

The Eastern Neighborhoods PEIR determined shadow impacts to be significant and unavoidable, as the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time that the PEIR was certified. The CPE Initial Study examined potential site-specific

shadow impacts of the Project in accordance with the City's Initial Study Checklist criterion for shadow, which considers whether a project would "create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas." Shadow effects on schoolyards are not considered an environmental impact under CEQA (unless those outdoor recreation facilities are open to the public, such as through the San Francisco Shared Schoolyard Project). Thus, any shadow effects on the Zaida T. Rodriguez schoolyards would not result in a significant environmental impact under CEQA. Regardless, the Planning Department's preliminary shadow fan analysis indicates that the Project would not cast any shadows on the schoolyard of the Zaida T. Rodriguez schoolyard adjacent to the south (2950 Mission Street), as stated on CPE Initial Study, page 31. It is possible that the Project would cast shadows on the schoolyard across Osage Alley to the west (421 Bartlett Street) in the early morning hours; however, these shadows would retreat as the sun moves to the south and west during the day.

Noise

As discussed in the CPE Initial Study (pages 23 and 24), construction of the Project would result in temporary elevated noise levels at nearby residences and schools, including the Zaida T. Rodriguez Early Education School. Accordingly, Eastern Neighborhoods PEIR Mitigation Measure F-2 would apply to the Project, and the project sponsor has prepared a noise and vibration mitigation plan.[11] According to the noise mitigation plan, ambient noise and construction noise measurements would be taken at noise sensitive locations in the vicinity of the Project site during construction. Construction noise reduction may be achieved by various methods of equipment source noise reduction, noise barriers, and sensitive receptor noise reduction. These methods could include the following: providing intake and exhaust mufflers on pneumatic impact tools and equipment; using noise-attenuating shields, shrouds or portable barriers; using electric instead of diesel or gasoline-powered equipment; providing enclosures for stationary items of equipment and noise barriers around particularly noisy areas at the project site; minimizing noisy activities during the most noise sensitive hours; installing noise control curtains; and installing removable secondary acoustic window inserts to existing windows in sensitive receptor buildings. As stated in the CPE Initial Study and consistent with the PEIR noise impact analysis, compliance with this mitigation measure would result in a less-than-significant impact with regard to construction noise.

In addition, and as stated in the CPE Initial Study, all construction activities for the proposed project would be subject to the San Francisco Noise Ordinance which includes enforceable standards limiting construction noise.

The CPE Initial Study correctly concluded that there are no peculiar site-specific conditions that would result in new or substantially more severe noise impacts than considered in the Eastern Neighborhoods

[11] Clearwater Group, *Site Mitigation Plan, 2918-2924 Mission Street*, May 26, 2016.

PEIR. The PEIR considered that new developments would be constructed near noise-sensitive receptors, such as residences and schools; the presence of the Zaida T. Rodriguez School adjacent to the site is not a peculiar or unforeseen circumstance. Construction activities occur routinely in the City adjacent to noise-sensitive receptors, subject to noise regulations and similar noise mitigation measures as the Project. The Appeal Letter does not demonstrate that the CPE Initial Study did not consider the noise impacts on students at the Zaida T. Rodriguez School or that the conclusions in the CPE concerning noise impacts on the school are not supported by substantial evidence.

Transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children

The Planning Department considered the transportation impacts of the Project with respect to parents picking up and dropping off their children at the Zaida T. Rodriguez School. Initial plans for the Project submitted to the Department in June 2015 included an 18-car garage with the entrance on Osage Alley. Comments received on the Planning Department's *Notice of Project Receiving Environmental Review* distributed in September 2016 identified community concerns with regard to pedestrian safety for parents picking up and dropping off their children at the school, and for students and teachers crossing Osage Alley between the two school campuses. Based on these concerns, the project sponsor modified the Project to eliminate the parking garage, to remove the existing curb cuts and restore the sidewalk, and to incorporate a passenger loading zone in front of the building lobby on Mission Street, well separated from the school's passenger loading zone to the south of the Project site. With incorporation of these design changes, the Department determined that the Project would not have any significant transportation and circulation impacts, including pedestrian safety impacts on students and parents dropping off and picking up at the adjacent school.

Health and Safety

The CPE Initial Study considers the health and safety of the public, including students at the adjacent Zaida T. Rodriguez School, under several environmental topics. CPE Initial Study pages 26 to 28 evaluate the health and safety impacts related to air quality, such as exposure to construction dust, criteria air pollutant emissions, and health risks associated with air pollutants, such as those generated by construction vehicles and equipment. As discussed, compliance with the Construction Dust Control Ordinance would protect the health of the students through a combination of construction best management practices such as watering disturbed areas, covering stockpiled materials and haul trucks, prohibiting soil disturbing activities when wind speeds are great enough to create visible dust emissions outside the work zone, and street and sidewalk sweeping. In addition, the Project sponsor has prepared a *Site Mitigation Plan* for project construction, which has been reviewed and approved by the San Francisco Department of Public Health in accordance with Article 22A of the Health Code. The Site Mitigation Plan includes a detailed dust control plan that would entail installation of wind screens on the perimeter security fences to reduce potential dust migration to off-site areas and a dust monitoring program that triggers additional engineering controls or halting work if dust levels in excess of action levels (250 micrograms per cubic meter for each 10-minute average reading) or visible dust are observed. According

to the site mitigation plan's dust monitoring protocols, dust levels would be measured at nine station locations around the site perimeter using direct-reading instruments for particulate matter. Monitoring would be conducted once per hour for the first two days of new activity involving dust-generating activities; if no exceedances occur, the sampling frequency could be reduced. Records of dust mitigation daily inspections and dust monitoring results would be recorded on a daily log.[12] The regulations and procedures set forth would ensure that construction dust impacts would not be significant.

The CPE evaluates whether the Project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE Initial Study, this up-to-date, project-specific analysis demonstrates that the Project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The scale of the Project is well below the Bay Area Air Quality Management District's screening levels for criteria pollutants. Thus, construction and operation of the Project would not have a significant criteria air pollutant impact, as discussed on CPE Initial Study page 27.

Potential health risks to the public, including students of the Zaida T. Rodriguez school, were also considered in the CPE Initial Study, pages 27 and 28. As noted, the Project site is not within the Air Pollutant Exposure Zone, established by Health Code Article 38, and therefore does not require special consideration to determine whether project construction or operation would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality. Standard air quality methodologies used in the analysis are protective of all sensitive receptors, including residents and schoolchildren. As explained in the BAAQMD's *CEQA Air Quality Guidelines*: "Due to the variable nature of construction activity, the generation of toxic air contaminant emissions in most cases would be temporary, especially considering the short amount of time such equipment is typically within an influential distance that would result in the exposure of sensitive receptors to substantial concentrations. In addition, current models and methodologies for conducting health risk assessments are associated with longer-term exposure periods of 9, 40, and 70 years, which do not correlate well with the temporary and highly variable nature of construction activities." Although on-road heavy-duty diesel vehicles and off-road equipment would be used during the 20-month construction duration, emissions would be temporary and variable in nature and would not be expected to expose sensitive receptors to substantial air pollutants. The CPE Initial Study conclusion regarding potential health risks to nearby sensitive receptors is based on current guidance used for projects throughout the City, based on substantial evidence. The appellant has not shown any evidence to the contrary.

[12] San Francisco Department of Public Health, Environmental Health, SFHC Article 22a Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco. EHB-SAM Case No: 1296, June 15, 2016.

CPE Initial Study section 15, pages 40 to 42, evaluates potential hazards to the public, including students at the Zaida T. Rodriguez School, due to exposure to hazardous materials that could be released during construction from demolition of the existing building and during excavation and removal of contaminated soil. Hazardous building materials addressed in the Eastern Neighborhoods PEIR include asbestos, lead-based paints, polychlorinated biphenyls, and fluorescent lights containing mercury, which could present a public health risk if improperly handled during demolition. As discussed, compliance with state and local regulations and implementation of PEIR Mitigation Measure L-1 would ensure that building materials are handled appropriately to minimize the potential for exposure to hazardous building materials and, accordingly, to reduce potential health risks to a less-than-significant level. In addition, the CPE Initial Study discloses that the Project site was formerly used as an automobile service station and that contaminants present in soil and groundwater would be encountered during excavation and, if not properly handled, could result in releases that may expose the public to those hazardous materials and potentially result in adverse health effects. However, as discussed, article 22A of the Health Code, also known as the Maher Ordinance, routinely addresses development on sites with potentially hazardous soil or groundwater in order to protect public health and safety. In compliance with the Maher Ordinance, the project sponsor has submitted a 161-page site mitigation plan[13] that presents the specific protocols for removing or managing the contaminants found in soil and groundwater. These include eight specific mitigation plans for the following: waste management and disposal; dust control (described in more detail above under the first paragraph in this section regarding health and safety); stormwater pollution protection; soil management and handling procedures; health and safety plan; vapor screening procedures; excavation management and waste; noise and vibration mitigation. As discussed in the CPE Initial Study, the Department of Public Health, Environmental Health has reviewed the site mitigation plan and determined that it is compliant with article 22A.[14] The CPE correctly concludes that the Project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

Conclusion

The CPE Initial Study considered and did not identify significant environmental impacts of the Project on the public, including the students at the Zaida T. Rodriguez school. The Appellant does not demonstrate that the Planning Commission's determination that the Project would not result in significant effects that are peculiar to the Project or its site on the Zaida T. Rodriguez School and the school's children with respect to a shadow, noise, transportation, and overall health and safety is not supported by substantial

[13] Clearwater Group, Site Mitigation Plan, San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, May 26, 2016.

[14] Stephanie Cushing, Director, Environmental Health, San Francisco Department of Public Health, SFHC Article 22A Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, June 15, 2016.

evidence. Further, the Eastern Neighborhoods PEIR and the CPE Initial Study did consider the effects of development on adjacent land uses and sensitive receptors as a result of the rezoning options considered and found those impacts to be less-than-significant. As discussed above, "the effect of a project on the environment shall not be considered peculiar to the project or the parcel…if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects." As referenced, these include the Construction Dust Control Ordinance, the Noise Ordinance, Article 22A of the Health Code, and Bay Area Air Quality Management District CEQA Guidelines. The presence of the Zaida T. Rodriguez School adjacent to the Project site does not result in a new significant environmental effect or increased severity of an environmental effect analyzed in the Eastern Neighborhoods PEIR, or substantial new information showing that the impacts analyzed in the PEIR would be more significant than described in the PEIR, such that a project-specific EIR would need to be prepared.

Concern 5: The Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan.

Response 5: The Project is consistent with the development density established under the Eastern Neighborhoods Area Plan, and would not result in significant impacts on the physical environment due to conflicts with the General Plan or the Mission Area Plan that are peculiar to the project or the project site.

On page 3 of the Appeal Letter, the Appellant states "The Proposed Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan." The Appeal Letter provides no evidence in support of this claim.

Topic 1(b) in the "Land Use and Land Use Planning" section of the CPE Initial Study limits review of the Project's conflicts with any applicable land use plan, policy, or regulation to those "adopted for the purpose of avoiding or mitigating an environmental effect." Project-related policy conflicts and inconsistencies do not constitute, in and of themselves, impacts on the physical environment under CEQA. As discussed in the Initial Study CPE, the Project is consistent with the development density established in the Eastern Neighborhoods Area Plans, and thus implementation of the proposed project would not result in significant impacts that were not identified in the PEIR related to land use and land use planning.

While not relevant to this appeal, it should be noted that the consistency of the Project with those General Plan and Mission Area Plan policies that do not relate to physical environmental effects were considered by the Planning Commission as part of its determination of whether to approve, modify, or disapprove the Project.

The Planning Department's Citywide Planning and Policy Analysis Division determined that the Project was consistent with the General Plan and with the bulk, density, and land uses as envisioned in the Mission Area Plan, under the State Density Bonus Law. The determination further states:

> "Objective 1.2 of the Mission Area Plan calls for maximizing development potential in keeping with neighborhood character. The proposed project is consistent with this objective by providing 75 dwelling units and utilizing the State Density Program. The project also includes 2 bedroom and 1 bedroom units to satisfy a unit mix, consistent with Objective 2.3; ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services…The proposed project's bulk and density are consistent with that permitted under the Mission Street NCT zoning with the State Density Bonus Law."

The Citywide determination concludes:

> "For the purposes of the Citywide Planning and Policy Analysis division, the project is eligible for consideration of a Community Plan Exemption under California Public Resources Code Sections 21159.21, 21159.23, 21159.24, 21081.2, and 21083.3, and/or Section 15183 of the California Environmental Quality Act (CEQA) Guidelines."

As a general matter, the determination of whether a project is consistent with a specific plan or policy can be subjective, and is best made with a broad understanding of the often-competing policy objectives in a planning document. Consequently, policy consistency determinations are ultimately made by the City's decision-making bodies such as the Planning Commission and the Board of Supervisors independent of the environmental review process, as part of the decision to approve or reject the project. In its approval of the Project's Conditional Use Authorization, the Planning Commission determined that the project is generally consistent with the objectives and policies of the General Plan, including the Mission Area Plan.

Accordingly, the Project would not result in significant impacts on the physical environment due to inconsistency with the General Plan, the Eastern Neighborhoods Plan, or the Mission Subarea Plan that are peculiar to the Project or the project site.

CONCLUSION:

The Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The Planning Department conducted necessary studies and analyses, and provided the Planning Commission with the information and documents necessary to make an informed decision, based on substantial evidence in the record, at a noticed public hearing in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

Attachment A

Appeal of Community Plan Exemption for 2675 Folsom Street

Socioeconomic Analysis

March 13, 2017

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APPEAL OF COMMUNITY PLAN EXEMPTION
2675 FOLSOM STREET PROJECT

DATE:	March 13, 2017
TO:	Angela Calvillo, Clerk of the Board of Supervisors
FROM:	Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
	Chris Kern, Senior Environmental Planner – (415) 575-9037
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	Justin Horner, Environmental Coordinator – (415) 575-9023
RE:	File No. 161146, Planning Department Case No. 2014.000601ENV – Appeal of the Community Plan Exemption for the 2675 Folsom Street Project. Block/Lot: 3639/006, 007
PROJECT SPONSOR:	Muhammad Nadhiri, Axis Development Corporation – (415) 992-6997
APPELLANT:	J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council – (415) 317-0832
HEARING DATE:	March 21, 2017
ATTACHMENTS:	Appendix A – Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA
	Appendix B – Eastern Neighborhoods / Mission District Transportation and Demographic Trends

1 INTRODUCTION

This memorandum and the attached documents are supplements to the Planning Department's (the "Department") November 29, 2016 responses to letters of appeal to the Board of Supervisors (the "Board") regarding the Department's issuance of a Community Plan Exemption ("CPE") under the Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report ("Eastern Neighborhoods PEIR or PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA")

[1] The Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

for the 2675 Folsom Street project. Specifically, this memorandum expands on the Planning Department's previous response to the appellant's contentions concerning socioeconomic impacts.

On October 21, 2016, J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council ("the appellant"), filed an appeal of the Planning Department's CEQA determination for the proposed project. On November 28, 2016, the Planning Department provided a response to the CEQA appeal. On November 29, 2016, the Board of Supervisors opened a hearing on the appeal of the CPE and continued the hearing to December 13, 2016, to allow additional time for the Department to prepare an analysis of potential socioeconomic effects of the proposed project within the Calle 24 Latino Cultural District.[2] The Board voted on December 13, 2016, to continue the appeal hearing to January 10, 2017, and on January 10, 2017, the Board continued the hearing to March 21, 2017, to provide additional time to allow the Department to complete the aforementioned socioeconomic impact analysis.

The decision before the Board is whether to uphold the Planning Department's determination that the proposed project is exempt from further environmental review (beyond what was conducted in the CPE Checklist) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183[3] and deny the appeal, or to overturn the Department's CPE determination for the project and return the CPE to the Department for additional environmental review.

[2] The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue.

[3] 14 Cal. Code of Reg. Section 15000 *et seq*, (CEQA Guidelines). The CEQA Guidelines are state regulations, developed by the California Office of Planning and Research and adopted by the California Secretary for Resources. They are "prescribed by the Secretary for Resources to be followed by all state and local agencies in California in the implementation of the California Environmental Quality Act." (CEQA Guidelines Section 15000.)

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2 EXECUTIVE SUMMARY

This memorandum addresses concerns about gentrification of the Calle 24 Latino Cultural District and related displacement of existing residents and local businesses. The Planning Department acknowledges that gentrification and displacement are occurring in the Mission District and other San Francisco neighborhoods, and is devoting substantial resources aimed at addressing these socioeconomic issues with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts. However, these socioeconomic effects are generally beyond the scope of the CEQA[4] environmental review process. Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts.

CEQA mandates streamlined review for projects like the 2675 Folsom Street project that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an environmental impact report ("EIR") was certified. Accordingly, additional environmental review for such projects shall not be required except to examine whether there are project-specific significant impacts that are peculiar to the project or its site. Pursuant to CEQA Guidelines section 15183(a): "This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." As such, the additional analysis presented in this memorandum is limited to examining whether the project would cause or contribute to socioeconomic effects that would in turn lead to significant physical impacts beyond those identified in the Program EIR certified for the adoption of the Eastern Neighborhoods Rezoning and Area Plans ("Eastern Neighborhoods PEIR").

The Eastern Neighborhoods PEIR included an extensive analysis of the socioeconomic effects of the area plans and rezoning generally concluding that: (1) the rezoning would have secondary socioeconomic effects, (2) these effects would be more severe without the rezoning, and (3) these socioeconomic effects would not in turn lead to significant physical environmental impacts. The PEIR identifies improvement measures to address less than significant effects of potential displacement of some neighborhood-serving uses. Thus, the concerns about the socioeconomic effects of development under the area plans and rezoning are not new and were not overlooked by the plan-level EIR.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern

[4] California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq*.

Neighborhoods rezoning and area plans. Neither these analyses nor the literature establishes empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement.

The department also conducted additional analysis to evaluate whether the proposed project would cause or contribute to significant impacts on the physical environment related to population growth, such as transportation, air quality, and greenhouse gas emissions, beyond those identified in the Eastern Neighborhoods PEIR. This analysis, like that previously provided in the community plan exemption ("CPE") prepared for the project, is based on current data and modelling and uses the Planning Department's latest environmental impact analysis standards and methodologies. The analysis includes a report prepared by transportation consultant Fehr & Peers assessing transportation and demographic trends in the Mission District. This analysis shows that cumulative impacts on traffic congestion are the same or slightly less severe than anticipated in the Eastern Neighborhoods PEIR. In addition, current data provided by the San Francisco Municipal Transportation Agency ("SFMTA") show that transit capacity on most lines serving the Eastern Neighborhoods is better than previously anticipated. This is due largely to SFMTA's implementation of a number of major transportation system improvements that were assumed to be infeasible at the time that the Eastern Neighborhoods PEIR was certified. Thus, there is no evidence that transportation and related air quality, greenhouse gas, and other impacts in the Eastern Neighborhoods plan areas are substantially more severe than the Eastern Neighborhoods PEIR disclosed.

In conclusion, the Planning Department's determination that the 2675 Folsom Street project would not result in new or substantially more severe significant effects on the physical environment than were already disclosed in the Eastern Neighborhoods PEIR is valid. The department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

3 BACKGROUND

The central issues raised by the appellant focus on gentrification of the Mission and displacement of both Mission residents and local small businesses.[5] As discussed in this supplemental appeal response, these socioeconomic issues, while real, are largely beyond the scope of CEQA environmental impact analysis.

Because the intent of CEQA is to provide information about the physical environmental impacts of a proposed action, public agencies have very limited authority under CEQA to address the non-physical effects of an action, such as social or economic effects, through the CEQA environmental review process.

The basic purposes of CEQA are to[6]:

1. Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.
2. Identify the ways that environmental damage can be avoided or significantly reduced.
3. Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
4. Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

These objectives are achieved through the preparation of informational reports for review by the public and adoption by public agencies. A public agency's adoption of a CEQA environmental review document (e.g., certification of a final environmental impact report or adoption of a community plan evaluation) is the agency's determination that the informational requirements of CEQA have been satisfied, but is neither a judgement of the merits of the subject project, nor an approval of the project itself. Rather, the adoption of a CEQA document is an agency's determination that the document provides sufficient information about the potential environmental effects of a project to inform subsequent discretionary actions on the project, such as consideration of whether to grant a conditional use permit for the project.

The focus of CEQA is on *physical* environmental impacts, such as impacts of a project on air quality, water quality, or wildlife habitat. CEQA Guidelines section 15131(a) states:

> Economic or social effects shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.

Moreover, CEQA section 21082.2 states, in part:

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[5] *Gentrification* is a process associated with increased investment in existing neighborhoods and the related influx of residents of higher socioeconomic status and increased property values. The effects of gentrification on residential, cultural, social, and political displacement have been the subject of substantial economic and planning research and analysis in the U.S. since at least the 1970s.

[6] CEQA Guidelines section 15002.

(a) The lead agency shall determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record.
(b) The existence of public controversy over the environmental effects of a project shall not require preparation of an environmental impact report if there is no substantial evidence in light of the whole record before the lead agency that the project may have a significant effect on the environment.
(c) Argument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment, is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

[Emphasis added.]

CEQA Guideline section 15360 defines the term *environment* as follows:

> "Environment" means the physical conditions which exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved shall be the area in which significant effects would occur either directly or indirectly as a result of the project. The "environment" includes both natural and man-made conditions.

Neither the CEQA statute nor the CEQA Guidelines provide an express definition of non-physical effects such as social or economic effects. However, the Planning Department understands non-physical social and economic effects under CEQA to include for example changes in demographics, changes in property ownership or occupancy, and changes in the types of retail businesses in a neighborhood. Such changes are not impacts on the physical environment as defined in CEQA Guidelines section 15360.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission 2016 Interim Zoning Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the LCD, and 24th Street in particular.

The most robust effort to date, the Mission Action Plan 2020 ("MAP2020") is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past two years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to advance its specific strategies through legislation in the spring and summer of 2017.

In addition, the Planning Department is undertaking a broader socioeconomic analysis of displacement and gentrification issues citywide with a focus on equity. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

4 APPROACH TO ANALYSIS

The analysis provided in this memorandum examines whether the proposed project would cause, either individually or cumulatively, socioeconomic changes within the Calle 24 Latino Cultural District that would in turn lead to significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. The analysis consists of three parts.

The first part of this analysis examines whether the proposed project would *cause* gentrification or displacement, either individually or cumulatively. It is not enough under CEQA to show only that economic or social changes are occurring in the project area. Rather, the analysis must examine whether the project, either individually or in combination with other past, present, and reasonably foreseeable future projects, would cause these socioeconomic effects. The analysis need proceed further only if it establishes, based on substantial evidence, that the proposed project would cause the socioeconomic effects claimed by the appellant.

If the analysis determines that the project would cause gentrification or displacement, either individually or cumulatively, then the analysis must consider the second question: Would the economic or social effects attributable to the project result in a significant adverse physical impact on the environment? Changes in the types of businesses, cost of housing, or demographics in a project area are not considered physical environmental impacts under CEQA. These are examples of social and economic effects, not physical environmental impacts. As stated above, the focus of CEQA is on physical environmental impacts. Examples of physical impacts that could be linked to social or economic effects include impacts on transportation and related air quality, greenhouse gas, and noise impacts where such impacts are a direct or indirect result of social or economic changes.

Finally, if the analysis traces a chain of cause and effect establishing that the proposed project would result in significant adverse physical environmental impacts as a direct or indirect result of socioeconomic changes, the analysis must consider whether such impacts would constitute new or substantially more severe significant impacts than were identified in the Eastern Neighborhoods PEIR.

Because the proposed project is consistent with the development density established for the project site under the Eastern Neighborhoods area plans and rezoning, consideration of the potential socioeconomic impacts of the proposed project must be limited to significant physical impacts that are peculiar to the project or the project site in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

CEQA Guidelines section 15183 states, in part:

> (a) CEQA mandates that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there

are project-specific significant effects which are peculiar to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

(b) In approving a project meeting the requirements of this section, a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:

(1) Are peculiar to the project or the parcel on which the project would be located,

(2) Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent,

(3) Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or

(4) Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

Accordingly, the analysis below examines whether socioeconomic effects of the proposed project would result in significant adverse impacts on the physical environment that:

- Are peculiar to the project or the parcel on which the project would be located
- Were not analyzed as significant effects in the Eastern Neighborhoods PEIR
- Are potentially significant off-site impacts and cumulative impacts which were not discussed in the Eastern Neighborhoods PEIR, or
- Are previously identified significant effects which, as a result of substantial new information which was not known at the time the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR

5 EASTERN NEIGHBORHOODS PLAN-LEVEL SOCIOECONOMIC EFFECTS

To evaluate whether socioeconomic effects that might be caused or exacerbated by the proposed project would result in new or more severe significant environmental impacts than were previously identified in the Eastern Neighborhoods PEIR, it is necessary to first review how such effects are addressed in the PEIR. The Eastern Neighborhoods PEIR included a thorough analysis of the socioeconomic effects of the rezoning and area plans. Specifically, the Population, Housing, Business Activity, and Employment section of the PEIR examines whether adoption of the area plans and rezoning would cause or substantially contribute to gentrification and the displacement of existing residents and businesses in the Eastern Neighborhoods plan areas, and if so, whether such effects would result in significant adverse

impacts on the physical environment[7]. A socioeconomic impact study prepared as a background report to the PEIR[8] provides the basis for this analysis.

The PEIR determined that the adoption and implementation of the area plans and rezoning would induce substantial growth and concentration of population in San Francisco. In fact, one of the four citywide goals that serve as the "project sponsor's objectives" for the Eastern Neighborhood Rezoning and Area Plans is:

> *Increase Housing*: To identify appropriate locations for housing in the City's industrially zoned land to meet a citywide need for more housing, and affordable housing in particular.

Notably, unlike other sections of the PEIR that base their analysis on *projected* growth through 2025, the Population, Housing, Business Activity, and Employment section considers the *total* housing supply potential of up to 26,500 new housing units on undeveloped parcels and soft sites under the rezoning. The analysis of potential gentrification and displacement effects in the PEIR is based on this full build out scenario, which assumes substantially greater population growth than the 2025 projections used to assess potential impacts on transportation, air quality and other growth-related impacts on the physical environment.[9]

The PEIR determined that the increase in population expected as a secondary effect of the rezoning and area plans would not, in itself, result in adverse physical effects, and would serve to advance some key City policy objectives, such as decreasing the air quality impacts of development by coordination of land use and transportation decisions (General Plan Air Quality Element Objective 3); provision of new housing, especially permanently affordable housing, in appropriate locations that meets identified housing needs and takes into account the demand for affordable housing created by employment demand (Housing Element Objective 1); encouragement of higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households (Housing Element Policy 1.1); identification of opportunities for housing and mixed-use districts near downtown and former industrial portions of the City (Housing Element Policy 1.2); identification of opportunities for housing and mixed use districts near downtown and former industrial portions of the City (Housing Element Policy 1.3); establishment of public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality (Transportation Element Objective 11); and giving first priority to improving transit service throughout the city, providing a convenient and efficient system as a preferable alternative to automobile use (Transportation Element Objective 20).

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[7] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 175-252, August 7, 2008.

[8] Hausrath Economics Group, *San Francisco's Eastern Neighborhoods Rezoning – Socioeconomic Impacts,* March 29, 2007.

[9] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 240-241, August 7, 2008.

Moreover, the PEIR concluded that implementation of the plans would result in more housing options and a broader range of housing prices and rents, compared to conditions under the No-Project scenario. The PEIR determined that the rezoning and area plans could result in a better match between housing supply and demand in San Francisco than would otherwise be the case without the rezoning while potentially providing benefits such as a reduction in traffic and vehicle emissions if San Francisco workers could live closer to their jobs. The PEIR anticipated that the population increase expected from the rezoning could also generate economic growth by increasing demand for neighborhood-serving retail and personal services, although some existing businesses could be displaced by other businesses that might better serve new residents. The PEIR also determined that the additional population would increase demand for other City services (parks, libraries, health care and human services, police and fire protection, schools, and childcare).[10]

Second, the PEIR determined that none of the proposed rezoning options would result in the direct displacement of residents, given that the rezoning would not lead to the demolition of existing residential development and would result in a substantial increase in residential units throughout the plan areas. As stated above, the PEIR determined that the rezoning would result in less displacement because of housing demand than otherwise expected under the No-Project scenario, because the addition of more new housing in the Eastern Neighborhoods would provide some relief for housing market pressures without directly affecting existing residents.

However, the PEIR recognized that residential displacement is not solely a function of housing supply, and that adoption of the area plans and rezoning could result in indirect, secondary effects on neighborhood character—through gentrification—that could result in some displacement of existing residents over time. The PEIR disclosed that the replacement of former industrial uses with housing could result in gentrification of existing nearby residential areas and displacement of lower income households. The PEIR also observed, however, that the rezoning could help to ameliorate the potential effects of residential displacement by increasing the supply of affordable dwelling units sized to accommodate families.

The PEIR also disclosed that as a result of the rezoning and area plans, the real estate market would favor residential, retail, and other higher-value uses, leading to PDR displacement, either to other locations in the city or outside San Francisco, and to some business closures. While this was an existing trend prior to adoption of the area plans and rezoning, the PEIR anticipated that this trend would accelerate in areas rezoned for non-PDR uses. The PEIR further anticipated that displacement of PDR businesses would result in some San Franciscans, including Eastern Neighborhoods residents, with limited education, skills, and language abilities losing opportunities for local, higher wage jobs, which in turn could increase demand for affordable housing in San Francisco.

The PEIR concluded that adoption and implementation of the area plans and rezoning would not create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply. As stated above, the PEIR determined that adoption of the area plans and rezoning would not substantially increase the overall economic growth potential in San Francisco and would not result in

[10] Ibid. p. 240-250

substantially more primary employment growth than otherwise expected in the city or the region, because most of the employment growth that would result from new housing in the Eastern Neighborhoods would be in neighborhood-serving retail and services, which are employment categories that tend to respond to increased population, not employment that precedes or leads to population growth.

Instead, the PEIR determined that implementation of the rezoning and area plans would increase the housing supply potential in the Eastern Neighborhoods and citywide, compared to conditions under the No-Project scenario without implementation of the proposed rezoning and area plans. The PEIR determined that by increasing housing supply relative to demand, more housing choices, and more (relatively) affordable housing units would be developed than without the rezoning, and that the Inclusionary Affordable Housing Program would require below-market-rate units to be developed in conjunction with market-rate projects. Therefore, housing prices and rents for both new and existing housing would generally be lower than would be the case with the more limited housing supply potential in these areas under the prior zoning and continuation of existing market trends. Additionally, the PEIR determined that the area plans and rezoning would reduce pressure to convert existing rental housing stock to relatively affordable for-sale housing (such as through condominium conversions and the tenants-in-common process), compared to No-Project conditions.

Still, the PEIR anticipated that for-sale housing in the Eastern Neighborhoods (and citywide) is likely to remain too expensive for most residents, underscoring the importance of providing and maintaining below-market-rate housing. A possible secondary impact of the area plans and rezoning would be a reduction in the number of sites where City-funded and other subsidized affordable housing units could be built, particularly on new development sites. The PEIR determined however, that maintaining the previous less-restrictive zoning would result in continued increase in land values in the Eastern Neighborhoods, which would also result in elimination of potential affordable housing sites, albeit on a more *ad hoc* basis. Nevertheless, the PEIR included Improvement Measure D-2: Affordable Housing Production and Retention, to reduce the less-than-significant physical effects of potential displacement of existing residents as a secondary effect of the rezoning.

The PEIR also determined that the rezoning would result in economic impacts that could displace existing neighborhood-serving businesses because, despite potential increases in business activity, some smaller, marginally profitable, and locally owned businesses would be likely to be displaced as economic conditions change, landlords begin to increase commercial rents, and more strongly capitalized businesses seek to locate in higher-priced neighborhoods. The PEIR identified improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving uses (i.e., Improvement Measure D-1: Support for Local, Neighborhood-Serving Businesses; Improvement Measure D-2: Affordable Housing Production and Retention; Improvement Measure D-3: Affordable Housing Sites; Improvement Measure D-4: Support for PDR Businesses; Improvement Measure D-5: Support for PDR Workers). The PEIR also notes that physical environmental impacts resulting from the growth under the rezoning and area plans are addressed under the relevant sections of the PEIR, such as transportation, air quality, noise, parks and open space, and public services.[11]

[11] Ibid p. 239

In summary, the Eastern Neighborhoods PEIR identified the potential effects of the rezoning and area plans on housing supply and affordability, gentrification, displacement, locally owned businesses, and PDR use, and evaluated whether these socioeconomic effects would result in significant impacts on the physical environment consistent with the requirements of CEQA. The appellant's contention that these socioeconomic effects represent new information or changed circumstances that the Eastern Neighborhoods PEIR failed to consider is therefore incorrect.

6 PROJECT-LEVEL SOCIOECONOMIC EFFECTS

The proposed project at 2675 Folsom Street would demolish three existing warehouses and construct a mixed-use building with 100 market rate and 17 below market rate residential units (15 percent) and 5,200 square feet of PDR space. Because it would not directly displace any existing residents, the proposed project would not result in any related socioeconomic effects.[12]

The appellant contends, however, that even in the absence of direct displacement the project would have indirect displacement effects on existing residents and businesses as a result of gentrification pressures in the Calle 24 Latino Cultural District. As discussed above, the Eastern Neighborhoods PEIR analyzed the possibility that the increase in market rate housing anticipated under the area plans and rezoning could result in indirect displacement of existing residents and businesses as a secondary effect of gentrification and found that these socioeconomic effects would not result in significant physical environmental impacts. Because, as discussed in Section 5 above, the Eastern Neighborhoods PEIR identified potential cumulative gentrification and displacement effects of development under the rezoning and area plans, any such effects attributable to the proposed project would not be peculiar to the project or its site.

In the appellant's letter, the argument that market rate development may cause displacement through gentrification in the Latino Cultural District is primarily supported in two ways. The appellant asserts that displacement of "mom and pop Latino owned and operated concerns" with "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," (p. 7) along Valencia Street was caused by new market rate development. The appellant also argues that a research brief by UC Berkeley's Institute for Governmental Studies ("IGS") supports the position that market rate development causes displacement.

6.1 COMMERCIAL GENTRIFICATION

The first part of the appellant's argument—the assertion that the project would contribute to or accelerate the "Valenciazation" (p. 7) of the Calle 24 District—is presented only as a theoretical possibility, without

[12] As reported in the project-specific CPE, the proposed project would result in the net loss of 25,322 square feet of warehouse (PDR) space, which represents a considerable contribution to the significant unavoidable cumulative impact on land use within the Eastern Neighborhoods plan areas resulting from the loss of PDR space.

empirical evidence as to the causes of the changes along Valencia Street. The transition of Valencia Street to a regional shopping, dining, and entertainment destination has been underway at least since the early 2000s, predating the recent uptick in residential development in the corridor. The types of "gentrifying" businesses cited by the appellants, such as "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," have been in operation along Valencia Street since well before the adoption of the Mission Area Plan. For example, the French bistro Garcon opened in 2005, the flagship store of the Weston boutique has been on Valencia Street since 2003, and the Yoga Tree studio opened in 2002. During the five-year period preceding the opening of Garcon (2001-2005), the number of market-rate units on Valencia increased by 108 (2.5% above the number of units in 2001) while the housing stock citywide expanded by 3.4%. While it is clear that the mix of businesses along Valencia has changed in recent decades, there is no evidence that market rate residential development caused the displacement of "mom and pop" businesses with upscale shopping and dining establishments.

The relatively slow pace of residential development on Valencia (compared to the rest of the city) is also evident over a longer time period. Market rate units along Valencia Street increased by 318 between 2001 and 2015, or roughly 7.9 percent, while the growth of market rate units citywide during the same period has been roughly 9.1 percent. A 2015 report by the City's Office of Economic Analysis finds, through the analysis of census microdata, that 97 percent of all high-income households new to San Francisco move into existing housing.[13] As the stock of new market rate housing units on the Valencia corridor has only expanded by roughly 0.5 percent each year over the past 15 years, it is more likely that the shift towards higher end retail along the corridor was caused by an influx of higher income residents into the existing housing stock. Therefore, appellant's position that new market rate units caused the changes in that corridor and that the project would contribute to a similar process in the Calle 24 District is not supported by empirical evidence.

Although the appellant does not provide evidence in support of the contention that the proposed project would lead to the displacement of Latino-owned businesses, the Planning Department engaged ALH Urban & Regional Economics to evaluate the potential effects of new development under the Eastern Neighborhoods rezoning and area plans on existing businesses in the Calle 24 District.[14] The results of this analysis are summarized below, and the full report is attached as Appendix A.

ALH found that there is little existing literature or study of commercial gentrification effects of new development, but cites a 2016 case study analysis in New York City, which indicates that: "The results of gentrification are mixed and show that gentrification is associated with both business retention and

[13] City and County of San Francisco Office of the Controller, "Potential Effects of Limiting Market-Rate Housing in the Mission", September 10, 2015.

[14] Amy Herman, ALH Urban & Regional Economics, *Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA*, February 2017.

disruption."[15] The study further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in non-gentrifying neighborhoods."[16] The study concludes that: "The fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[17] These findings are similar to the conclusions in the Eastern Neighborhoods PEIR as discussed in Section 5 above.

Based on this study, ALH suggests that it is reasonable to conclude that commercial displacement is no more likely to occur in the Calle 24 District than in other San Francisco neighborhoods not experiencing gentrification. ALH also notes that the study suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally, recognizing, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[18]

ALH observes that this latter point is similar to the appellant's concern about the "Valenciazation" of the Calle 24 District. However, as discussed above, the changes in the commercial character of the Valencia Street corridor occurred during a period with a limited amount of new market rate development on or near Valencia Street. This suggests that other factors may be more directly associated with commercial gentrification in the Mission than market rate residential development. Thus, in the absence of evidence, and supported by the limited existing academic literature, ALH does not accept the appellant's premise that market rate residential development causes gentrification of commercial space.

Nevertheless, at the Planning Department's direction, ALH conducted an analysis of the effects of development anticipated under the Eastern Neighborhoods rezoning and area plans on retail supply and demand within the Calle 24 District. The results of this analysis are summarized below, and the complete analysis is presented in Appendix A.

ALH's analysis considers entitled projects and projects in the pipeline (i.e., projects with filed permit applications but not yet approved) within a three to four block radius of the Calle 24 District. ALH

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[15] Rachel Meltzer, *Gentrification and Small Business: Threat or Opportunity?,* Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.

[16] Ibid.

[17] Ibid p. 80.

[18] Ibid.

conservatively estimates[19] demand for retail services that could be generated by new residential development within this study area. Although the focus of the appellant's concern is on market rate development, the analysis estimates retail demand of all residential development, both market rate and below market rate.

ALH estimates that new residential development within the study area would generate demand for a total of 34,400 square feet of neighborhood-oriented retail and commercial space, representing 3.6 percent of the existing approximately 480,000 square feet of commercial base within the Calle 24 District. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores), and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. ALH notes that a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area. ALH also observes that because residents of new development within the study area would not likely shop and dine exclusively within the Calle 24 District, some portion of new demand for neighborhood-oriented services would be expressed outside of the study area.

New development under the Eastern Neighborhoods rezoning and area plans would create a total of approximately 30,400 square feet of net new retail space within the study area. Thus, there is essentially equilibrium between the amount of neighborhood-oriented retail demand and net new retail space resulting from anticipated development within the study area. Because not all neighborhood-oriented demand is likely to be expressed for only the retail space in the Calle 24 District, there would likely be a relative surplus of net new neighborhood-oriented retail space relative to new demand. ALH therefore concludes that demand for retail services generated by new residential development within the study area would not result in substantial pressure on the existing retail base in the Calle 24 District.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the Calle 24 District as well as the larger Mission District as a whole. As noted above, the Calle 24 District is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[20] Demand analysis for existing households in the Mission and Calle 24 District indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases (see Exhibits 10 through 13 of Appendix A). The demand analysis for each area was prepared using the same methodology and assumptions as for the Calle 24 District pipeline households.

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[19] The ALH retail demand estimate is considered conservative for purposes of this analysis because assumptions made in the analysis (e.g., average household income and spending patterns) are more likely to result in overestimation rather than underestimation of the actual retail demand that could be generated.

[20] San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011- 2015,* Table 2.1.1, page 9.

The retail demand analyses are summarized in **Table 1**, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing Calle 24 District households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 1: Retail Inventory and Demand
Mission and Calle 24 Latino Cultural District

		Square Feet Supported		Supply Multiplier	
Area	Retail Inventory	Total	Neighborhood Oriented	Total	Neighborhood Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
Calle 24 District	480,000	325,500	141,500	1.5	3.4

Sources:
San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011-2015*, Table 2.1.1, page 9
ALH Urban & Regional Economics

These demand estimates indicate that the supply of retail in the Mission as a whole and the Calle 24 District outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the Calle 24 District, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case considering that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

The San Francisco Controller's Office peer reviewed the ALH report, and concurred with its conclusions, stating: "There is no reason to believe that development in the pipeline would increase commercial rents in the neighborhood, considering that new development in the pipeline would raise the neighborhood's supply of commercial space, as well as demand."[21]

In summary, neither the relevant literature, nor the available evidence support the appellant's contention that the proposed project would result, either individually or cumulatively, in commercial gentrification within the Calle 24 Latino Cultural District.

6.2 RESIDENTIAL DISPLACEMENT

ALH reviewed numerous studies and papers to identify the existing published research that best address the relationships between housing production, housing cost, and displacement. Based upon this review of the literature and related studies, five papers stand out in regards to their consideration of this issue.

[21] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015. http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016). http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

Appendix A includes a synopsis of the findings from each of these studies most specifically addressing housing production and housing costs, with an emphasis, if possible, on rental housing, as this is most applicable to the Calle 24 District and San Francisco.

The findings from the five studies identified above support the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering[22], new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, with affordable housing having double the protective effect of market-rate housing, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

[22] *Filtering* is the process by which the cost of older market rate housing stock is suppressed through the increased availability of newer market rate development.

The appellant references one of the studies reviewed by ALH (the Zuk and Chapple brief) to argue that the proposed project would cause displacement. However, as further discussed in Appendix A, the Zuk and Chapple brief does not support this conclusion. As the appellant's letter itself highlights, the brief stresses the importance of building both market rate and subsidized housing in order to ease displacement pressures at the regional scale. The report finds "that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013",[23] and states further: "These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions."[24] Another way of phrasing these findings is that if the project was not built, displacement pressures in the city and region would increase, as the project includes both market rate and affordable units, both of which have an attenuating effect on displacement, according to the study. Zuk and Chapple find that the effect at finer grained scales (such as the census block group level) is "insignificant"[25], meaning that neither a positive nor a negative impact could be detected. Thus, the Zuk and Chapple brief does not support the appellant's contention that development like the proposed project causes displacement.

The San Francisco Controller's Office concurred with ALH's analysis, stating: "There is no reason to believe that new housing increases the market rents of vacant rental units or the sales prices of for-sale units."[26]

In addition to ALH's review of the relevant research, the Planning Department undertook exploratory analysis to test the proposition that market rate development has caused displacement at a finer grained scale (the census tract) in San Francisco over the past 15 years and has similarly found no clear cause and effect relationship. A statistical simple correlation analysis between new units added between 2000 and 2015 by census tract and eviction notices served between 2011 and 2015 shows only a weak *negative* correlation, that is census tracts with *more* development saw *fewer* evictions.[27][28] This analysis uses the

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[23] Miriam Zuk & Karen Chapple, *Housing Production, Filtering and Displacement: Untangling the Relationships*, University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 6.

[24] Ibid p. 3.

[25] Ibid p. 7.

[26] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

[27] The Planning Department analyzed both "no fault" and "for cause" evictions, since "for cause" evictions currently make up a majority of all cases. This relationship holds for both types of evictions.

[28] This analysis standardized evictions in census tracts across the city by dividing them by the total number of rental units in the census tract in order to compare relative rates of evictions between tracts and not to compare absolute numbers of evictions, since tracts with greater amounts of rental housing would be assumed to have a proportionately greater absolute number of evictions.

frequency of eviction notices as an appropriate proxy and indicator for overall displacement pressure. In order to detect whether new market rate housing "signals" the desirability of neighborhoods and attracts high-income residents in a later period, staff correlated eviction notices given between 2011 and 2015 with new market rate units built during four periods (2001 to 2005, 2006 to 2010, 2011 to 2015, and 2001 to 2015). Each showed a weak and non-statistically significant correlation between evictions and new development and a very low "goodness of fit", meaning that to the extent that a correlation exists, new market rate development explains very little of the variability of evictions across neighborhoods. In the absence of a statistically significant correlation between these two variables, the causal relationship between new market rate development and evictions/displacement claimed by the appellants is extremely speculative (if not unlikely) and is not supported by any empirical evidence in the record.

6.3 CONCLUSION

Neither the relevant published research nor available data support the appellant's contention that the proposed project would result, either individually or cumulatively, in indirect displacement of existing residents or businesses as a secondary effect of gentrification. Moreover, even if the proposed project could have these effects, this would not represent a new or more severe impact that is peculiar to the project or its site because the Eastern Neighborhoods PEIR included a detailed analysis of this topic. Finally, to the extent that the proposed project would cause or contribute to gentrification or displacement effects identified in the Eastern Neighborhoods PEIR, these socioeconomic effects would not in and of themselves constitute environmental impacts under CEQA.

7 PHYSICAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA Guidelines section 15131(a): "[a]n EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes." Accordingly, the following analysis examines the appellant's claim that the proposed project would result in *physical* changes to the environment as a consequence of gentrification and displacement that were not analyzed as significant effects in the Eastern Neighborhoods PEIR.

As discussed above, the Eastern Neighborhoods PEIR determined that adoption and implementation of the area plans and rezoning would result in economic impacts that could potentially displace existing businesses and residents, and identifies improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving businesses and residents. Although the PEIR did not establish a causal link between potential displacement effects and significant physical environmental impacts, the PEIR did identify physical environmental impacts related to growth under the area plans and rezoning. The PEIR analyses the physical environmental impacts caused by

growth anticipated under the area plans and rezoning in the relevant resource topic sections, such as transportation, air quality, noise, and parks and open space.

The appellant claims that the proposed project would cause or contribute to socioeconomic effects that would in turn cause significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Specifically, the appellant contends that the proposed project, through gentrification and displacement, would have significant cumulative impacts on traffic, parking, health and safety, and greenhouse gasses, and on aesthetic, historic, and cultural aspect of the Calle 24 Latino Cultural District. Since, as shown above, there is no evidence to support the appellant's claim that the proposed project would cause or contribute to gentrification or displacement effects, it follows that there is also no evidence to establish a causal link between gentrification and displacement and physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Notwithstanding the above, the following analysis tests the appellant's claims by examining whether, regardless of the cause, physical impacts are occurring within the Calle 24 Latino Cultural District beyond those anticipated in the Eastern Neighborhoods PEIR.

7.1 TRANSPORTATION

Pursuant to the requirements of CEQA section 21083.3 and CEQA Guidelines section 15183, the CPE checklist prepared for the 2675 Folsom Street project evaluates whether the proposed project would result in significant impacts on transportation, either individually or cumulatively, beyond those identified in the Eastern Neighborhoods PEIR.[29] This analysis is supported by a 222-page project-specific transportation impact study, that evaluates the project-level and cumulative impacts of the proposed project on vehicle miles traveled, transit, bicycle and pedestrian safety (including pick up and drop off at the nearby Cesar Chavez Elementary School), loading, and emergency services and access.[30] Contrary to the appellant's contentions, the project-specific transportation impact analysis does not rely on "outdated" information. Instead, the analysis uses the latest transportation models, forecasting, and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE determines that the proposed project would not result in significant impacts on transportation beyond those identified in the Eastern Neighborhoods PEIR.

Even though the analysis provided in the CPE fully satisfies the requirements of CEQA and no further analysis of the transportation impacts of the proposed project is required, the Planning Department worked with transportation consultants at Fehr & Peers to explore the appellant's claims that the proposed project would cause or contribute to new or substantially more severe transportation impacts than were identified in the Eastern Neighborhoods PEIR due to new information or changed

[29] San Francisco Planning Department, *2675 Folsom Street Project Community Plan Exemption Checklist*, pp. 17-21, September 20, 2016.

[30] Fehr & Peers, *2675 Folsom Street Transportation Impact Study*, April 2016.

circumstances not previously considered. This analysis compares the transportation impacts anticipated in the Eastern Neighborhoods PEIR with up-to-date transportation impact data and models. As summarized below and further detailed in Appendix B, the results of this analysis demonstrate that current transit and traffic conditions are generally better than the Eastern Neighborhoods PEIR anticipated would be the case by this time. The PEIR anticipated there would be less transit capacity and correspondingly higher capacity utilization (crowding) on the Muni lines serving the Mission and estimated that a slightly higher percentage of new trips would be made by private vehicles than current data demonstrate. In addition, while the Mission has undergone significant demographic and economic change, residents on average still own around the same number of vehicles, and use non-auto modes at similar rates as they did prior to adoption of the rezoning and area plans.

7.1.1 Transit

The Eastern Neighborhoods PEIR determined that population growth under the rezoning and area plans would result in significant cumulative impacts on transit. Specifically, the PEIR anticipated that daily transit trips between 2000 and 2025 would increase by approximately 254,000 trips or about 20 percent over baseline conditions within San Francisco as a whole and by approximately 28,000 daily trips or approximately 38 percent in the Eastern Neighborhoods. The PEIR determined that without increases in peak-hour capacity, population growth in the Eastern Neighborhoods would result in significant cumulative impacts on transit capacity. The PEIR identified Mitigation Measures E-5 through E-11 to address impacts and transit capacity. These measures call for:

- Transit corridor improvements (e.g., along Mission Street between 14th and Cesar Chavez streets, 16th Street between Mission and Third streets, Bryant Street or other parallel corridor between Third and Cesar Chavez streets, a north-south corridor through portions of SoMa west of Fifth Street, and service connecting Potrero Hill with SoMa and downtown)
- Implementing service recommendations from the Transit Effectiveness Project, Better Streets Plan and Bicycle Plan when available and as feasible
- Providing additional funding for Muni maintenance and storage facilities
- Increasing passenger amenities, such as expanded installation of the Next Bus service and new bus shelters
- Expanding use of transit preferential street technologies to prioritize transit circulation, and
- Expanding the Transportation Demand Management program to promote the use of alternate modes of transportation.

The PEIR determined that while these measures would reduce operating impacts and improve transit service within the Eastern Neighborhoods, the adverse effects to transit could not be fully mitigated. Also, given the inability to determine the outcome of the Transit Effectiveness Program, Better Streets Plan, Bicycle Plan, and other plans and programs that were in process at the time that the PEIR was certified and uncertainty regarding future funding of these plans and programs, the PEIR determined that the feasibility of these mitigation measures could not be assured. Thus, the PEIR determined that cumulative impacts on transit under the rezoning and area plans would be significant and unavoidable.

Since the certification of the Eastern Neighborhoods PEIR, the City has implemented many of the plans, programs, and improvements identified in Eastern Neighborhoods PEIR Mitigation Measures E-5 through E-11 as summarized below.

In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that go towards funding transit and complete streets projects. In addition, the Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).[1] The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. With respect to Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management, on February 7, 2017 the Board of Supervisors adopted amendments to the planning code, referred to as the Transportation Demand Management Program.[2] Additionally, SFMTA has sought grants through local Proposition A funds directly supporting the 14 Mission Rapid Project, the Potrero Avenue Project for the 9 San Bruno and 9R San Bruno Rapid routes (currently under construction), and the 16th Street Transit Priority Project for the 22 Fillmore (expected construction between 2017 and 2020). The SFMTA also pursued funding from the Federal Transit Administration and the Metropolitan Transportation Commission for the transit corridor projects for the 14 Mission along Mission Street and for the 22 Fillmore along 16th Street. In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing NextBus, Customer First, and the Transit Effectiveness Project, which was approved by the SFMTA Board of Directors in March 2014. There are about 850 NextBus displays throughout the City with strong coverage throughout the Mission District. Customer First improved lighting and shelters at stops. The Transit Effectiveness Project is now called Muni Forward and includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency.

In addition, Muni Forward also includes transit service improvements to various routes with the Eastern Neighborhoods Plan area the service improvements include the creation of new routes such as the implementation of Route 55 on 16th Street between the intersection of 16th and Mission Streets and Mission Bay, changes to route alignment such as for the 27 Bryant, the elimination of underused existing routes or route segments, changes to the frequency and hours of transit service, changes to the transit vehicle type on specific routes, and changes to the mix of local/limited/express services on specific routes. Many of the service improvements analyzed as part of Muni Forward in the Transit Effectiveness Project EIR have been implemented, but some are receiving further study.

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[1] Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

[2] San Francisco Board of Supervisors. 2017. BOS File 160925. Available online at https://sfgov.legistar.com/LegislationDetail.aspx?ID=2830460&GUID=EFCB06B2-19CB-4777-B3A5-1638670C3A2C accessed February 21, 2017. Additional information is available at the Planning Department web page for TDM at http://sf-planning.org/shift-transportation-demand-management-tdm accessed February 21, 2017.

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Street. The minor improvements consist of a toolkit of treatments implemented on an as-needed basis to support bicycling in the city such as shared lane markings called sharrows and the provision of bicycle parking within the public right-of-way including bicycle racks on sidewalks and on-street bicycle corrals. Most near-term improvements have been implemented as indicated above. With the implementation of bicycle facilities as part of the Bicycle Plan and envisioned as part of the 2013 Bicycle Strategy, San Francisco has experienced an increase in bicycle ridership. Since 2006, the SFMTA has conducted annual bicycle counts during peak commute hours at various intersections throughout the city.[31] While the bicycle counts at any one intersection may fluctuate from year to year, the most recent counts from 2015 demonstrate that the overall the number of bicyclists in the city, including in the Mission District, have increased over the counts from 2008, when the Eastern Neighborhoods PEIR was certified. For example, at the intersection of 17th and Valencia Streets in the p.m. peak there were 485 cyclists in 2008 compared with 1,219 in 2015, and at the intersection of 23rd Street and Potrero Avenue in the p.m. peak there were 50 cyclists in 2008 compared with 106 in 2015.

The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in section 138.1 of the planning code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size.

Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan areas include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

Overall, compared to the transit service analyzed in the Eastern Neighborhoods PEIR, current transit service has increased by 8 percent in the a.m. peak hour, 14 percent during midday, and 6 percent in the p.m. peak hour. As a result, the significant impacts identified in the Eastern Neighborhoods PEIR on transit capacity have not materialized. The following analysis compares the impacts on transit capacity anticipated in the Eastern Neighborhoods PEIR with current and projected future transit conditions in light of the transit system improvements described above.

The SFMTA Board has adopted an 85-percent capacity utilization performance standard for transit vehicle loads, meaning that Muni transit lines should operate at or below 85 percent of transit vehicle capacity. This performance standard more accurately reflects actual operations and the likelihood of "pass-ups" (i.e., vehicles not stopping to pick up more passengers). The Planning Department applies this

[31] SFMTA. 2009-2016. Bike Reports Available online at https://www.sfmta.com/about-sfmta/reports/bike-reports. Accessed February 21, 2017.

standard as a CEQA threshold of significance for determining peak period transit demand impacts to the SFMTA lines. **Table 2** shows the capacity utilization for the 11 Muni lines serving the Eastern Neighborhoods plan areas under the 2000 CEQA baseline and the 2025 no project and with project cumulative scenarios as reported in the Eastern Neighborhoods PEIR. The last two columns of the table show 2013 capacity utilization on these same lines based on SFMTA data and the SF-CHAMP[32] 2040 cumulative scenario based on current model inputs. As shown in **Table 2**, capacity utilization on the Muni bus and light rail lines serving the Eastern Neighborhoods is generally lower than the PEIR baseline conditions, and the anticipated 2040 cumulative conditions are better than the anticipated 2025 cumulative conditions.

[32] The San Francisco Chained Activity Modeling Process ("SF-CHAMP") is a regional travel demand model designed to assess the impacts of land use, socioeconomic, and transportation system changes on the performance of the local transportation system. The San Francisco County Transportation Authority developed SF-CHAMP to reflect San Francisco's unique transportation system and socioeconomic and land use characteristics. It uses San Francisco residents' observed travel patterns, detailed representations of San Francisco's transportation system, population and employment characteristics, transit line boardings, roadway volumes, and the number of vehicles available to San Francisco households to produce measures relevant to transportation and land use planning. Using future year transportation, land use, and socioeconomic inputs, the model forecasts future travel demand.

Table 2: Muni Capacity Utilization at Maximum Load Point
Weekday PM Peak Hour Inbound/Outbound

Line	EN PEIR 2000 Baseline	EN 2025 No Project	EN 2025 Option A	EN 2025 Option B	EN 2025 Option C	SFMTA Fall 2013	SF-CHAMP 2040
9-San Bruno	94%/110%	120%/151%	134%/151%	135%/149%	148%/165%	57%/68%	61%/84%
12-Folsom	94%/30%	109%/42%	112%/42%	113%/41%	120%/52%	73%/57%	N/A[1]
14-Mission	47%/86%	60%/113%	62%/113%	63%/112%	69%/122%	49%/40%	39%/76%
22-Fillmore	82%/85%	95%/102%	98%/102%	100%/101%	107%/109%	61%/58%	68%/83%
26-Valencia	26%/76%	33%/89%	33%/89%	33%/90%	35%/94%	N/A[2]	N/A[2]
27-Bryant	86%/57%	111%/78%	118%/78%	119%/77%	126%/84%	60%/46%	63%/55%
33-Stanyan	68%/56%	87%/74%	89%/74%	91%/73%	97%/81%	53%/42%	63%/55%
48-Quintara	87%/72%	112%/94%	113%/94%	115%/93%	119%/100%	57%/65%	67%/63%
49-Van Ness-Mission	73%/93%	85%/112%	89%/112%	91%/111%	100%/121%	48%/47%	N/A[3]
53-Southern Heights	27%/31%	34%/44%	35%/44%	35%/43%	37%/48%	N/A[4]	N/A[4]
67-Bernal Heights	67%/68%	86%/88%	87%/88%	87%/88%	88%/88%	15%/46%	22%/66%

[1] Under Muni-Forward, the 12-Folsom may be replaced by the 10 Sansome on a portion of the route and by the 27 Bryant on the remainder of the route.
[2] The 26-Valencia route was eliminated in December 2009.
[3] The 49-Van Ness-Mission will change to limited stop/rapid service at the time that the Van Ness BRT service commences.
[4] The 53-Southern Heights route was eliminated in December 2009.

Bold text denotes significant impact based on exceedance of 85-percent capacity utilization significance threshold.

Sources:
Eastern Neighborhoods PEIR p. 282
San Francisco Planning Department, *Transit Data for Transportation Impact Studies*, May 15, 2015.
SFCTA, *SF-CHAMP model run for Central Corridor 2040 Cumulative Scenario*, November 12, 2013.

In conclusion, as a result of substantial increases in transit capacity, the cumulative impacts on transit resulting from growth under the Eastern Neighborhoods rezoning and area plans is *less* severe rather than more severe than anticipated in the PEIR. As such, it is evident that the demographic changes occurring in the Mission have not resulted in significant impacts on transit service that were not anticipated in the Eastern Neighborhoods PEIR. Therefore, the proposed project would not result in significant impacts, either individually or cumulatively, on transit beyond those identified in the PEIR.

7.1.2 Traffic Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, in 2013, the state legislature amended CEQA adding Chapter 2.7: Modernization for Transportation Analysis of Transit Oriented Infill Projects. Accordingly, CEQA section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the state CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that promote the "reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." CEQA section 21099(b)(2) states that upon certification of the revised CEQA Guidelines for determining transportation impacts pursuant to

section 21099(b)(1), automobile delay, as described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*[33] (proposed transportation impact guidelines) recommending that transportation impacts for projects be measured using a vehicle miles traveled ("VMT") metric. VMT measures the amount and distance that a project might cause people to drive, accounting for the number of passengers within a vehicle.

OPR's proposed transportation impact guidelines provides substantial evidence that VMT is an appropriate standard to use in analyzing transportation impacts to protect environmental quality and a better indicator of greenhouse gas, air quality, and energy impacts than automobile delay. Acknowledging this, San Francisco Planning Commission Resolution 19579, adopted on March 3, 2016:

- Found that automobile delay, as described solely by LOS or similar measures of vehicular capacity or traffic congestion, shall no longer be considered a significant impact on the environment pursuant to CEQA, because it does not measure environmental impacts and therefore it does not protect environmental quality.
- Directed the Environmental Review Officer to remove automobile delay as a factor in determining significant impacts pursuant to CEQA for all guidelines, criteria, and list of exemptions, and to update the Transportation Impact Analysis Guidelines for Environmental Review and Categorical Exemptions from CEQA to reflect this change.
- Directed the Environmental Planning Division and Environmental Review Officer to replace automobile delay with VMT criteria which promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses; and consistent with proposed and forthcoming changes to the CEQA Guidelines by OPR.

Planning Commission Resolution 19579 became effective immediately for all projects that had not received a CEQA determination as of March 3, 2016, and for all projects that have previously received CEQA determinations, but require additional environmental analysis. Therefore, the CPE for the proposed project does not consider whether the proposed project would have significant impacts either individually or cumulatively on traffic congestion as measured by LOS. Instead, in accordance with CEQA section 21099 and Planning Commission Resolution 19579, the CPE evaluates whether the proposed project would result in significant impacts on VMT. As stated in the CPE checklist and supported by the project-specific transportation impact study, the proposed project would not have a significant impact either individually or cumulatively on VMT. As noted above, this analysis uses the latest transportation models and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE concludes that the project would not have a significant impact on traffic that is peculiar to the project or

[33] This document is available online at: https://www.opr.ca.gov/s_sb743.php.

the project site, and that no further environmental review of the project's effects on traffic congestion is required in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

Even though, as discussed above, the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the following analysis further examines the appellant's contentions that the project would have substantially more severe impacts on traffic than were identified in the Eastern Neighborhoods PEIR.

7.1.3 Travel Behavior

The appellant contends that gentrification and displacement that the proposed project would contribute to are resulting in increased traffic due to "reverse commutes," stating:

> "The PEIR did not anticipate the "advanced gentrification" of the neighborhood, along with the extensive displacement of Latino families and businesses, the reverse commute to distant areas, and that impact on greenhouse gas emissions and on traffic congestion… Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances was [sic] not contemplated in the PEIR for the Eastern Neighborhoods."

As presented in Appendix B and summarized below, updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission do not support the appellant's claim that increased commute distances by displaced workers is causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR.

Many factors affect travel behavior, including land-use density and diversity, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development located in areas with poor access to non-private vehicular modes of travel generate more automobile travel compared to development located in urban areas, where a higher density mix of land uses and travel options other than private vehicles are available. Given these travel behavior factors, San Francisco has a lower ratio of VMT per household than the San Francisco Bay Area regional average.

The San Francisco County Transportation Authority uses the SF-CHAMP model to estimate VMT by private automobiles and taxis for different land use types. The SF-CHAMP model assigns all predicted trips within, across, and to or from San Francisco onto the roadway network and the transit system by mode and transit carrier for a particular scenario. For example, the 2040 SF-CHAMP model run assigns trips to and from each of the 981 transportation analysis zones across San Francisco based on the land use development that is projected. Trips that cross San Francisco, but do not have an origin or destination in the city are projected using inputs from the regional transportation model. SF-CHAMP models travel behavior based on the following inputs:

- Projected land use development (based on the Planning Department's pipeline) and population and employment numbers – as provided by the Planning Department, based on the Association

of Bay Area Governments ("ABAG") Projections (currently the Projections 2013 (Sustainable Communities Strategy).

- Observed behavior from the California Household Travel Survey 2010-2012
- Census data regarding automobile ownership rates and county-to-county worker flows
- Observed vehicle counts and transit boardings.

Neither SF-CHAMP nor the regional travel model[34] explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth[35]. Based on the model inputs, which as noted above include development in the Planning Department's pipeline, both regional average and local San Francisco VMT is expected to decrease in the future.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute distances. However, the model indicates that overall aggregate regional growth is expected to reduce the average distance that a typical worker travels between home and work. The Transportation Authority estimates that existing average VMT per household is 17.2 for the region and 5.9 for the project area (Transportation Analysis Zone 170). VMT per household is expected to decrease to 16.1 for the region and to 5.3 for the project area by 2040[36]. Employment data shows that the share of Bay Area residents living more than 10 miles from their employer increased from 2004 to 2014; over the same period, the absolute number of individuals living more than 10 miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data. Moreover, the Eastern Neighborhoods PEIR anticipated traffic impacts due to increased vehicle trips associated with population growth.

The Eastern Neighborhoods PEIR determined that increased vehicle trips resulting from population growth and development under the rezoning and area plans would result in level of service impacts at representative intersections in the Mission. Of the 13 study intersections in the Mission, the PEIR determined that significant LOS impacts would occur at three intersections during the weekday p.m. peak hour under rezoning Option A, five under Option B, and four under Option C. The PEIR also

[34] SF-CHAMP is built using the regional travel model, and adding additional detail to TAZs located within San Francisco.

[35]For additional detail on the process of developing the travel model, see the MTC documentation at: http://mtcgis.mtc.ca.gov/foswiki/Main/Development

[36] Schwartz, Michael, Coper, Drew, *Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research*, February 2016. Kosinski, Andy, *VMT Analysis for 2675 Folsom Street, Case No 2014-000601*, April 2016.

determined that three additional intersections in the Mission would operate at unacceptable levels of service under both the no project and each of the three rezoning options by 2025.

To test the appellant's assertion that traffic conditions in the Mission are worse than anticipated in the PEIR, Fehr & Peers worked with Planning to select four of the intersections studied in the Mission for the Eastern Neighborhoods PEIR and conduct one-day p.m. peak hour turning movement counts in December 2016[37]. In order to present a representative count of vehicles, these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the level of traffic expected in the PEIR based on the total change in housing units constructed in the Mission from 2011 to 2015. Full turning movement volumes and estimated calculations are included in Appendix B.

As shown in Appendix B, on average, observed traffic volumes in 2016 were around 5 to 10 percent *lower* than expected in the Eastern Neighborhoods PEIR and the percentage of estimated development completed; this indicates traffic volumes similar to or slightly below PEIR projections[38]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR.

7.1.4 Private Car Ownership and Driving Rates in the Mission

The appellant contends that gentrification and displacement are also resulting in increased traffic and related impacts because higher income correlates with higher private car ownership and driving rates. Again, available evidence does not support the underlying premise that the proposed project would cause or contribute to gentrification or displacement in the first place. Moreover, the appellant's claim that the rate of private car ownership in the Mission has increased, and that this is causing significant cumulative traffic and greenhouse gas impacts beyond those anticipated under the Eastern Neighborhoods PEIR is not supported by the available evidence.

Partially due to the in-migration of higher income earners, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000. Median annual income increased from around $67,000 to around $74,000 during that time (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

[37] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[38] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

However, although the typical household has a higher income, automobile availability on a per capita basis has not increased over the same period. The same percentage of households have zero cars available (39 percent to 40 percent of households), and the average number of vehicles available per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 percent to 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, the Eastern Neighborhoods PEIR transportation impact analysis accounted for this growth, and as discussed above, observed traffic volumes in 2016 were around 5 to 10 percent lower on average than expected in the Eastern Neighborhoods PEIR.

In addition to census data, the Planning Department has conducted three case studies at residential developments built in the past ten years in the Mission neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, market-rate housing, although 555 Bartlett Street and 1600 15th Street each include between 15 and 20 percent onsite below market rate units. Surveys at these sites were conducted in 2014 and 2015 during the extended a.m. and p.m. peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 4**.

Table 3: Comparison of Shifts in Income and Automobile Travel Indicators Mission Residents

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	0.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	0.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	0.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

Source: Decennial Census, 2000, Tables H044, P030, DP3; American Community Survey, 5-year averages, 2009 & 2014, Tables S1901, S0802, B25044; Fehr & Peers, 2016.

Table 4: Observed Mode Splits at Residential Developments in the Mission

Address	Drive Alone	Carpool	Walk	Taxi / TNC	Bike	SF Muni	BART	Private Shuttle
1600 15th St[1] (596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street[2] (183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street[3] (288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

[1] Survey conducted August 13, 2014.

[2] Survey conducted August 27, 2014.

[3] Survey conducted July 9, 2015.

Based on trips made between 7 a.m. – 10 a.m. and 3 p.m. – 7 p.m. on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone mode share that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 3**). The total auto mode share (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto mode share for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[39] Thus, the available evidence demonstrates that new or substantially more severe impacts on the Latino Cultural District are not occurring as a result of increased private vehicle ownership.

7.1.5 Commuter Shuttles

The appellant states that the increase in commuter shuttles since the Eastern Neighborhoods PEIR was certified constitutes substantial new information and/or changed circumstances that "render the current PEIR obsolete," stating:

[39] SF-CHAMP auto mode share is based on the Central SoMa 2012 Baseline model run; the presented mode shares are for the analysis zones where each of the case study developments is located.

> "The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such we have high earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no fault evictions."

CEQA Guidelines section 15183(b)(4) provides that in conducting the streamlined environmental review mandated for projects that are consistent with the development density established under an adopted community plan or zoning, a public agency must limit its examination of environmental effects to those which the agency determines are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR. Accordingly, the increase in the use of commuter shuttles since the certification of the Eastern Neighborhoods PEIR is relevant only to the extent that the proposed project, either individually or cumulatively, would result in more severe adverse impacts than were identified in the Eastern Neighborhoods PEIR because of the increase in shuttles. Thus, whether or not commuter shuttles cause or exacerbate displacement as the appellant contends, which is a matter of substantial debate[40], is not relevant to determining if the proposed project would have new or more severe impacts on the physical environment than previously identified. Nevertheless, by increasing the supply of both market rate and below market rate housing, the proposed project along with other housing development under the Eastern Neighborhoods rezoning and area plans would serve to alleviate market pressures from any increased demand for housing attributable to commuter shuttles. Regardless, as discussed above, any such effects are socioeconomic in nature, and are not in and of themselves significant impacts on the physical environment.

7.1.5.1 San Francisco Commuter Shuttle Program

The number of privately operated shuttles in San Francisco has grown in recent years. Numerous employers, educational institutions, medical facilities, office buildings, and transportation management associations offer shuttle service to their employees, students, and clients. Some development projects are required to provide shuttle services as part of their conditions of approval (and the impacts of their shuttle services are considered within the development project's environmental review), and an employer may comply with San Francisco's Commuter Benefits Ordinance and the Bay Area's Commuter Benefits Program by offering a free commute shuttle to employees. The majority of the commuter shuttles are closed systems that provide service to a specific population and are not open to the general public. Most shuttles are provided for free to employees (or students, tenants, etc.). There are two distinct markets within the shuttle sector: those that operate within San Francisco (intra-city) and those that operate between San Francisco and another county (inter-city regional). Shuttles support local San Francisco and regional goals by decreasing single occupancy vehicle trips, vehicle miles traveled, and private vehicle ownership.

[40] According to rider surveys conducted as part of the environmental review for SFMTA's Commuter Shuttle Program, only 5 percent of shuttle riders would move closer to their jobs if shuttles were unavailable.

Prior to August 2014, San Francisco did not regulate commuter shuttle activity on city streets. Shuttles operated throughout the city on both large arterial streets, such as Van Ness Avenue and Mission Streets, and smaller residential streets. Shuttles loaded and unloaded passengers in a variety of zones, including passenger loading (white) zones, Muni bus stops (red) zones, and other vacant curb space. When curb space was unavailable, shuttles often would load or unload passengers within a travel lane. The lack of rules and guidelines for where and when loading and unloading activities were permitted, and the lack of vacant space in general, resulted in confusion for shuttle operators and neighborhood residents, inconsistent enforcement, and real and perceived conflicts with other transportation modes.

To address these issues, in January 2014, the SFMTA Board of Directors approved an 18-month pilot program to test sharing of designated Muni zones and establish permitted commuter shuttle-only passenger loading (white) zones for use by eligible commuter shuttles that paid a fee and received a permit containing the terms and conditions for use of the shared zones. The pilot program began in August 2014, and created a network of shared stops for use by Muni and commuter shuttle buses that applied to participate, and restricted parking for some hours of the day in certain locations to create passenger loading (white) zones exclusively for the use of permitted commuter shuttles.

Based on information collected through the pilot program, SFMTA developed and adopted a Commuter Shuttle Program effective February 2016. As required under CEQA, the Planning Department conducted a detailed evaluation of the potential environmental effects of the Commuter Shuttle Program prior to its adoption.[41] The environmental review for the shuttle program concluded that the program would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading, air quality, greenhouse gas emissions, and noise. According to this review, the availability of commuter shuttles:

- Reduces the number of commuters who drive alone to work
- Reduces regional VMT
- Reduces regional emissions of ROG, PM_{10}, and $PM_{2.5}$
- Increases regional NOx emissions, but not in excess of the applicable CEQA significance threshold
- Reduces greenhouse gas emissions
- Increases health risk from exposure to diesel exhaust, but not in excess of the applicable CEQA significance thresholds
- Increases traffic noise but not in excess of applicable CEQA significance thresholds

Thus, the available evidence demonstrates that the increased use of commuter shuttles has not resulted in new or substantially more severe significant impacts on transportation than previously identified in the Eastern Neighborhoods PEIR.

[41] San Francisco Planning Department, Case No. 2015-007975ENV, October 22, 2015.

7.1.6 Parking

In accordance with CEQA section 21099 parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the appellant's concerns regarding impacts of the proposed project on parking are not subject to review under CEQA.

7.1.7 Conclusion

Based on the evidence and analysis presented above, the transportation impacts resulting from planned growth under the Eastern Neighborhoods rezoning and area plans appear to be less severe than expected in the Eastern Neighborhoods PEIR. Therefore, socioeconomic effects of the proposed project would not result in an increase in the severity of previously identified significant impacts on transportation as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified.

7.2 AESTHETIC IMPACTS

In accordance with CEQA section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the environmental review for the proposed project does not consider aesthetic effects.

7.3 HISTORIC AND CULTURAL IMPACTS

The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The district is defined as a region and community linked together by similar cultural or heritage assets, and offering a visitor experiences that showcase those resources.[42]

[42] Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf, accessed June 8, 2016.

The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

The appellant incorrectly characterizes economic and social effects as physical environmental impacts, stating:

> "Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciazation [sic] of the LCD. Here, mom and pop Latino owned and operated concerns are at risk of being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment…"

As discussed above in Section 5.1 Commercial Gentrification, the appellant's claim that the proposed project would cause or contribute to commercial gentrification is not supported by empirical evidence. However, even if the project would lead to such effects, this would not constitute a physical environmental impact. The replacement of existing retail businesses with other retail businesses that the appellant claims the project would cause may constitute a change in the character of the 24th Street commercial corridor. Contrary to the appellant's assertion, such a change is an economic and social effect that shall not be treated as a significant effect on the environment per CEQA Guidelines section 15131(a) (see Section 3.0 Approach to Analysis above).

7.4 GREENHOUSE GAS IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant greenhouse gas impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding greenhouse gas impacts.

Moreover, unlike the PEIR, which was certified prior to the addition of greenhouse gas impacts to the Planning Department's CEQA initial study checklist, the CPE includes an assessment of the proposed project's greenhouse gas emissions. This analysis uses the Planning Department's current greenhouse gas impact assessment methodology, which evaluates projects for conformity with San Francisco's *Strategies*

to Address Greenhouse Gas Emissions.[43] The analysis presented in the CPE demonstrates that the proposed project would not result in a significant impact either individually or cumulatively due to greenhouse gas emissions not previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

7.5 AIR QUALITY IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant air quality impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding air quality impacts.

The CPE evaluates whether the proposed project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE checklist, this up-to-date, project-specific analysis demonstrates that the proposed project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

8 CONCLUSION

The Planning Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The department is actively engaging with the community, the Board of Supervisors, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls, the Calle 24 Special Use District, MAP2020, and a broader citywide analysis of socioeconomic trends.

However, the Planning Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2675 Folsom Street project are responsible for residential or commercial displacement. As shown in the above analysis, the appellant's contention that the proposed project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence. Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban

[43] San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco,* November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

Finally, the issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan level and project level CEQA documents under the relevant resource topics such as transportation, air quality, noise, parks and open space, and public services. The appellant has not demonstrated that the department's CEQA determination for the 2675 Folsom Street project is not supported by substantial evidence. The Planning Department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination for the proposed project in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

Attachment B

1. Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends, January 12, 2017

2. Fehr & Peers, Updated Eastern Neighborhoods Traffic Counts, April 17, 2017

FEHR PEERS

January 12, 2017

Chris Kern
Senior Environmental Planner
1650 Mission Street, Suite 400
San Francisco, CA 94103

Subject: **Eastern Neighborhoods / Mission District Transportation and Demographic Trends**

Dear Chris:

Fehr & Peers has prepared this letter summarizing key transportation trends that have occurred since the adoption of the Eastern Neighborhoods Plan in August 2008, focusing on the Mission District. Specifically, San Francisco Planning staff identified three key questions regarding the transportation analysis prepared for the Eastern Neighborhoods Plan environmental review process and subsequent effects on the transportation network due to new development:

- If new construction based on the Eastern Neighborhoods Plan results in displacement of lower income workers, do these workers then move to distant suburbs and increase the number of automobile commute trips and regional VMT compared to the Eastern Neighborhoods Plan EIR?
- Does new housing in the Eastern Neighborhoods plan area attract higher income residents, who own more cars and are therefore adding additional automobile trips than were accounted for in the Eastern Neighborhoods Plan EIR?
- Do commuter shuttles have transportation impacts not considered in the Eastern Neighborhoods Plan EIR?

Overall, Fehr & Peers has found that the Eastern Neighborhoods Plan EIR took a fairly conservative approach to transportation analysis and findings. The EIR generally estimated that a slightly higher percentage of new trips would be made by private vehicles than recent traffic counts as well as census travel survey data would suggest are occurring. On a more detailed level, Fehr & Peers found that while the Mission has undergone significant demographic and economic

change, residents on average still appear to own around the same number of vehicles, and use non-auto modes at similar rates as in the period from 2000 – 2009.[1]

With regards to the effects of potential displacement of lower-income households, data tracking individuals or households who move out of the neighborhood is not available, limiting our ability to state with certainty whether displacement of lower income workers is leading those same workers to increase their vehicle travel. Collecting this data would require a long-term focused survey effort on a different horizon that which is available for the preparation of this letter report .

In absence of this data, Fehr & Peers has conducted an analysis and review of the regional models used to develop the travel demand estimates for the Eastern Neighborhoods Plan EIR and, more generally, the role that they play in planning/CEQA efforts. This review of the travel model focuses on available data, and how that data can be used to answer the questions posed above. The regional model uses available data, such as existing mode share, trends in travel time to work, and current research on travel behavior to assess how changes in population or employment affect vehicle travel on our transportation facilities. The growth in households and jobs included in the model is based on regional and local planning efforts such as Plan Bay Area, City general plans, and specific plans such as the Eastern Neighborhoods Plan.

The growth in the share of households and jobs located in dense, urban areas (as planned for in Plan Bay Area and the Eastern Neighborhoods Plan) is expected to generally decrease regional vehicle miles traveled per capita between now and 2040. In the short term, the distance between Bay Area residents and their places of employment has increased slightly from 2004 to 2014; this has not, however, been accompanied by a similar increase in the share of regional commuting by single-occupant vehicle.

In addition to these demographic and economic variables, several new technologies and programs have affected transportation in the Eastern Neighborhoods area. Commuter shuttles to campuses in the Peninsula and South Bay have grown in amount and ridership, and some members of the community are concerned they may be negatively affecting traffic or public transit operations. Fehr & Peers has not found any evidence that their effects have not been contained in the envelope of traffic effects analyzed in the Eastern Neighborhoods Plan EIR.

[1] Fehr & Peers has attempted to maintain consistency across data sources. Census data is used from the 2000 decennial census, and from the 2004 – 2009 and 2009 – 2014 five-year average reports of the American Community Survey. Non-Census data may use other base years.

With regards to non-automotive travel, Planning and SFMTA have both undertaken substantial citywide efforts to encourage non-auto modes of travel, including MuniForward and Planning's Transportation Sustainability Program (TSP); these provide mechanisms for encouraging shifts to sustainable modes of travel, although it is still too early in their implementation to provide detailed analysis on their efficacy. These programs would be expected to have the effect of decreasing overall vehicular travel, and perhaps increasing transit ridership.

Background and Literature on Factors Surrounding Travel Behavior

While this letter focuses on the interplay between jobs and housing and the effect that relationship has on local and regional travel patterns, these elements are only one potential factor in individual travel behavior. Regional traffic and travel patterns are the combination of many different factors that influence individual decisions; these factors include items related to the built environment, local land use, regional distributions of housing and jobs, household socioeconomic factors, roadway network design and capacity, and availability of alternative transportation services such as transit.

When used in travel demand models, these variables can be sorted into four groups: socioeconomic characteristics, travel options, local land use characteristics, and regional land use characteristics, all of which influence total regional travel[2]. The below narrative discusses how these complicated factors are reflected in the variables selected for use in the regional model; these variables rely on data that is readily available, and broad enough for regional use. Many other individual circumstances are not reflected in the model, even though they may influence decisions with respect to residential location, employment, and household formation. Instead, the model focuses on the outcomes of these decisions, and uses past trends to predict future changes in variables that can more easily be included in the model. The following is a summary of some of the factors used in modeling travel behavior, and definitions or explanations of each for reference.

Socioeconomic Characteristics

For modeling purposes, several variables are used as proxies for socioeconomic characteristics that influence travel. These variables include the number of workers and non-workers in each

[2] Hu, H., Choi, S., Wen, F., Walters, G., & Gray, C. J. (2012, February). Exploring the Methods of Estimating Vehicle Miles of Travel. In *51th Annual Meeting of the Western Regional Science Association*.

household, the age of household members, and median household income. Generally, larger households make more trips by all modes; people between ages 16 – 64 are more likely to drive, and higher income individuals are more likely to own a car; as such, analysis areas with populations meeting these characteristics tend to generate a larger number of vehicle trips in the model. Other individual traits, including English proficiency, ability to obtain a driver's license, and ability or disability may also influence travel decisions at this level, but are too generalized to be included in a regional travel demand model, despite their importance to individual decisions.

Travel Options

Travel options variables include considerations of transit access, transit quality, and access to a vehicle. Each of these factors can determine the mode an individual chooses to make a given trip. Generally, individuals will choose the most efficient mode among those that they have access to. Efficiency can include considerations such as cost, estimated travel time, comfort, wait times, or convenience, among other concerns. In travel models, these factors are considered through proxy variables such as car ownership, distance from transit, and the frequency at which nearby transit operates.

Local Land Use and Built Environment

Local land use variables include variables often referred to as "the D's": density of jobs and housing, diversity of land uses, design of roadway facilities and the urban environment, and similar elements. These factors help to create urban environments that are more walkable, and tend to have a lower automobile modeshare[3]. The academic literature surrounding the effects of land use on transportation choices has shown fairly consistently that dense, mixed-use neighborhoods with strong regional access have the lowest levels of vehicle trip-making.[4] When used in travel models, these are usually translated into measures of density for a given area, such as the number of dwelling units or jobs per acre.

Regional Land Use and Built Environment

Regional land use patterns determine travel patterns mostly as a function of where people live versus places they typically travel to; the most common example of this is the relationship

[3] Cervero, R., & Kockelman, K. (1997). Travel demand and the 3Ds: density, diversity, and design. *Transportation Research Part D: Transport and Environment*, *2*(3), 199-219.

[4] Ewing, R., & Cervero, R. (2010). Travel and the built environment: a meta-analysis. *Journal of the American planning association*, *76*(3), 265-294.

between a person's home and workplace. Regional accessibility, such as the availability of longer distance transportation options (including regional transit such as BART and Caltrain, as well as freeways and major arterials) also plays a key role in transportation decisions. Ongoing jobs-housing imbalances have been shown to have a substantial effect on the distance households travel to work, while regional accessibility (as measured by the mix of destinations easily accessible by a household) also tends to encourage non-auto trips[5,6,7].

Number of Long-Distance Commute Trips

In addressing the question of whether the new residential construction in the Eastern Neighborhoods plan displaces lower income workers and therefore leads to longer commute trips from distant suburbs, Fehr & Peers focused on available data which includes regional data on inter-county commutes, and data showing the regional distance between a worker's home and workplace. While speculation exists that individuals that move out of the Mission commute longer distances to existing jobs, the literature on job change following residential relocation is very limited. As such, it cannot be ascertained whether individuals moving from the Mission to outlying areas keep or change their job location.

In addition to the potential for longer commute trips, households moving from the Mission to areas with fewer non-auto transportation options may increase their use of private vehicles for non-work trips. This increase in trips may be offset by individuals who move into denser neighborhoods and then use private vehicles less often, particularly if new housing growth is concentrated in these denser neighborhoods.

As an example of how residential location affects commute patterns, **Table 1** summarizes the number of commuters who both live and work in the same Bay Area County, the number who live and work in different counties and drive alone to work, and the median rent by county to serve as a proxy for cost of living. Counties that have a lower than average share of residents who drive alone to work in another county are Santa Clara County, Sonoma County, and San Francisco County, while counties with the largest share of residents who drive alone to work in another county are San Mateo, Contra Costa, and Solano Counties.

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[5] Ewing, R. (1995). Beyond density, mode choice, and single-purpose trips. *Transportation Quarterly*, *49*(4), 15-24.

[6] Levinson, D. M. (1998). Accessibility and the journey to work. *Journal of Transport Geography*, *6*(1), 11-21.

[7] Cervero, R. (1996). Jobs-housing balance revisited: trends and impacts in the San Francisco Bay Area. *Journal of the American Planning Association*, *62*(4), 492-511.

Based on these figures, we would assume that a net movement of households from San Francisco to counties such as Contra Costa County and Solano County without a corresponding movement in jobs would result in a higher share of individuals driving longer distances to work. However, job and housing growth projections prepared by ABAG indicate that population growth will be concentrated in areas that, in general, have fewer individuals driving alone to work across county lines.[8]

TABLE 1: COMMUTERS LIVING AND WORKING IN DIFFERENT COUNTIES, 2010[1]

County	Employed Residents	Residents Working in Same County	Percentage Working in Same County	Drove Alone to Another County for Work	Percentage Drive Alone to Another County	2010 Median Rent[2]
Santa Clara	817,000	712,000	87%	85,000	10%	$1,471
Sonoma	226,000	188,000	83%	29,000	13%	$1,227
San Francisco	432,000	331,000	77%	68,000	16%	$1,446
Napa	62,000	48,000	77%	12,000	19%	$1,218
Alameda	693,000	468,000	68%	142,000	20%	$1,233
Marin	121,000	79,000	65%	29,000	24%	$1,563
Contra Costa	466,000	281,000	60%	121,000	26%	$1,311
San Mateo	349,000	205,000	59%	101,000	29%	$1,525
Solano	184,000	109,000	59%	55,000	30%	$1,199
Grand Total	**3,350,000**	**2,421,000**	**72%**	**642,000**	**19%**	**$1,353**

1. VitalSigns does not provide data prior to 2010.
2. Median rents are based on self-reported rents paid by current residents across a variety of unit types, and do not reflect the rent accepted by new residents. Amounts shown are adjusted for inflation to 2014 dollars.
Source: Metropolitan Transportation Commission VitalSigns, 2016; Fehr & Peers, 2016

To study the total *future* change in vehicle trips and vehicle miles traveled due to demographic shifts and changing development patterns, a travel model is typically employed studying conditions both with and without a demographic change.

[8] ABAG projections are taken from Plan Bay Area 2013.

Fehr & Peers performed a brief review of the model data used in developing the future year VMT and travel forecasts used for CEQA purposes, and found that they do account for changes in the number of households by income level, as well as changes in the number of jobs throughout the region. Travel models are used to forecast future year conditions, as well as changes in traffic due to major land use changes (such as the adoption of the Eastern Neighborhoods Plan). These models are designed to use research on current travel patterns to estimate how changes in roadway configurations, population locations, and jobs can affect vehicle travel as well as travel by other modes. The San Francisco specific model, SF-CHAMP, uses the same data as the regional model, but reassigns growth within San Francisco to reflect local planning efforts. Individual model runs can provide estimates of traffic levels on individual roadways, and as noted above are often used for portions of the traffic and VMT analyses prepared for CEQA purposes.

In order to provide these estimates, SF-CHAMP estimates travel behavior at the level of transportation analysis zones (TAZs). There are 981 TAZs within San Francisco that vary in size from single city blocks in the downtown core, to multiple blocks in outer neighborhoods, to even larger geographic areas in historically industrial areas like the Hunters Point Shipyard. It also includes zones outside of San Francisco, for which it uses the same geography as the current MTC Model: "Travel Model One". For each TAZ, the model estimates the travel demand based on TAZ population and employment assumptions developed by the Association of Bay Area Governments (ABAG). Essentially, the model does its best to represent average travel choices and patterns of "people" (the daytime service population) that represent all travelers making trips to and from each TAZ the entire day[9].

Neither SF-CHAMP nor the regional travel model explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth. Future concentrations of jobs and housing are based on the most recent regional planning documents prepared by ABAG.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute

[9] Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

distances. However, the model does indicate that overall aggregate regional growth is expected to help reduce the average distance that a typical worker travels between home and work. The SFCTA has estimated that existing average VMT per household is 17.2 for the region and 8.4 in San Francisco. The regional VMT per household is expected to decrease to approximately 16 7.5 by the year 2040[10]. Employment data shows that the share of Bay Area residents living more than ten miles from their employer increased from 2004 to 2014 (See **Table 2**); over the same period, the absolute number of individuals living more than ten miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data.

TABLE 2: DISTANCE FROM HOME CENSUS BLOCK TO WORK CENSUS BLOCK[1], BAY AREA RESIDENTS, 2004 - 2014

Distance	2004[2]		2014	
	Number of Workers	Share of Workers	Number of Workers	Share of Workers
Less than 10 miles	1,507,000	52%	1,600,000	47%
10 to 24 miles	800,000	27%	944,000	28%
25 to 50 miles	351,000	12%	445,000	13%
Greater than 50 miles	255,000	9%	390,000	12%
Drive-Alone Commute Modeshare	79%		76%	

1. LEHD data uses payroll and other labor information; distances may not represent an employee's typical workplace, but rather the location of their employer's office for labor reporting purposes.
2. 2004 base year is used due to data from 2000 not being available
Source: Longitudinal Employer-Household Dynamics, 2016; MTC VitalSigns, 2016; Fehr & Peers, 2016

Vehicle Trip Rates and Demographics of New Residents

While data are unavailable for households moving away from the Mission, a look at ACS data shows some insight on households that have recently moved to the Mission from elsewhere.

[10] Schwartz, Michael, Coper, Drew. (2016, February). Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research. And Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

Around 15 percent of Mission residents had moved within the past year; of these, around half moved to the Mission from outside of San Francisco (**Table 3**). New residents, particularly those moving from outside of California, tend to have higher incomes than existing residents.

TABLE 3: MIGRATION STATUS OF MISSION RESIDENTS[1] IN PAST YEAR AND MEDIAN INDIVIDUAL INCOME

Year		Did not move in past year	Moved; within San Francisco	Moved; from different county in CA	Moved; from different state	Moved; from abroad
2004-2009	% of Residents	86%	9%	2%	2%	1%
	Median Income (2014 Dollars)	$37,000	$40,000	$32,000	$40,000	$15,000
2009 -2014	% of Residents	86%	8%	3%	2%	1%
	Median Income (2014 Dollars)	$35,000	$43,000	$32,000	$76,000	$46,000

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S0701, 5-year averages, 2004-2009, 2009-2014; Fehr & Peers, 2016

Generally, higher income households tend to have more vehicles per household, and also tend to drive more (See **Table 4**). However, a preliminary look at trends studied in the Census and American Community Survey (ACS) indicate that this effect has had a minimal effect on overall vehicular use in the Mission district from 2000 to 2014.

TABLE 4: DRIVE ALONE MODESHARE BY INCOME GROUP, MISSION RESIDENTS[1] (2009- 2014)

Worker Earnings	% Driving Alone to Work
<$15,000	16%
$15,000 – $25,000	21%
$25,000 - $50,000	24%
$50,000 – $75,000	28%
>$75,000	29%
Average, All Incomes	**27%**

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S1901, 5-year averages, 2009-2014; Fehr & Peers, 2016

Partially due to the in-migration of higher income earners shown in **Table 3**, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000 (see **Table 5**). Median annual income increased from around $67,000 to around $74,000 during that time period (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

However, although the typical household has a higher income, vehicles per househols has not increased over the same time period. The same percentage of households have zero cars (39 – 40 percent of households), and the average number of vehicles per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 – 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, this growth is in line with past trends, and does not exceed the level of vehicle travel projected in the Eastern Neighborhoods EIR, as discussed below.

In addition to census data, Planning has conducted three case studies at residential developments built in the past ten years in the Mission Neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, largely market-rate housing, although 555 Bartlett Street and 1600 15th Street each have between 15 and 20 percent of units set aside as below market rate housing. Surveys at these sites were conducted during the extended AM and PM peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 6**.

TABLE 5: COMPARISON OF SHIFTS IN INCOME AND AUTOMOBILE TRAVEL INDICATORS, MISSION RESIDENTS[1]

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: American Community Survey, Tables B25044, B08130, S1901, 5-year averages, 2004 – 2009 and 2009 - 2014 ; Decennial Census, Tables H044, P030, DP3, 2000; Fehr & Peers, 2016

TABLE 6: OBSERVED MODE SPLITS AT RESIDENTIAL DEVELOPMENTS IN THE MISSION

Address	Drive Alone	Carpool	Walk	Taxi / TNC	Bike	SF Muni	BART	Private Shuttle
1600 15th St (162 market rate units, 40 BMR units, 596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street (49 market rate units, 9 BMR units, 183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street (114 market rate units, 288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

Based on trips made between 7AM – 10AM and 3PM – 7PM on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone modeshare that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 5**). The total auto modeshare (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto modeshare for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[11]

Transit Modeshare Over Time

The share of Mission residents commuting via transit has remained fairly steady from 2000 to 2014, based on ACS journey to work data (see **Table 7**). Transit modeshare has decreased slightly in recent years, from a high of 46 percent in 2004 – 2009; most of this shift has been to bicycling and "other means" (which may include trips made by TNC). This fluctuation is well within a typical margin of error, and includes a period of decreased Muni transit service during the Great Recession; service was restored in 2015.

[11] SF-CHAMP auto modeshare is based on the Central SoMa 2012 Baseline model run; the presented modeshares are for the analysis zones where each of the case study developments are located.

TABLE 7: MISSION RESIDENT TRANSIT MODESHARE TRENDS, 2000 – 2014 (COMMUTE TRIPS ONLY)				
Year	**Total Transit Modeshare**	**Muni Bus or Rail[1]**	**BART[2]**	**Caltrain[3]**
2000	42%	24%	16%	1%
2004 – 2009	46%	29%	16%	1%
2009 – 2014	44%	24%	18%	3%

1. "Bus or trolley bus" and "Streetcar or trolley car" categories
2. "Subway or elevated" category
3. "Railroad" category

Source: ACS 2014; Fehr & Peers, 2016

Expected and Observed Peak Hour Vehicle Traffic Growth

The Eastern Neighborhoods Transportation Impact Study (TIS) and EIR analyzed several intersections within the Mission District. Fehr & Peers worked with Planning to select four of these intersections and conduct one-day PM peak hour turning movement counts in December 2016[12]; these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 – 2015. Full turning movement volumes and estimated calculations are included in **Attachment A**.

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2016 relative to the 2025 projections), and around 10 percent complete[13] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission. **Table 8** shows a summary of observed and estimated traffic volumes for the intersections analyzed.

[12] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[13] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

On average, observed traffic volumes in 2016 were around 5 - 10 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[14]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods Plan. The observed traffic counts also include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

TABLE 8: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2016 To Date Projected Volume[1]	2016 Observed Volume	Net Difference (2016 Observed – 2016 Projected)	% Difference
Guerrero / 16th	2,704	2,895	2,729	2,628	-101	-4%
S. Van Ness / 16th	2,513	2,682	2,534	2,692	158	6%
Valencia / 16th	1,848	2,168	1,885	1,572	-313	-17%
Valencia / 15th	2,287	2,438	2,311	1,913	-398	-17%
				Average	-164	-7%

1. 2016 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.
Source: Fehr & Peers, 2016; Eastern Neighborhoods TIS, 2008

[14] While not shown in Table 8, projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

Policy and Program Changes since Adoption of Eastern Neighborhoods Plan

The above analysis represents a look at how 2016 compares to conditions considered in the Eastern Neighborhoods Plan TIS and EIR. However, since the adoption of the Eastern Neighborhoods Plan, the City has embarked on several projects and programs designed to better accommodate sustainable growth. Future transportation investments are anticipated to align with these goals, and include a focus on transit capital and operational investments, bicycle infrastructure, and pedestrian safety. Many of these improvements may be financed by fees collected from new developments.

San Francisco Bicycle Plan

The 2009 San Francisco Bicycle Plan was adopted shortly after the adoption of the Eastern Neighborhoods Plan. It identifies specific bicycle route improvement projects, and is intended to foster a safe and interconnected bicycle network that supports bicycling as an attractive alternative to driving. This plan identified sixty total bicycle projects and bicycle route improvements, several of which are located within the Eastern Neighborhoods Plan area. In the Mission, this includes facilities on 17th Street and 23rd Street, as well as potential long-term improvements on Shotwell Street and Capp Street.

Better Streets Plan

The Better Streets Plan, adopted in 2010, includes streetscape policies and guidelines that outline streetscape requirements for new development, as well as generally guide the design of new street improvement projects. It seeks to enhance the pedestrian environment, and includes guidelines for width and design of sidewalks, crosswalks, and general enhancements to the pedestrian environment, including street trees, lighting, and other elements. New developments are expected to bring relevant streetscape elements near their project into compliance with the Better Streets Plan as part of the development review process.

Muni Forward

Muni Forward is an adopted plan following the findings of the Transit Effectiveness Project (TEP). The TEP was an in-depth planning process that sought to evaluate and enhance the Muni system; in 2014, the SFMTA Board of Directors adopted many of these recommendations, which included an overall 12 percent increase in Muni service citywide. Major projects affecting the Mission include the installation of red bus-only lanes on Mission Street, as well as service improvements

on the 14 and 14R buses, which provide a key connection for Mission residents to sites along the Mission Street corridor.

Vision Zero

Vision Zero, adopted in 2014, represents an action plan for building better and safer streets, with the goal of having zero traffic fatalities by the year 2024. This goal utilizes a "safe systems" approach to protect people from serious injury or death when a crash occurs by creating safe roads, slowing speeds, improving vehicle design, educating people, and enforcing existing laws. Part of this process includes identifying high injury corridors, where people are more likely to experience serious injury or death as a result of automobile collisions. Guerrero Street, Valencia Street, Mission Street, South Van Ness Avenue, Harrison Street, 15th Street, 16th Street, 17th Street, 24th Street, Cesar Chavez Street, and segments of 18th Street and Dolores Street are all included in the Vision Zero High Injury Network. High priority projects to address these issues in the Mission include the installation of bus-only lanes on Mission Street, as well as installation of pedestrian countdown signals at key intersections on Guerrero Street and S. Van Ness Avenue.

Propositions A and B (2014)

In 2014, San Francisco voters passed Propositions A and B, both of which provided additional funding for transportation projects, almost all of which was designated for transit, pedestrian, and bicycle improvements. Proposition A authorized $500 million in general obligation bonds for transportation infrastructure needs citywide. Funds were earmarked for specific project types that focused on transit, bicycle, and pedestrian improvements, including construction of transit-only lanes and separated bikeways, transit boarding islands, escalator upgrades, new pedestrian signals, sidewalk improvements, and Muni maintenance facilities. Proposition B required that the City's contributions to SFMTA increase based on population growth, including both the daytime and night-time populations. Additionally, Proposition B required the 75 percent of any population-based increase be used to improve Muni service, and 25 percent be used for improving street safety.

Transportation Sustainability Program

The Transportation Sustainability Program (TSP) reflects plans to adopt smart planning and investment practices to improve and expand on the existing transportation system. They include requiring new developments to adopt comprehensive transportation demand management (TDM) programs (anticipated to be in effect early 2017) in order to reduce the number of trips

made by automobile, as well as adoption of the new Transportation Sustainability Fee for new developments, and environmental review guidance that prioritizes smart growth in the form of infill development near quality transit service.

Commuter Shuttle Program

The SFMTA implemented a formal Commuter Shuttle Program in 2014 to regulate how long-distance commuter shuttles utilize public roadways and public curb space, including bus stops. An October 2015 review found that the program was eligible for a categorical exemption (Case No. 2015-007975ENV). The analysis used for this determination also examined the total number of shuttles and shuttle stop incidents. This study found that shuttle vehicles would remain less than 10 percent of vehicles traveling on arterials with shuttle stop locations, and that this increase was not expected to substantially affect traffic operations on arterial roadways. As shown in **Table 8**, current levels of traffic within the Mission remain below expected volumes based on the amount of development completed under the Eastern Neighborhoods Plan.

On-Demand Smartphone Ride Companies

At the time of the Eastern Neighborhoods EIR, transportation network companies (TNCs) such as Lyft, Uber, and Chariot did not exist. In recent years, this method of transportation has grown significantly. However, many details regarding how these companies fit into the larger transportation picture in San Francisco is unclear. To date, no holistic study has examined whether TNC users are making trips they would not otherwise make, or substituting a Lyft or Uber ride for either a public transit trip or private vehicle trip. Based on the surveys conducted at newer residential developments, the combination of Taxi and on-demand / smartphone-based transportation represents between three and eight percent of all trips. These trips have not led to growth in traffic at Eastern Neighborhoods study intersections that exceed what was predicted, based on actual intersection-level counts, and can reasonably be considered to fall within the envelope of transportation effects identified in the Eastern Neighborhoods EIR.

Sincerely,

FEHR & PEERS

Eric Womeldorff, P.E.
Principal

Teresa Whinery
Transportation Planner

Attached:

Attachment A

Option A Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option A Plan Total (Delta from Baseline)	104,400	37,200	422,021	-448,753	114,000	0	782
Progress	-24%	41%	26%	46%	35%	100%	65%

Progress: Non-Residential & Non-PDR	20%
Progress: Residential	65%
Percent Complete, Option A	**40%**

Option C Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option C Plan Total (Delta from Baseline)	609,480	49,448	2,214,011	-3,370,350	598,323	10,274	2,054
Progress	-4%	31%	5%	6%	7%	0%	25%

Progress: Non-Residential & Non-PDR	4%
Progress: Residential	25%
Percent Complete, Option C	**10%**

No Project Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN CNP Total (Delta from Baseline)	134,700	36,900	551,400	-513,185	144,000	1	420
Progress	-19%	41%	20%	40%	28%	100%	120%

Progress: Non-Residential & Non-PDR	16%
Progress: Residential	120%
Rounded Estimate Complete, No Project	**70%**
Time Estimate Complete, No Project (2016 - 2000) / (2025 - 2000)	**64%**

Attachment A - Turning Movement (Option A)

		2000 Baseline	2025 NP	2025 Option A	2016 NP Estimate	2016 Option A To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Observed	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	86	78	78	2,789	16	2,628	-161	
	NBT	649	721	761	695	694		599			
	NBR	60	67	72	64	65		52			80%
	SBL	50	52	53	51	51		10			
	SBT	748	784	760	771	753		815			
	SBR	43	45	44	44	43		76			106%
	EBL	16	17	18	17	17		8			
	EBT	301	314	305	309	303		291			
	EBR	61	64	68	63	64		64			95%
	WBL	81	87	87	85	83		55			
	WBT	537	572	571	559	551		521			
16th & Guerrero	WBR	85	91	91	89	87		121			97%
	NBL	0	0	0	0	0	2,591	70	2,692	101	
	NBT	530	578	567	561	545		656			
	NBR	96	104	104	101	99		67			123%
	SBL	0	0	0	0	0		65			
	SBT	575	587	616	583	591		689			
	SBR	39	40	42	40	40		44			126%
	EBL	0	0	0	0	0		9			
	EBT	448	476	474	466	458		295			
	EBR	52	64	74	60	61		71			72%
	WBL	0	0	0	0	0		7			
	WBT	674	727	728	708	696		653			
S. Van Ness & 16th	WBR	99	106	105	103	101		66			91%

	NBL	59	63	71	62	64	2,018	39	1,572	-446	
	NBT	442	480	535	466	479		417			
	NBR	0	0	0	0	0		0			84%
	SBL	0	0	0	0	0		2			
	SBT	549	553	557	552	552		407			
	SBR	199	218	224	211	209		162			75%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	108	93	87		54			
	WBT	443	632	655	564	528		396			
Valencia & 16th	WBR	83	118	123	105	99		95			76%
	NBL	49	50	51	50	50	2,376	40	1,913	-463	
	NBT	398	433	497	420	438		323			
	NBR	73	74	78	74	75		71			77%
	SBL	70	74	77	73	73		43			
	SBT	499	530	535	519	513		364			
	SBR	50	53	54	52	52		48			71%
	EBL	28	30	29	29	28		36			
	EBT	318	336	334	330	324		272			
	EBR	65	69	67	68	66		44			84%
	WBL	58	62	63	61	60		52			
	WBT	604	647	645	632	620		549			
Valencia & 15th	WBR	75	80	81	78	77		71			89%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

Attachment A - Turning Movement (Option C)

		2000 Baseline	2025 NP	2025 Option C	2016 NP Estimate	2016 Option C To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Total Count	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	87	78	74	2,729	16	2,628	-101	
	NBT	649	721	776	695	662		599			
	NBR	60	67	72	64	61		52			84%
	SBL	50	52	52	51	50		10			
	SBT	748	784	772	771	750		815			
	SBR	43	45	44	44	43		76			107%
	EBL	16	17	18	17	16		8			
	EBT	301	314	301	309	301		291			
	EBR	61	64	70	63	62		64			96%
	WBL	81	87	88	85	82		55			
	WBT	537	572	585	559	542		521			
16th & Guerrero	WBR	85	91	92	89	86		121			98%
	NBL	0	0	0	0	0	2,534	70	2,692	158	
	NBT	530	578	589	561	536		656			
	NBR	96	104	107	101	97		67			125%
	SBL	0	0	0	0	0		65			
	SBT	575	587	598	583	577		689			
	SBR	39	40	41	40	39		44			130%
	EBL	0	0	0	0	0		9			
	EBT	448	476	457	466	449		295			
	EBR	52	64	78	60	55		71			74%
	WBL	0	0	0	0	0		7			
S. Van Ness &	WBT	674	727	741	708	681		653			
16th	WBR	99	106	108	103	100		66			93%

	NBL	59	63	69	62	60	1,885	39	1,572	-313	
	NBT	442	480	518	466	450		417			
	NBR	0	0	0	0	0		0			89%
	SBL	0	0	0	0	0		2			
	SBT	549	553	583	552	552		407			
	SBR	199	218	230	211	202		162			76%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	99	93	76		54			
	WBT	443	632	603	564	459		396			
Valencia & 16th	WBR	83	118	113	105	86		95			88%
	NBL	49	50	53	50	49	2,311	40	1,913	-398	
	NBT	398	433	477	420	406		323			
	NBR	73	74	79	74	74		71			82%
	SBL	70	74	77	73	71		43			
	SBT	499	530	550	519	504		364			
	SBR	50	53	55	52	51		48			73%
	EBL	28	30	29	29	28		36			
	EBT	318	336	326	330	319		272			
	EBR	65	69	67	68	65		44			85%
	WBL	58	62	63	61	59		52			
	WBT	604	647	657	632	609		549			
Valencia & 15th	WBR	75	80	82	78	76		71			90%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

FEHR PEERS

MEMORANDUM

Date: April 17, 2017

To: Chris Kern, San Francisco Planning Department

From: Teresa Whinery and Eric Womeldorff, Fehr & Peers

Subject: Updated Eastern Neighborhoods Traffic Counts

SF16-0908

Fehr & Peers recently contracted with a traffic count firm to perform additional vehicle counts at key intersections studied in the Eastern Neighborhoods Plan Environmental Impact Report (EIR). These counts were used for analysis of transportation trends presented in a January 12, 2017 letter discussing Eastern Neighborhoods / Mission District Transportation and Demographic Trends.

Traffic counts were originally performed on Tuesday, December 13, 2016 due to the need to provide analysis prior to the appeal hearing for 2675 Folsom Street. While traffic counts are not generally conducted in December, care was taken to perform the counts while local schools were in session, on a day with average weather. The additional counts, taken on Tuesday, April 4, 2017 and on Tuesday, April 11, 2017 are intended to supplement the original counts, and provide a second data point taken in a typical spring month. San Francisco schools were in session on both of the April count dates.

The amended **Table 8** below shows the vehicle counts collected in April. Three of the four intersections are within three percent of PM peak hour traffic volumes collected in December. At the fourth intersection (Valencia / 16th), total PM peak hour vehicle volumes were around eight percent higher, though still within an industry-accepted daily fluctuation level of 10 percent during peak hours. Updating the prior analysis concerning contributions and expected vehicle volumes with these new April counts does not result in any substantive differences in findings presented in Fehr & Peers' January 2017 letter.

TABLE 1: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2017 To Date Projected Volume[1]	2017 Observed Volume[2]	Net Difference (2017 Observed – 2017 Projected)	% Difference
Guerrero / 16th	2,704	2,895	2,729	2,652	-77	-3%
S. Van Ness / 16th	2,513	2,682	2,534	2,688	154	6%
Valencia / 15th	1,848	2,168	1,885	1,616	-269	-14%
Valencia / 16th	2,287	2,438	2,311	2,089	-222	-10%
				Average	-104	-4%

1. 2017 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

2. Observed volumes are from traffic counts conducted at three intersections on April 4, 2017, and at Guerrero/16th on April 11 2017. Counts at Guerrero were rescheduled due to vandalism of the count equipment.

Source: Fehr & Peers, 2017; Eastern Neighborhoods TIS, 2008

Attachment C

ALH Urban & Regional Economics

Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco

March 2017

Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Prepared for:

The City and County of San Francisco
Planning Department

Prepared by:

ALH | ECON
ALH Urban & Regional Economics

March 2017

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March 1, 2017

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Calle 24 Latino Cultural District (LCD). The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to a Board of Supervisor's November 2016 request.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,

Amy L. Herman
Principal

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I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

There are many market-rate residential apartment projects proposed in San Francisco's Mission District, and specifically within the Calle 24 Latino Cultural District (LCD). Locally, some concern has been raised about the adequacy of environmental analysis prepared for these projects, specifically regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues. In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

- analysis of residential pipeline (e.g., the project and cumulative projects) impacts on commercial gentrification;
- an overview of pricing trends in San Francisco's rental housing market; and
- review of literature on the relationship between housing production and housing costs as well as gentrification and residential displacement.

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRS for well over ten years, and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with the Pipeline residential projects in or near the LCD finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts, such as the displacement of existing commercial establishments. The amount of neighborhood-oriented demand generated by residents of the pipeline projects in and near the LCD (e.g., 34,400 square feet) is approximately equivalent to the amount of net retail space planned in those projects (e.g., 30,447 square feet). It is therefore not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects. Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.

Retail supply and demand analysis for the Mission and the LCD demonstrate that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents.

This indicates three issues: (1) broad socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood; (2) new residential development in the LCD plays an insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20 years. Over this time, average rents for investment grade properties with 50 or more units increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco tapered off, characterized by relatively flat increases in rental rates overall, with some neighborhood variability. Historic market trends suggest that increases in rents will continue to occur; however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur. Moreover, during 2016, the San Francisco entered a slower period of rent increases, including relative to nationwide trends in rent appreciation.

ALH Economics reviewed academic and related literature to probe whether market-rate apartment production in the LCD will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic literature does not support the concern that gentrification associated with new LCD market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or

economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL GENTRIFICATION

ISSUE OVERVIEW

Concern has been raised about the ***commercial*** gentrification impacts of new residential development in the Calle 24 Latino Cultural District LCD, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies. There is little existing literature or study of commercial gentrification effects of new development, however, a 2016 study published by Rachel Meltzer, Assistant Professor of Urban Policy at the Milano School of International Affairs, Management, and Urban Policy at The New School, cited that case study analysis in New York City indicated that "[t]he results of gentrification are mixed and show that gentrification is associated with both business retention and disruption."[1] Meltzer further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in nongentrifying neighborhoods."[2] These are findings derived from citywide analysis of business displacement and replacement in New York City, and from three neighborhoods with both gentrifying and nongentrifying census tracts. These neighborhoods are East Harlem, Astoria, and Sunset Park. While the results vary by neighborhood, Meltzer concludes by stating that "[t]he fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[3]

The Mission District, specifically the LCD, is a vibrant neighborhood retail market, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other ethnic restaurants, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Based on Meltzer's paper, it is therefore reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification. Meltzer suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally. Meltzer also recognizes, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[4]

This latter point is similar to concerns expressed regarding the potential for new development in the LCD to result in changes similar to what has been seen in the Valencia Street Corridor – a commercial area that has experienced significant change in past decades. As demonstrated by City of San Francisco research, the change in the Valencia Street Corridor occurred despite the relative lack of new residential development, which suggests that other factors may be more directly associated with

[1] Rachel Meltzer, "Gentrification and Small Business: Threat or Opportunity?," Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.
[2] Ibid.
[3] Ibid, page 80.
[4] Ibid.

commercial gentrification in San Francisco than new area residential development. Thus, based on the evidence presented and existing academic literature, ALH Economics does not agree that new residential development causes gentrification of commercial space.

In reaching this conclusion, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects in the LCD, and other projects near the LCD whose residents could potentially generate retail and services demand in the LCD. The analysis estimates the amount of space likely to be supported by the Pipeline households, and assess if this could result in a change of the composition of the commercial base in the LCD. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes other ethnic restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores, laundromats, a variety of other neighborhood-oriented businesses, and a limited number of commercial vacancies.

The analysis finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, there is no basis to suggest that existing commercial establishments will be displaced because of the Pipeline projects in or near the LCD.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for 2016 Q3[5] was examined to identify proposed residential projects in and near the LCD. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Project that are under construction

Projects in the LCD were identified based on the LCD's boundaries, while other projects near but outside the LCD were identified within about a 3-4-block radius of the LCD's boundaries. There may be yet other projects close to this area, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to the LCD. The projects and their net unit counts and net new retail square footage are listed in Table 1 on the following page.

Information extracted from the Development Pipeline, and supplemented by the Planning Department, indicates a total of 1,019 net new housing units. This includes 705 market rate units, comprising 298 in the LCD and 407 near the LCD, and 314 affordable housing units, comprising 158 in the LCD and 156 near the LCD (i.e., 35% affordable in the LCD and 28% affordable near the LCD, totaling 31% affordable overall). Most of the affordable housing units are rental, but a small number are owner units. In total, there are 456 units planned in the LCD and 563 units planned near the LCD. In addition, these projects include 10,735 net new square feet of retail space in the LCD and another 19,712 square feet near the LCD. This is a total of 30,447 square feet of net new retail space.

This residential pipeline reflects a significant increase over past housing production in the Mission District. Based upon the City's Housing Inventory reports, a total of 2,132 net new housing units were

[5]See https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq for the database.

built in the Mission between 2001 and 2015. This is equivalent to an average of 143 units per year.[6] The specific share of these units in and around the LCD is indeterminate, but this low number for the Mission suggests the LCD had a much lower amount of development in this timeframe, which likely contributed to rising rents due to limited supply. With so more units planned on a relative basis, rents could contribute to soften as they did in 2016 (see next report section on rent trends).

Table 1. Pipeline Projects
By Location, Approvals Status, Type of Housing Units, and Net New Retail

	Housing Unit Composition					
	Market	Affordable		Senior		Net New
Project Status and Location	Rate	Rental	Owner	Affordable	Total	Retail
LCD Projects						
Entitled						
2600 Harrison St	20	0	0	0	20	0
Non-entitled						
1296 Shotwell St	0	0	0	96	96	0
2675 Folsom St	94	23	0	0	117	0
1515 South Van Ness Ave	118	39	0	0	157	5,241
2782 Folsom St	4	0	0	0	4	0
3314 Cesar Chavez St (1)	50	0	0	0	50	1,740
2799 24th Street	7	0	0	0	7	-269
3357 26th Street	5	0	0	0	5	4,023
Sub Total LCD Projects	*298*	*62*	*0*	*96*	*456*	10,735
Projects Near but Outside the LCD						
Entitled						
1198 Valencia St	43	0	6	0	49	5,050
1050 Valencia St	12	0	0	0	12	1,900
2000 Bryant Street	191	3	0	0	194	1,087
Non-entitled						
2070 Bryant Street (2)	0	0	136	0	136	0
2632 Mission St	14	0	2	0	16	7,766
1278 - 1298 Valencia St	35	0	0	0	35	3,737
2918 Mission St	48	7	0	0	55	-500
3620 Cesar Chavez St	24	0	0	0	24	672
3659 20th St	5	0	0	0	5	0
3700 20th St	1	0	0	0	1	0
606 Capp St	18	2	0	0	20	0
987 Valencia St	8	0	0	0	8	0
2610 Mission	8	0	0	0	8	0
Sub Total Projects Near LCD	*407*	*12*	*144*	*0*	*563*	19,712
Total Pipeline	**705**	**74**	**144**	**96**	**1,019**	**30,447**

Sources: San Francisco Development Pipeline, 2016, Q3; City and County of San Francisco Planning Department; and ALH Urban & Regional Economics.
(1) Affordable unit count as yet unknown.
(2) Unit range 99-136. Analysis assumes 136. Analysis also conservatively assumes units will be owner units, but the tenure has not yet been determined.

[6] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2015.

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and maximum income requirements for the affordable units, and percent of household income spent on housing. Since most of the Pipeline projects are planned and are not in lease up phase, project rents for all units are not available. However, preliminary pricing and unit mix for the proposed Axis Development Group project at 2675 Folsom Street, which includes 40% 2+ bedroom units, indicates average monthly rents of $4,100 for market rate units.[7] To support the analysis, this rate is assumed for all the identified market rate Pipeline apartment units. This assumption and the assumption for all the planned Pipeline units by location and type are presented in Exhibit 1. For the affordable rental units (excluding the senior units), households are assumed to comprise a 3-person household at 55% of Area Median Income (AMI). This results in an annual household income assumption of $53,300 for 2016. The assumption for the senior households is $41,450 a year, which is the 55% of AMI income for 1-Person households for 2016. This may be high, and thus conservative for the purpose of this analysis, as approximately 20% of the affordable senior housing units will be targeted to formerly homeless individuals. Finally, the affordable owner units are assumed to be occupied by 4-person households at 80% of AMI. This annual household figure is $86,150.

The average household income for the market rate units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of $148,000 for the market rate units. In San Francisco, the rent burden is often much greater, but the analysis ***conservatively*** assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. In like manner, the rents or monthly mortgage payments for the affordable units are assumed to comprise one-third the household incomes, divided over a 12-month period. Thus, rents or mortgage payments are equivalent to $1,481 to $2,393 per month. These figures might be conservative because they do not consider utility or other monthly costs, and because of the unlikely one-third of income spent on housing costs assumption.

The amount households spend on retail goods varies by household income. Date published by the U.S. Bureau of Labor Statistics, 2015 Consumer Expenditures Survey, provides information regarding

[7] Provided to ALH Urban & Regional Economics. The market rate rent is generally consistent with average San Francisco rents for investment-grade properties. Through most of 2016, rents averaged approximately $2,830 for a studio, $3,370 for a one-bedroom unit, $3,620 to $4,715 for a two-bedroom unit, and $4,580 for a three-bedroom unit, with an overall average of $3,570. These rates are pursuant to RealAnswers, a real estate resource that tracks apartment rents in major markets.

household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to upon ALH Economics estimates of the percentage of income spent on retail goods based on the type of retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the $40,000 to $49,999 annual income range, with an average household income of $44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results range from 26% of income for the market rate units to 42% for the senior affordable rental units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent. These figures total per household retail spending ranging from $19,900 for the households in the affordable rental units to $39,100. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.[8] Therefore, given the occupancy assumptions, the total demand comprises $14.0 million for the households in the Pipeline LCD units and $19.3 million for the households in the Pipeline near LCD households. The grand total is $33.3 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the more comparable to the type of retail goods located in the LCD.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2014 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.2% on home furnishings & appliances to a high of 17.1% on food & beverage stores (e.g., grocery stores). Other key categories include 13.5% on general merchandise (e.g., department and discount stores), 12.2% on food services & drinking places (e.g., restaurants and bars), and 12.4% on other retail, which includes drug stores, electronics, health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods. By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 2, on the following page.

[8] Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties is 95.3%, which rounds to 95%.

Table 2. Assumed Percentage of Pipeline Residents Spending at Neighborhood-Oriented Outlets

Retail Cateogry	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	50%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	25%
General Merchandise Stores	25%
Food Services & Drinking Places	75%
Other Retail Group (6)	33%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 36% of retail spending by Pipeline households comprises neighborhood-oriented spending.

The aggregated retail demand estimates for the occupied LCD and near LCD pipeline households were converted to supportable square feet based upon the following: industry average assumptions regarding store sales performance; an adjustment to allow for a modest vacancy rate; and an allocation of additional space for services, such as banks, personal, and business services. The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2016 sales estimates. The resulting sales per square foot figures, presented in Exhibit 4, range from a low of $309 per square foot for general merchandise stores to a high of $669 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. While 36% of overall retail spending is assumed to comprise support for neighborhood outlets, a factor of 75% was incorporated for services to recognize the more neighborhood orientation of these services.

The Pipeline projects include those located in the LCD and those located near but not in the LCD, typically within a 3-4 block radius. Much of the neighborhood-oriented demand generated by LCD households could be directed at commercial operations located in the LCD, but some could also be directed to commercial operations within walking distance of the LCD or beyond, and thus outside the LCD. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households near but outside the LCD could be directed to commercial operations in the LCD. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the LCD, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline

households is likely to be directed to businesses located in the LCD, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

LCD Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the LCD indicate estimated support for 14,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the two largest market-rate projects includes the following: the 117-unit proposed project by Axis Development Group at 2675 Folsom Street with 4,100 square feet (see Exhibit 8) and the 157-unit proposed project by Lennar at 1515 South Van Ness with 5,300 square feet (see Exhibit 8). This means the remaining, smaller Pipeline LCD projects are estimated to generate demand for 5,100 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the LCD, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the LCD, thus not all the 14,300 square feet of demand may be directed at LCD establishments.

Near LCD Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the near LCD Pipeline projects indicate estimated support for 19,900 square feet of neighborhood-serving retail and commercial space (see Exhibit 8). This includes projects located outside the boundaries of the LCD, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the near the LCD projects, with only a portion likely directed toward LCD operations. Thus, only a portion of the 19,900 square feet of demand could comprise demand for retail and services located in the LCD.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline is presented in Exhibit 9, and summarized below in Table 3. The figures total 25,493 square feet of retail space, 8,900 square feet of service space, resulting in a rounded total of 34,400 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located in the LCD. Moreover, a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction in the LCD at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area.

Table 3. Pipeline Projects Neighborhood-Oriented Commercial Square Feet of Demand

Retail Category	Square Feet Supported (1) LCD	Near LCD	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	1,140	1,566	2,705
Building Materials and Garden Equip.	289	397	686
Food and Beverage Stores	3,018	4,146	7,164
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	662	909	1,571
General Merchandise Stores	1,615	2,219	3,834
Food Services and Drinking Places	2,667	3,664	6,331
Other Retail Group	1,349	1,853	3,202
Subtotal	10,739	14,754	25,493
Additional Service Increment	3,749	5,151	8,900
Total	14,489	19,905	34,393
Total Rounded to Nearest 100	**14,500**	**19,900**	**34,400**
Net New Retail Planned	**10,735**	**19,712**	**30,447**

Sources: Exhibits 5, 8, and 9; and Table 1.

The summary in Table 3 also includes the net new retail space planned in the LCD and near the LCD. As noted earlier, this totals 10,735 square feet in the LCD and 19,712 square feet near the LCD, for a combined total of 30,447 square feet. ***As these figures indicate, there is almost equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in both the LCD and near the LCD.*** Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in the LCD and Near LCD. Thus, ***it is not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects.*** This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes gentrification of commercial space.

Moreover, even without the net new addition of retail space in the Pipeline projects the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the LCD. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the LCD has approximately 480,000 square feet of retail space.[9] If, say, 75% of the LCD demand and 33% of the Near LCD demand were specifically directed to LCD establishments, this would equate to just about 17,500 square feet of space, or 3.6% of the existing commercial base in the LCD. This is a relatively small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, this analysis is moot, as the Pipeline projects will instead be increasing the retail base, therefore eliminating any risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.***

[9]See https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q for the database.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the LCD as well as the Mission District. As noted above, the LCD is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[10] Demand analysis for existing households in the Mission and LCD indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases. This is demonstrated by the analysis in Exhibits 10 through 13, with Exhibit 10 presenting the household counts and weighted average household incomes for area households in 2015.[11] These household counts and average household incomes are 15,062 and $103,551 in the Mission, respectively, and 4,083 and $109,587 in the LCD, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the LCD pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 12 and 13 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 4, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing LCD households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 4. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

Area	Retail Inventory	Square Feet Supported (1)		Supply Multiplier	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
LCD	480,000	325,500	141,500	1.5	3.4

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 12 and 13; and ALH Urban & Regional Economics.

These demand estimates indicate that the supply of retail in the Mission as a whole and the LCD outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the LCD, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

[10] See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q.

[11] The household count and income figures for the LCD are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the LCD. These shares were estimated by ALH Economics based upon the visual overlap of the LCD physical boundary with the census tract boundaries.

This analysis demonstrates that the Mission and the LCD are both regional shopping destinations, and that broad socioeconomic change (i.e., citywide, regionally) is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the LCD exceeds the demand from existing residents and is largely supported by persons living beyond the LCD, new residential development within the LCD does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units in the LCD will be delivered.

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the increase in housing market costs has trended not in a straight line but more in a "boom and bust" pattern. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), has tracked these trends generally for the San Francisco apartment market, including for the past 20 years. RealAnswers, however, only includes "investment grade" properties with 50 or more units, which, as of December 2016, is 24,066 units, or about 11% of San Francisco's rental housing stock.[12] This is only a portion of San Francisco's rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco's rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco's large number of rental units that are subject to rent control.

Exhibit 14 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco's rents increased at an average annual rate of 5.5%. In absolute terms, this represents a near tripling of rents, from an average of $1,235 in 1996 to $3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.[13] Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some boom periods (1996-1997, 1999-2000, 2010-2014), as well as a few bust years (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual rent increase of 6.6% (not adjusted for inflation). [14] While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.

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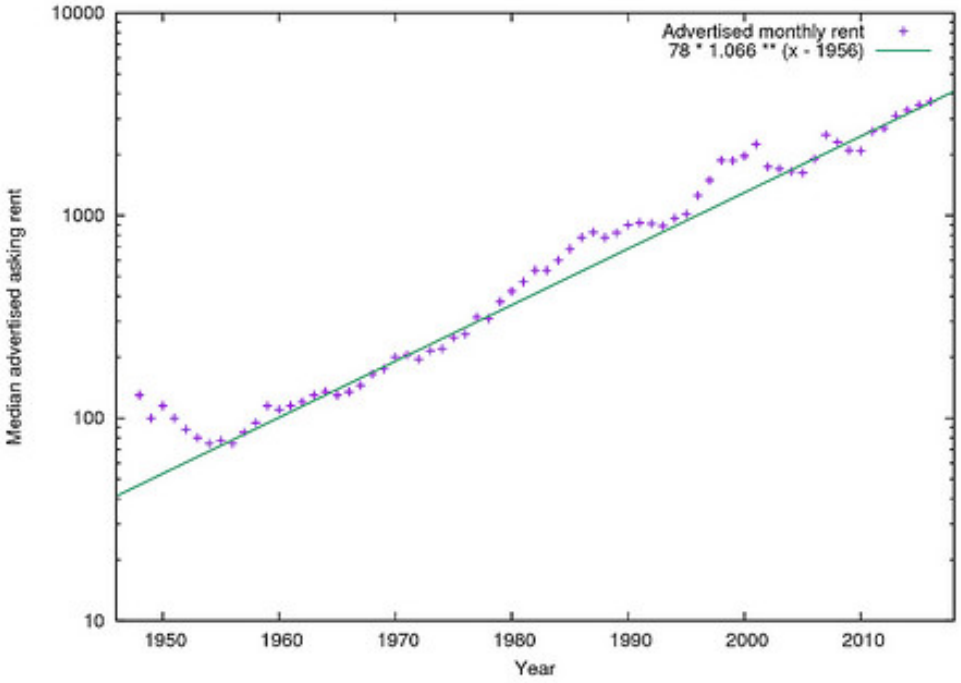
[12] Based on a count of approximately 220,500 rental units in 2014 per City and County of San Francisco estimates.

[13] Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers. November 15, 2016.

[14] https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html



Currently, as shown by the RealAnswers data in Exhibit 14, San Francisco appears to be entering once again into a bust period with the rate of recent rent increases for investment grade units slowing down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This recent slowdown in the rental market for investment grade rental units represented is mirrored in other rental real estate sources, including Zumper, a rental real estate web site, which reports that rents for one-bedroom units citywide declined by 4.9% in 2016.[15]

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reported a recent slowdown in rent increases in San Francisco, with a 0.4% increase in 2016, matching the RealAnswers data trend.[16] Pursuant to the Yardi Matrix, the 2016 rental rate increase in San Francisco was a fraction of the 4.0% national rental rate increase, based on 119 markets, and was actually the second lowest rate of increase nationally, surpassing only Houston, which indicated an actual rent decline.[17] This varies somewhat from historical trends, wherein over just the past eight years, the unadjusted rate of increase in San Francisco rents was 4.8% (per data presented in Exhibit 14), compared to the year over year national rate of increase of 2.3% over the same time period reported by the Yardi Matrix.[18] Thus, San Francisco's current market rate

[15] https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/, as reported in http://sf.curbed.com/2016/12/21/14039464/rent-prices-san-francisco-2016-bayview

[16] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

[17] Ibid.

[18] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

residential rental market is experiencing a marked deviation from local and comparative historical trends. Despite the recent slowdown in rental rate increases, however, San Francisco has maintained its position as ***the most expensive market in the country*** with a one-bedroom rent of $3,330 per month.[19]

Looking at the neighborhood level, Zumper found that ***most*** neighborhoods experienced a decline in rents in 2016, but that median rents for one-bedroom units in Bayview increased 11.5% and rents in the Mission increased less than 5%. This increase in rents in the Mission is lower than the increases measured in 2015, which were 5% to 10% for one- bedroom units.[20]

Based on evidence reviewed, San Francisco rents have tapered off, with 2016 characterized by relatively flat increases in rental rates overall, averaging declines in some neighborhoods and modest increases in others, such as the Mission District. Increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, but at this moment in time the San Francisco market appears to be entering a slower period of rent increases. As noted above, however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production in the LCD will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, five papers (including document links) stand out in regards to their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.
http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).
http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

[19] https://www.zumper.com/blog/2016/12/zumper-national-rent-report-december-2016/
[20] https://www.zumper.com/blog/2015/12/see-how-san-francisco-rent-prices-changed-in-2015-2/

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.
http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

The findings from the five studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline in the San Francisco's LCD in the Mission. The key findings of each study are highlighted.

California Legislative Analyst's Office

March 2015 Study. Taylor's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

> "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains

> new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."[21]

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

> "after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."[22]

Thus, the Taylor study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of his 2015 study, Taylor's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by Taylor:

> "Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.
>
> Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."[23]

[21] Mac Taylor, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.
[22] Ibid, page 12.
[23] Mac Taylor, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.

In this paper, Taylor presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs;
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households (e.g., filtering).

Further, Taylor cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. Taylor additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, ***Taylor's paper concludes that more private development is associated with less displacement.***[24] Taylor cites that his analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, his study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, his findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).[25] Taylor theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.[26] In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, Taylor also found displacement was more than twice as likely than in low-income census tracts with high construction levels.[27] This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

City and County of San Francisco, Office of Economic Analysis

In 2015, Supervisors Mark Farrell and Scott Wiener requested the Office of Economic Analysis (OEA) to prepare a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a

[24] Taylor defines a census tract as having experienced displacement if (1) ifs overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see Taylor, page 13).
[25] Ibid, page 9.
[26] Ibid.
[27] Ibid, page 10.

moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

> "lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city's ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium." [28]

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

> "market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable."[29]

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.[30] Finally, and perhaps most on point regarding market-rate housing production impacts on pricing, the study stated:

> "We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. On the contrary, both in the Mission and across the city, new market rate housing tends to depress, not raise, the value of existing properties." [31]

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that ***new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period***.[32]

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by Taylor in "Perspectives on Helping Low-Income

[28] City and County of San Francisco, Office of the Controller-Office of Economic analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," September 10, 2015, page 1.
[29] Ibid, page 28.
[30] Ibid.
[31] Ibid.
[32] Ibid page 26.

Californians Afford Housing" (February 2016), wherein Taylor's study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of Taylor's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if Taylor's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."[33] They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that "***neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.***"[34] They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"[35] and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.[36]

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

> "Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how

[33] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.
[34] Ibid, page 7.
[35] Ibid, page 10.
[36] Ibid, page 1.

> limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."[37]

Monkkonen states that "constraining the supply of housing increases rents."[38] He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that through filtering, new housing units can improve overall housing affordability at the metropolitan level. He further states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise by inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."[39] He further states that the filtering process is a "crucial element to stave off increases in housing rents," and cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."[40] Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that ***increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement. In conclusion, Monkkonen states "Not building housing in some parts of the city pushes the pressure for development, along with any negative impacts, to neighborhoods with fewer resources to resist."***[41]

Applied San Francisco Research and Findings

To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify readily available data points local to San Francisco, the Mission District, and the LCD. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then

[37] Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.
[38] Ibid, page 5.
[39] Ibid page 6.
[40] Ibid.
[41] Ibid, page 7.

be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as $0 - $499, $500-$999, $1,000-$1,499, $1,500- $1,999, and $2,000+. The rent range band tops out at $2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the $2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco, the census tracts defining the Mission District, and thus also the census tracts that most correspond with the LCD, pursuant to the American Community Survey (ACS).[42] Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as RealAnswers, with the latter tracking prices and price changes for a 20-year period, from 1996 to 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco, the Mission District, and the LCD. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District and LCD suggesting that housing production has an impact on apartment rents, including increases in rent or rent suppression.*** While not the result of a rigorous study, this finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as Mac Taylor, et. al. for the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between

[42] To support this analysis, the census tracts comprising the LCD were identified. For census tracts only partially in the LCD, estimates were prepared regarding the percentage of each census tract's housing units that are located in the LCD.

housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases.

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco, the Mission District, and LCD is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed many papers comprising the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification because how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development ***cause*** gentrification and displacement?

ALH Economics identified 11 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with ***public policy tools*** available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income

households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development in the LCD will cause displacement ***is not supported by the evidence in the academic literature***. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. Generally speaking, CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." Most specifically, the CEQA Guidelines state that:

> "[e]conomic or social effects of a project shall not be treated as significant effects on the environment."[43] CEQA defines the "[e]nvironment" as "*physical* conditions,"[44] and impacts analyzed under CEQA must be "related to a physical change."[45]

Under the CEQA guidelines, however, ***physical changes*** to the environment caused by a project's economic or social effects are secondary impacts that should be included in an EIR's impact analysis ***if they are significant***.[46] There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.[47]

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.[48]

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

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[43] CEQA Guidelines, § 15131, subd. (a)
[44] Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.
[45] Guidelines, §15358(b).
[46] CEQA Guidelines §15064(e)
[47] The primary case is Bakersfield Citizens for Local Control v City of Bakersfield (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include Anderson First Coalition v City of Anderson (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and Gilroy Citizens for Responsible Planning v City of Gilroy (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.
[48] These case is Gray v County of Madera (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.[49] Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.[50]

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

[49] Representative cases include Preserve Poway v. City of Poway (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not "include such psychological, social, or economic impacts on community character;" and Cathay Mortuary, Inc. v. San Francisco Planning Com. (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not "related to any environmental issue."

[50] See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study "economic displacement"; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; and Group 4 Architecture, Research + Planning, Inc.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, commercial market analysis, economic development and

redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's Home Improvement Warehouse, or Target store. The studies have also been conducted for

large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007
- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006

- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April, 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, anticipated opening 2017
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opening anticipated early 2017
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, broke ground in 2015
- Sacramento Entertainment and Sports Center, mixed-use entertainment complex with 682,500 square feet of retail space
- San Francisco, Warriors Arena, groundbreaking January 2017

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Fresno, Fresno 40, totaling 209,650 square feet
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center (groundbreaking on transportation improvements April 2013)
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

Projects In Progress/Engaged in the Public Process

- Chico, Walmart expansion, expansion of an existing Walmart store plus addition of three development parcels including a fueling station, restaurant, and retail space
- Davis, Davis Innovation Center, an innovation center with 4.0 million square feet of planned space, including tech office, laboratory, R&D, assembly, industrial flex space, ancillary retail space, and a hotel.
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center
- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

ALH | ECON

ALH Urban & Regional Economics

PROFESSIONAL PROFILE

AMY L. HERMAN
PRINCIPAL

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OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- Environmental Science Associates
- First Carbon Solutions
- General Electric Company
- Gresham Savage Nolan & Tilden
- Kaiser Permanente
- Lawrence Berkeley National Laboratory
- Lennar
- City of Los Banos
- Merlone Geier Partners
- Michael Brandman Associates
- Mills Corporation
- City of Mountain View
- Port of San Francisco
- The Presidio Trust
- Pulte Homes
- Ronald McDonald House
- Santa Clara Valley Transportation Authority
- City of Santa Rosa
- Shea Properties
- Sheppard Mullin Richter & Hampton LLP
- Simon Property Group
- The Sobrato Organization
- Southbay Development
- City of Sunnyvale
- Sunset Development Co.
- Westfield Corporation

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Howard Hughes Corporation. Managed economic impact and fiscal impact analysis for a large-scale master planned development in Honolulu, including residential, commercial, and industrial land uses.

FISCAL IMPACT ANALYSIS

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

San Francisco Mayor's Office of Economic Development. Conducted fiscal and economic impact analysis of redevelopment and expansion of San Francisco's Parkmerced residential community, including assessing the project's impacts on the San Francisco Municipal Transportation Agency.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts.

DEVELOPMENT FEASIBILITY

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles

ChevronTexaco. Conducted a regional market analysis of an 8,400-acre oil field retired from active oil production in the New Orleans, Louisiana metropolitan area.

City of San Jose. Managed alternative City Hall location analysis, focused on recommending a long-term occupation strategy for the City. Following relocation of City Hall conducted a study examining the feasibility of redeveloping the City's former City Hall location and nearby parking facilities for residential, retail, and civic land uses.

General Motors Corporation. Managed reuse studies for closed manufacturing facilities in Indiana (250 acres, 14 sites) and New Jersey (80 acres). Studies focused on the long term reuse and redevelopment potential of the closed manufacturing sites.

CORPORATE LOCATION ANALYSIS

Toyota Motor Corporation. Conducted a location analysis study for a distribution facility in the San Francisco Bay Area, designed to minimize travel time distance to the majority of area dealerships.

Cisco Systems. Managed multiple corporate location studies for Cisco Systems, headquartered in San Jose, California. These studies focused on the formulation of both a regional and a North American location strategy.

Starbucks Coffee Company. Directed analysis examining alternative locations for a new coffee roasting plant in the Western United States. A variety of economic, business, and labor market data were collected. The roasting plant was successfully sited in Sparks, Nevada.

Sacramento Regional Transportation District (RTD). Managed a consultant team assisting the RTD in planning for its immediate and long-term administrative office space needs, and in developing a strategy for maximizing the value of the existing RTD complex.

Hines. Managed comparative analysis highlighting business and employee costs associated with business locations in three competitive Bay Area locations.

AMY L. HERMAN
Principal

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Total Estimated Income and Spending on Retail from New Project Households
2016 Dollars

Residential Land Use	Average Monthly Rent Assumption (1)	Estimated Average Household Income (2)	Number of Households (3)	Percent Income Spent on Retail (4)	Per Household Retail Spending (5)	Total Retail Demand (5)
Project						
Axis - Market Rate	$4,100	$148,000	89	26%	$39,100	$3,476,200
Axis - Affordable Rental (6)	$1,481	$53,300	23	37%	$19,900	$458,400
Subtotal			*112*			$3,934,600
Other LCD Projects						
Entitled Market Rate	$4,100	$148,000	19	26%	$39,100	$742,100
Entitled Affordable Rental (Senior) (7)	NA	$41,450	96	42%	$17,600	$1,686,800
Not Entitled Market Rate	$4,100	$148,000	176	26%	$39,100	$6,874,400
Not Entitled Affordable Rental (6)	$1,481	$53,300	39	37%	$19,900	$777,300
Subtotal			*330*			$10,080,600
Total LCD						$14,015,200
Near LCD Projects						
Entitled Market Rate	$4,100	$148,000	233	26%	$39,100	$9,100,700
Entitled Affordable Rental (6)	$1,481	$53,300	3	37%	$19,900	$59,800
Entitled Affordable Owner (8)	$2,393	$86,150	6	32%	$27,900	$167,400
Not Entitled Market Rate	$4,100	$148,000	154	26%	$39,100	$6,015,100
Not Entitled Affordable Rental (6)	NA	$53,300	9	37%	$19,900	$179,400
Not Entitled Affordable Owner (8)	$2,393	$86,150	138	31%	$27,000	$3,732,000
Subtotal			543			$19,254,400
Total (8)		**--**	**985**	**--**	**--**	**$33,269,600**

Source: Axis Development Group; 2016 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; and ALH Urban & Regional Economics.

(1) Market rate rents are based on the estimated average for the Axis project at 2675 Folsom, because rent projections are available for this planned project and none of the other projects at the time this analysis was prepared.
(2) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
(3) Assumed to comprise occuppied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
(4) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(5) Figures rounded to the nearest $1,000.
(6) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. The affordable rental units are assumed to be rented to 3-person households at 55% of Area Median Income (AMI). The corresponding annual household income for 2016 is $53,300.
(7) Assumes a 1-person household at 55% of AMI.
(8) Assumes a 4-person household at 80% of AMI.
(9) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2015

Characteristic	All Consumer Units	Household Income Range							
		$15,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 and more
Average HH Income	$69,627	$22,263	$34,746	$44,568	$59,293	$83,413	$119,828	$170,277	$314,010
Amount Spent on Retail (2)	$21,689	$12,777	$16,130	$17,611	$20,811	$26,436	$33,284	$40,780	$50,660
Percent Spent on Retail (3)	31%	57%	46%	40%	35%	32%	28%	24%	16%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2015, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2014
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total	Percent Assumed Neighborhood-Oriented (2)
Motor Vehicle & Parts Dealers	$73,232,242	$73,232,242	14.3%	0%
Home Furnishings & Appliances	$26,557,730	$26,557,730	5.2%	50%
Building Materials & Garden Equipment	$31,299,110	$31,299,110	6.1%	10%
Food & Beverage Stores	$26,298,414	$87,661,380 (3)	17.1%	80%
Gasoline Stations	$55,733,384	$55,733,384	10.9%	0%
Clothing & Clothing Accessories	$36,822,241	$36,822,241	7.2%	25%
General Merchandise Stores	$52,013,855	$69,351,807 (4)	13.5%	25%
Food Services & Drinking Places	$67,864,614	$67,864,614	13.2%	75%
Other Retail Group (6)	$50,014,587	$63,733,757 (5)	12.4%	33%
Total (7)	**$419,836,177**	**$512,256,264**	**100%**	**NA**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the BOE.

(2) Assumption prepared by ALH Urban & Regional Economics.

(3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.

(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2014 represented approximately 13.51% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2016 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average
	In 2010$'s	In 2016$'s	In 2011$'s	In 2016$'s	In 2012$'s	In 2016$'s	In 2013$'s	In 2016$'s	In 2016$'s
Apparel									
Apparel - Specialty	$405	$463	$447	$494	$472	$512	$451	$483	$488
Women's' Apparel	$365	$417	$455	$502	$515	$559	$473	$506	$496
Shoe Stores	$371	$424	$454	$501	$487	$528	$475	$508	$491
Ross Dress for Less	$324	$370	$195	$215	$195	$212	$362	$387	$296
Kohl's	$229	$262	$215	$237	$209	$227	$190	$203	$232
Discount Stores	$196	$224	$212	$234	$213	$231	$202	$216	$226
Target	$282	$322	$290	$320	$304	$330	$297	$318	$323
Wal-Mart	$422	$482	$499	$551	$456	$495	$376	$402	$483
Department Stores Category	$252	$288	$276	$305	$274	$297	$285	$305	$299
Sears	$206	$236	$205	$226	$210	$228	$161	$172	$216
Domestics Category	$294	$336	$288	$318	$268	$291	$300	$321	$316
Furniture Category	$198	$226	$290	$320	$361	$392	$449	$480	$355
Average of Domestics & Furniture	$246	$281	$289	$319	$315	$341	$375	$401	$336
Neighborhood Center Category									
Supermarkets	$535	$612	$533	$589	$575	$624	$611	$654	$619
Specialty/Organic	$510	$583	$658	$727	$698	$757	$756	$809	$719
Drug Stores	$724	$828	$657	$726	$667	$724	$629	$673	$737
Rite Aid	$421	$481	$560	$618	$549	$596	$556	$595	$573
CVS	$802	$917	$806	$890	$883	$958	$875	$936	$925
Restaurants Category	$429	$490	$496	$548	$480	$521	$486	$520	$520
Casual Dining	$431	$493	$578	$638	$563	$611	$567	$607	$587
Fast Food Chains	$431	$493	$507	$560	$492	$534	$543	$581	$542
Home Improvement	$269	$308	$278	$307	$287	$311	$301	$322	$312
Auto - DIY Stores (3)	$205	$234	$218	$241	$220	$239	$217	$232	$237
Other Retail Categories									
Accessories	$778	$889	$978	$1,080	$1,191	$1,292	$1,032	$1,104	$1,091
HBA, Home Fragrances	$541	$619	$474	$523	$531	$576	$519	$555	$568
Electronics & Appliances	$686	$784	$1,171	$1,293	$821	$891	$946	$1,012	$995
Office Supplies	$263	$301	$270	$298	$262	$284	$283	$303	$296
Sports	$226	$258	$239	$264	$252	$273	$253	$271	$267
Pet Supplies	$185	$212	$188	$208	$218	$237	$234	$250	$227
Book Superstores	$180	$206	$247	$273	$210	$228	$189	$202	$227
Toys	$320	$366	$333	$368	$312	$338	$220	$235	$327
Music Superstores	$318	$364	$317	$350	$314	$341	$292	$312	$342
Gifts, Hobbies & Fabrics	$124	$142	$136	$150	$137	$149	$151	$162	$151
Average of Other Retail Categories	$362	$414	$435	$481	$425	$461	$412	$441	$449

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit 5
Pipeline Projects in the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,003,615	$800 (6)	2,505	2,636	0
Home Furnishings and Appliances	$726,613	$336	2,165	2,279	1,140
Building Materials and Garden Equip.	$856,336	$312	2,745	2,889	289
Food and Beverage Stores	$2,398,393	$669	3,584	3,772	3,018
Gasoline Stations	$1,524,851	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,007,447	$401	2,515	2,647	662
General Merchandise Stores	$1,897,448	$309	6,137	6,460	1,615
Food Services and Drinking Places	$1,856,758	$550	3,378	3,556	2,667
Other Retail Group	$1,743,739	$449	3,883	4,087	1,349
Subtotal	$14,015,200	--	26,912	28,328	10,739
Additional Service Increment (15% of total) (9)	N/A	N/A	4,749	4,999	3,749 (8)
Total	**N/A**	**N/A**	**31,661 (10)**	**33,327**	**14,489**
Total Rounded to Nearest 100			**31,700**	**33,300** (11)	**14,500**

Source: ALH Urban & Regional Economics.

="(1) See "&'E1. Rents, Income, Retail Spen'!B3&" for the amount of estimated retail sales demand from the Pipeline projects' households located in the LCD and Exhibit 3 for the percentage distrubtion by category."
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
Axis Development Group, 2675 Folsom Street
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$562,491	$800 (6)	703	740	0
Home Furnishings and Appliances	$203,988	$336	608	640	320
Building Materials and Garden Equip.	$240,406	$312	771	811	81
Food and Beverage Stores	$673,320	$669	1,006	1,059	847
Gasoline Stations	$428,084	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$282,829	$401	706	743	186
General Merchandise Stores	$532,686	$309	1,723	1,814	453
Food Services and Drinking Places	$521,263	$550	948	998	749
Other Retail Group	$489,534	$449	1,090	1,147	379
Subtotal	$3,934,600	--	7,555	7,953	3,015
Additional Service Increment (15% of total) (9)	N/A	N/A	1,333	1,403	1,053 (8)
Total	**N/A**	**N/A**	**8,888 (10)**	**9,356**	**4,067**
Total Rounded to Nearest 100			**8,900**	**9,400 (11)**	**4,100**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7

Lennar, 1515 South Van Ness Boulevard
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$736,510	$800 (6)	921	969	0
Home Furnishings and Appliances	$267,096	$336	796	838	419
Building Materials and Garden Equip.	$314,781	$312	1,009	1,062	106
Food and Beverage Stores	$881,626	$669	1,317	1,387	1,109
Gasoline Stations	$560,521	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$370,328	$401	924	973	243
General Merchandise Stores	$697,484	$309	2,256	2,375	594
Food Services and Drinking Places	$682,527	$550	1,242	1,307	980
Other Retail Group	$640,982	$449	1,427	1,502	496
Subtotal	$5,151,854	--	9,892	10,413	3,948
Additional Service Increment (15% of total) (9)	N/A	N/A	1,746	1,838	1,378 (8)
Total	**N/A**	**N/A**	**11,638 (10)**	**12,251**	**5,326**
Total Rounded to Nearest 100			**11,600**	**12,300 (11)**	**5,300**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,752,612	$800 (6)	3,441	3,622	0
Home Furnishings and Appliances	$998,237	$336	2,975	3,131	1,566
Building Materials and Garden Equip.	$1,176,453	$312	3,771	3,969	397
Food and Beverage Stores	$3,294,967	$669	4,924	5,183	4,146
Gasoline Stations	$2,094,875	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,384,054	$401	3,455	3,637	909
General Merchandise Stores	$2,606,757	$309	8,431	8,875	2,219
Food Services and Drinking Places	$2,550,857	$550	4,641	4,886	3,664
Other Retail Group	$2,395,589	$449	5,334	5,615	1,853
Subtotal	$19,254,400	--	36,972	38,918	14,754
Additional Service Increment (15% of total) (9)	N/A	N/A	6,524	6,868	5,151 (8)
Total	**N/A**	**N/A**	**43,496 (10)**	**45,785**	**19,905**
Total Rounded to Nearest 100			**43,500**	**45,800** (11)	**19,900**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,756,228	$800 (6)	5,945	6,258	0
Home Furnishings and Appliances	$1,724,850	$336	5,140	5,410	2,705
Building Materials and Garden Equip.	$2,032,789	$312	6,515	6,858	686
Food and Beverage Stores	$5,693,359	$669	8,507	8,955	7,164
Gasoline Stations	$3,619,726	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,391,501	$401	5,970	6,284	1,571
General Merchandise Stores	$4,504,204	$309	14,569	15,335	3,834
Food Services and Drinking Places	$4,407,615	$550	8,020	8,442	6,331
Other Retail Group	$4,139,328	$449	9,217	9,702	3,202
Subtotal	$33,269,600	--	63,883	67,245	25,493
Additional Service Increment (15% of total) (9)	N/A	N/A	11,274	11,867	8,900 (8)
Total	**N/A**	**N/A**	**75,157 (10)**	**79,112**	**34,393**
Total Rounded to Nearest 100			**75,200**	**79,100** (11)	**34,400**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 10
Households and Mean Household Income
2015
Mission District and Latino Cultural District (LCD)

Geographic Area		Households	Mean Household Income 2015
Mission District Census Tracts (1)			
177		756	$112,144
201		2,910	$71,117
208		2,663	$107,806
209		1,823	$86,878
228.01		1,939	$136,756
228.03		1,610	$117,145
229.01		1,434	$97,385
229.02		794	$133,584
229.03		1,133	$108,556
Total/Weighted Average		**15,062**	**$103,551**
LCD (2)	**%**		
209	40%	302	$86,878
228.03	50%	805	$117,145
229.01	100%	1,434	$97,385
229.02	100%	794	$133,584
229.03	66%	748	$108,556
Total		**4,083**	**$109,587**

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(2) The census tract percentages for the LCD portion of the Mission District per ALH Urban & Regional Economics using, "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD. Percentages comrpise ALH Economics assumptions.

Exhibit 11
Mission District and LCD
Total Estimated Income and Spending on Retail from Existing Area Households
2016 Dollars

Area	Estimated Average Household Income		Number of Households (1)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (4)
	2015 (1)	2016 (2)				
Mission	$103,551	$107,769	15,062	29%	$31,700	$477,080,800
LCD	$109,587	$114,051	4,083	29%	$33,500	$136,872,400

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) See Exhibit 10 for estimated 2015 household incomes.
(2) Incomes are inflated from 2015 to 2016 pursuant to a CPI adjustment for All Urban Consumers from July 2015 to July 2016. The CPI factors are 238.654 for July 2015 and 248.375 for July 2016, resulting in a 1.04073 inflation rate.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Figures rounded to the nearest $1,000.

Exhibit 12
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$68,203,552	$800 (6)	85,254	89,742	0
Home Furnishings and Appliances	$24,734,072	$336	73,705	77,584	38,792
Building Materials and Garden Equip.	$29,149,872	$312	93,429	98,346	9,835
Food and Beverage Stores	$81,641,874	$669	121,994	128,414	102,732
Gasoline Stations	$51,906,300	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$34,293,742	$401	85,605	90,110	22,528
General Merchandise Stores	$64,589,577	$309	208,911	219,906	54,976
Food Services and Drinking Places	$63,204,506	$550	115,003	121,056	90,792
Other Retail Group	$59,357,306	$449	132,175	139,132	45,913
Subtotal	$477,080,800	--	916,075	964,290	365,567
Additional Service Increment (15% of total) (9)	N/A	N/A	161,660	170,169	127,627 (8)
Total	**N/A**	**N/A**	**1,077,735 (10)**	**1,134,458**	**493,194**
Total Rounded to Nearest 100			**1,077,700**	**1,134,500** (11)	**493,200**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
LCD
Supportable Square Feet of Commercial Space from Households in the LCD
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$19,567,301	$800 (6)	24,459	25,746	0
Home Furnishings and Appliances	$7,096,097	$336	21,146	22,258	11,129
Building Materials and Garden Equip.	$8,362,971	$312	26,804	28,215	2,822
Food and Beverage Stores	$23,422,697	$669	34,999	36,842	29,473
Gasoline Stations	$14,891,691	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$9,838,725	$401	24,560	25,852	6,463
General Merchandise Stores	$18,530,468	$309	59,936	63,090	15,773
Food Services and Drinking Places	$18,133,097	$550	32,994	34,730	26,048
Other Retail Group	$17,029,352	$449	37,920	39,916	13,172
Subtotal	$136,872,400	--	262,818	276,650	104,880
Additional Service Increment (15% of total) (9)	N/A	N/A	46,380	48,821	36,616 (8)
Total	**N/A**	**N/A**	**309,198 (10)**	**325,471**	**141,495**
Total Rounded to Nearest 100			**309,200**	**325,500** (11)	**141,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from LCD Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 14
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

Year	Monthly Rents: Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	$940	$1,182	$1,239	$1,555	$1,563	$1,235	2.4%
1997	$1,054	$1,322	$1,416	$1,799	$1,808	$1,402	3.1%
1998	$1,161	$1,456	$1,560	$1,891	$2,015	$1,531	2.3%
1999	$1,251	$1,585	$1,656	$2,019	$2,294	$1,663	2.4%
2000	$1,544	$2,011	$2,327	$2,709	$3,147	$2,180	1.4%
2001	$1,512	$1,960	$2,332	$2,600	$3,111	$2,130	5.1%
2002	$1,314	$1,741	$1,979	$2,299	$2,826	$1,867	5.9%
2003	$1,262	$1,622	$1,875	$2,225	$2,878	$1,768	5.2%
2004	$1,267	$1,646	$1,821	$2,277	$2,679	$1,778	6.5%
2005	$1,334	$1,700	$1,885	$2,382	$2,643	$1,835	3.9%
2006	$1,439	$1,799	$1,930	$2,635	$2,390	$1,958	4.0%
2007	$1,586	$1,988	$2,192	$2,954	$2,610	$2,175	5.1%
2008	$1,723	$2,152	$2,359	$3,242	$2,702	$2,368	4.4%
2009	$1,584	$2,010	$2,258	$3,001	$2,812	$2,262	4.4%
2010	$1,595	$2,052	$2,149	$3,011	$2,902	$2,243	6.3%
2011	$1,894	$2,330	$2,403	$3,379	$2,983	$2,472	3.9%
2012	$2,136	$2,642	$2,735	$3,713	$3,024	$2,727	4.7%
2013	$2,327	$2,832	$3,135	$4,064	$3,652	$2,976	4.5%
2014	$2,575	$3,119	$3,379	$4,270	$4,082	$3,275	4.4%
2015	$2,839	$3,366	$3,607	$4,666	$4,322	$3,557	4.8%
2016	$2,831	$3,372	$3,621	$4,713	$4,582	$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association;* Winter 2004; 70, 1; ProQuest Direct Complete, page 39. http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf

2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008). http://www.nber.org/papers/w14036

3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," Regional Science and Urban Economics, Volume 41, Issue 2 (March 2011). http://www.sciencedirect.com/science/article/pii/S0166046211000044 (abstract)

4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013). http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf

5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014). http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

6. Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015). http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/ [*comments on Governing Magazine, "The 'G' Word: A Special Series on Gentrification" (February 2015)* http://www.governing.com/topics/urban/gov-gentrification-series.html]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015. http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/

8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015). http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf

9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016). https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en

11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016). https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the LCD, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

> "To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city."[51]

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- "Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. ….. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others."[52]

- "We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one."[53]

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[51] Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.
[52] Ibid, page 45.
[53] Ibid, page 48.

- "Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement… The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here, …., suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents."[54]

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

> "Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises."[55]

2. Terra McKinnish, University of Colorado at Boulder: Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

[54] Ibid.
[55] Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.[56] But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."[57]

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."[58] Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."[59] Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."[60] Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."[61]

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal Regional Science and Urban Economics. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

[56] Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.
[57] Ibid, page 2.
[58] Ibid, page 4.
[59] Ibid.
[60] Ibid, page 5.
[61] Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.[62] An abstract of this paper, published on-line, cites the following summary finding:

> "Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less."

Further, as cited in the study findings, Ellen and O'Regan state:

> "The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume."[63]

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

> "Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey's data on residential turnover, Ellen and O'Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman's (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

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[62] http://www.sciencedirect.com/science/article/pii/S0166046211000044.

[63] See paper excerpt cited in: https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas." [64]

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will "need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods."[65]

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center's overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman's 2005 study:

> "In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%."[66]

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that "The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others."[67]

This roundup cites other study findings, such as the following:

- "Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.

- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

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[64] Silva Mathema, "Gentrification: An updated Literature Review," Poverty & Race Research Action Council, October 2013, page 3.
[65] Ibid, page 5.
[66] Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," August 2014.
[67] Ibid.

> Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."[68]

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

> "The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."[69]

6. Joseph Cortwright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impressa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by Governing Magazine in February 2015.

In his commentary, Cortright states that:

> "There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.
>
> Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs." [70]

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

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[68] Ibid.
[69] Ibid.
[70] Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

> "Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.
>
> And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods." [71]

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

> "Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

[71] Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying."[72]

In further discussing study findings, Florida cites that "Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations." This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida's, summarizes Karen Chapple of the Urban Displacement Project's findings as follows, demonstrating the complex relationship between gentrification and displacement:

"Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement."[73]

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that "As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color."[74] Thus, the

[72] Ibid.
[73] See http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/).
[74] University of California, Berkeley, "Urban Displacement Project," December 2015, page 1.

Urban Displacement Project "analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk."[75]

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.[76] The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area's affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing "naturally occurring" affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.[77]

Notably, this paper identifies "exclusionary displacement" as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement's relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, "most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well."[78] However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

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[75] Ibid.
[76] Ibid.
[77] Ibid, page 2.
[78] Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.

- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco's Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.

- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: "Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective."[79]

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2015

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies. The study's findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- "At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

[79] Ibid, page 4.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."[80]

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

> "As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."[81]

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

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[80] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

[81] Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

> "Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents."

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

> "This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.
>
> We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O'Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).
>
> When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations." [82]

[82] Ibid, pages 42 and 43.

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.[83] He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.[84] However, he cites that there is near empirical consensus that "mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods."[85] In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.[86]

[83] Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," November 2016, page 170.
[84] Ibid, page 171.
[85] Ibid.
[86] Ibid, page 173.

Attachment B

Supplemental Response for 2918-2924 Mission St. Project

SAN FRANCISCO
PLANNING DEPARTMENT

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Appeal of Community Plan Evaluation
2918-2924 Mission Street Project
Supplemental Responses

DATE: June 11, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032

Chris Kern, Principal Environmental Planner – (415) 575-9037

Julie Moore, Senior Environmental Planner – (415) 575-8733

RE: Board of Supervisors File No. 180019, Planning Department Case No. 2014.0376ENV – Appeal of the Community Plan Evaluation for the 2918-2924 Mission Street Project. Block/Lots: 6529/002, 002A, and 003

PROJECT SPONSOR: Mark Loper, Reuben, Junius & Rose, on behalf of RRTI, Inc. – (415) 567-9000

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of Calle 24 Latino Cultural District Council – (415) 317-0832

HEARING DATE: June 19, 2018

ATTACHMENTS[1]:

D – ICF, *Historic Resource Evaluation, 2918-2922 Mission Street, San Francisco*, May 29, 2018

E – Planning Department, *Historic Resource Evaluation Response, 2918-2922 Mission Street, San Francisco*, May 31, 2018

F – Fehr&Peers, *2918 Mission Analysis Memorandum*, June 4, 2018

G – RWDI, *Shadow Analysis 2918 Mission Street*, February 2, 2018

H – ALH Urban & Regional Economics, *Socioeconomic Effects of 2918 Mission Street Market-Rate Development*, June 2018

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[1] Attachments A, B, and C are included in the Department's February 5, 2018 appeal response.

INTRODUCTION

On January 2, 2018, J. Scott Weaver on behalf of the Calle 24 Latino Cultural District Council ("the Appellant") filed an appeal of the Planning Department's (the "Department") issuance of a Community Plan Evaluation ("CPE") under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report* ("Eastern Neighborhoods PEIR or PEIR")[2] pursuant to the California Environmental Quality Act ("CEQA") for the 2918-2924 Mission Street Project (the "Project"). The Clerk of the Board of Supervisors scheduled the appeal for hearing at the Board's February 13, 2018 meeting, and on February 5, 2018, the Department provided a response to the CEQA appeal, Planning Appeal Response - February 5, 2018. The entire file is available in Board of Supervisors File No. 180019.

Shortly prior to the February 13, 2018 appeal hearing date, the Department received new information indicating the potential for the existing building on the project site at 2918-2922 Mission Street to be considered a historic resource for its association with the Mission Coalition of Organizations during the late 1960s and early 1970s. This information was not considered in the CPE initial study, and the Department determined that additional research was required to assess whether the proposed Project would result in a significant impact to a historic resource that is peculiar to the project or its site and that was not disclosed as a significant effect in the Eastern Neighborhoods PEIR.

On February 13, 2018, the Board of Supervisors opened a hearing on the appeal of the CPE and voted to continue the hearing to June 19, 2018, to allow additional time for the Department to prepare an analysis of potential historic resources effects of the Project.

This memorandum and the attached documents are supplements to the Department's February 5, 2018 responses to the appeal letter. This memorandum presents the findings of the Historic Resource Evaluation of the 2918-2922 Mission Street building, as well as the findings of new analyses of transportation, shadow, and socioeconomic effects.

The decision before the Board is whether to uphold the Department's determination that the Project is not subject to further environmental review (beyond that conducted in the CPE Initial Study and the PEIR) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 and deny the appeal, or to overturn the Department's CPE determination for the Project and return the Project to the Department for additional environmental review. The Board's decision must be based on substantial evidence in the record. (See CEQA Guidelines section 15183(b) and (c).)

[2] The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048) on August 7, 2008. The Project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

HISTORIC RESOURCE EVALUATION

In order to assess whether the building at 2918-2922 Mission Street is a historic resource pursuant to CEQA, the Department required that a qualified historic resource consultant prepare a historic resource evaluation (HRE) of the project site building (ICF, *2918-2922 Mission Street, San Francisco, Historic Resource Evaluation Part 1*, May 29, 2018, included as **Attachment D**). The Department directed the scope of work and provided oversight of the work product. The Department's preservation staff have reviewed this report and concur with its findings (Planning Department, *Historic Resource Evaluation Response*, May 31, 2018, included as **Attachment E)**.

As further discussed below, the HRE found that, although the 2918-2922 Mission Street building is significant under the California Register of Historical Resources ("California Register") Criterion 1 for events, it lacks sufficient integrity to convey its identified historic significance under Criterion 1 and, therefore, is not eligible for listing in the California Register of Historical Resources. The building is not eligible under any other criteria. As such, the Department has determined that the building is not a historic resource as defined under CEQA Guidelines section 15064.5.

As discussed in Attachments A and B, 2918-2922 Mission Street appears eligible for listing on the California Register under Criterion 1 for its association with "headquarters and offices of prominent organizations associated with struggles for inclusion," as defined in the California Office of Historic Preservation's *Latinos in Twentieth Century California: National Register of Historic Places Context Statement* (2015). As a shared workspace of several organizations (Mission Hiring Hall Inc., Mission Housing Development Corporation, Mission Model Neighborhood Corporation, Mission Childcare Consortium Inc., and Mission Community Legal Defense Fund), the subject property is representative of community-based activism and service in the Mission District. Born out of the Mission Coalition Organization, a locally organized and federally-funded Model Cities program with a history of neighborhood-based activism, the subject organizations represented and served the Mission District's Latino population, providing services such as legal guidance, childcare, job placement, and housing/tenant assistance, in Spanish and English, while also assisting residents overcome racial barriers and discrimination. The property was also the former site of Latinoamerica, a celebrated mural by local Latina artists group, Mujeres Muralistas. The mural represented the vibrant Mission community and further underscored the relationship of the organizations housed at 2918-2922 Mission Street to the community. The period of significance for the building encompasses the years that the subject organizations occupied the building, 1973-1985.

The 2918-2922 Mission Street building does not appear eligible for listing on the California Register under Criterion 2 (association with the lives of persons important in our local, regional, or national past), Criterion 3 (distinctive architectural characteristics), or Criterion 4 (information potential for prehistory or history); nor is the building a contributor or non-contributor to an eligible historic district.

To be a historic resource for the purposes of CEQA, a property must not only be shown to be significant under the California Register criteria, but it must also have integrity. Integrity is defined as "the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's period of significance." Integrity is comprised of seven qualities: location, association, design, workmanship, setting, feeling, and materials. For a property to retain integrity it is not necessary for all seven qualities to be present; however, the overall sense of past time and place must be evident to illustrate significant aspects of the property's past. Of these qualities, only the location and setting of the 2918-2922 building remain. Significant interior and exterior alterations to the subject property that occurred after the period of significance have eliminated the property's qualities of association, design, workmanship, feeling, and materials for the period of historical significance. Exterior changes to the building after 1985 included the addition of mullions to the doors and windows, the installation of a cloth awning along the length of the front façade, and painting over of the Latinoamerica mural on the south elevation. Interior office partitions and finishes constructed by the community organizations that occupied the building were later removed to create large, open interior spaces for a laundromat and retail use. Additional changes for the new uses included new mechanical systems and infrastructure to support banks of laundry machines, construction of new partitions for maintenance halls, and all new finishes. These alterations have resulted in a lack of integrity in workmanship, materials, and design, and have rendered the property unable to convey integrity of association and feeling as an administrative hub for the above-mentioned Mission community organizations.

In conclusion, the historic resource evaluation has determined that the 2918-2922 Mission Street building is not a historic resource under CEQA. Therefore, the proposed demolition of this building would not result in significant impacts on historic resources that are peculiar to the Project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR. This information supplements and confirms the findings of the CPE/Initial Study dated August 30, 2017, which found that the proposed Project would not result in significant environmental impacts peculiar to the Project or its site and beyond those disclosed in the PEIR.

TRANSPORTATION

In bullet item 3 of the Appeal Letter, the Appellant contends that "[t]he CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District… including… increased traffic due to reverse commutes and shuttle busses." The appellant has not provided any evidence in support of these claims. The Department's appeal response dated February 5, 2018 (pages 15-17) and supporting documentation in Attachment A (Appeal of Community Plan Exemption for 2675 Folsom Street, March 13, 2017) and Attachment B (Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends, January 2017 and Updated Eastern Neighborhood Traffic Counts, April 2017) provide evidence to the contrary based on updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission. Observed traffic volumes in 2016 were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. Updated

traffic counts were conducted in April 2017 at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR show that overall there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to the PEIR traffic volume projections for 2017.

To further evaluate the concerns raised by the appellant that traffic volumes in the Calle 24 Latino Cultural District are higher than anticipated in the Eastern Neighborhoods PEIR, the Department conducted additional transportation analysis. At the direction of Department transportation staff, consultants performed traffic counts at the Potrero Avenue/23rd Street and Mission Street/24th Street intersections on April 10, 2018 (*Fehr&Peers, 2918 Mission Transportation Analysis Memorandum, June 4, 2018* – see **Attachment F**). These counts were then compared to the Eastern Neighborhoods PEIR 2018 projected traffic volume that would be expected based on the total change in housing units constructed in the Mission from 2011 to 2018. The traffic count data show that observed traffic volumes were 5 percent lower at the Potrero Avenue/23rd Street intersection and 44 percent lower at the Mission Street/24th Street intersection than would be expected based on projected volumes in the Eastern Neighborhoods PEIR. In fact, the total traffic volume had decreased from the 2000 baseline data used for the PEIR transportation impact analysis.

Regardless, as discussed on the Department's February 5, 2018 appeal response page 24, automobile delay, as described solely by level of service or similar measures of traffic congestion, is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579, and the CPE initial study evaluates whether the proposed project would result in significant impacts due to an increase in vehicle miles traveled (VMT), the metric that the City adopted for evaluating traffic impacts under CEQA in 2016.

The additional transportation analysis also evaluates changes to transit reliability in the vicinity of the project site by examining transit speeds on Mission Street. Three bus routes run along Mission Street: the 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Between 2007 and 2017, transit travel speeds have generally increased between 11 to 35 percent, with the exception of the northbound direction in the morning peak period. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the a.m. peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the p.m. peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the a.m. peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the p.m. peak period. Increases in speed occurred throughout the ten-year study period, and are not attributable solely to the installation of bus-only lanes on Mission Street in 2015. Thus, the appellant's claims that new development and changed circumstances such as commuter shuttles and TNCs have resulted in unanticipated impacts on transit operations are not supported by the available evidence.

Overall, the available evidence does not support the appellant's claims that new development under the Eastern Neighborhoods Area Plan has resulted in significant transportation impacts that were not anticipated under the Eastern Neighborhoods PEIR.

SHADOW

Although not required by CEQA, in San Francisco the environmental review of projects includes an analysis of whether new shadow from a proposed project would affect the use and enjoyment of parks or open spaces that are publically accessible.

There are 143 public schools and approximately 110 private schools in San Francisco.[3,4] In general, schoolyards are not considered to be publically accessible, as they are only accessible to the students, faculty, and staff associated with the school. As such, shadow on schoolyards is typically not evaluated as part of CEQA review in San Francisco. However, over 40 public schools citywide are currently enrolled in the San Francisco Shared Schoolyard Project. Information on the Shared Schoolyard Project may be found at http://www.sfsharedschoolyard.org/. Only schoolyards that are enrolled in the Shared Schoolyard Project are considered to be publically accessible, and participating schoolyards are included as public open spaces within the shadow analysis for CEQA review. The Zaida T. Rodriguez School located next to the Project site is not a participating schoolyard; thus, shadow effects of the proposed project on the Zaida T. Rodriguez schoolyard are not considered environmental impacts under CEQA. This issue is further discussed in the Department's February 5, 2018 appeal response (pages 28 and 29). Accordingly, the CPE initial study did not find any significant shadow impacts that are peculiar to the Project or Project site that were not previously disclosed in the Eastern Neighborhoods PEIR.

Although shadow effects of the Project on non-publically accessible schoolyards are not considered environmental impacts under CEQA, the Project sponsor retained a shadow consultant to prepare a quantitative shadow analysis in accordance with the Department's shadow analysis methodology that evaluates the shadow effects of the project on the two nearby schoolyards for informational purposes (*RWDI, Shadow Analysis 2918 Mission Street, February 7, 2018* – included as **Attachment G**). The Zaida T. Rodriguez School is comprised of two campuses. The 2950 Mission Street main campus is located to the south of the Project site, and includes an approximately 4,500-square-foot schoolyard located on the western side of the building fronting Osage Alley. The 421 Bartlett Street annex is located across Osage Alley to the west of the Project site, with its approximately 2,000-square-foot schoolyard located on the eastern side of the building, also fronting Osage Alley, as shown in the figure below.

[3] San Francisco Unified School District, http://www.sfusdjobs.org/about-sfusd, June 2018.

[4] https://www.privateschoolreview.com/california/san-francisco, June 2018.

The shadow analysis shows that the proposed Project would not cast any new shadows on the 2950 Mission Street campus schoolyard between 8:59 a.m. and 4:44 p.m. on any day of the year. Outside of these hours, morning and evening shadows would fall on the northeastern corner of the schoolyard area; however, this location is used for staff parking and storage and not as a play area. With respect to the 421 Bartlett Street annex, the proposed Project would cast new shadows on the schoolyard in the morning throughout the year. Shadows would range in duration from 143 minutes to 273 minutes and would not occur after 11:51 a.m. on any day of the year. The duration of shadow varies with the time of year. In general, the maximum area of shading occurs before 9 a.m., and by 11 a.m., one quarter of the schoolyard or less would be shadowed. Mature trees on the schoolyard currently shade portions of the schoolyard during the mornings.

Development projects located in proximity to schools is not an unusual circumstance in San Francisco. As discussed above, shadow on schoolyards that are not publicly accessible open space is not an environmental impact under CEQA. Accordingly, environmental review of other development projects

that shade schoolyards throughout the city have determined that such effects are not physical environmental impacts.[5] Accordingly, the CPE initial study did not find any significant shadow impacts that are peculiar to the Project or Project site that were not previously disclosed in the Eastern Neighborhoods PEIR.

SOCIOECONOMIC EFFECTS

As discussed in the Department's appeal response (pages 20 to 23; Attachments A and C), for the purpose of CEQA environmental impact analysis, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental effects. The CPE initial study and the additional Department analysis have considered, and do not identify adverse physical environmental effects due to gentrification and displacement of business, residents, or nonprofits as alleged by the appellant.

Socioeconomic effects are not considered environmental impacts in the absence of adverse physical environment effects. The available evidence does not support the appellant's claims that development under the Eastern Neighborhoods rezoning and area plans, such as the 2918-2924 Mission Street project is responsible for residential or commercial displacement. The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement. (See the Department's February 5, 2018 appeal response Attachment C for the March 2017 ALH technical study). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, fundamental changes in the retail sector, and a preference for urban lifestyles and shorter commutes.

In response to this appeal and under the direction of the Department, ALH Economics prepared an updated study encompassing the following: (1) project-specific analysis to evaluate whether the residential projects that are in the Department pipeline within ¾-mile of the 2918-2924 Mission Street Project site could result in commercial market shifts, such as the displacement of existing commercial

[5] 1601 Mariposa EIR, Case No. 2012.1398E, certified November 12, 2015; 600 Van Ness Avenue Preliminary Mitigated Negative Declaration, Case No. 2015-012729ENV, June 8, 2018.

establishments; (2) an overview of pricing trends in the San Francisco rental housing market to evaluate whether market-rate apartment production at and around 2918-2924 Mission Street may affect rents of existing properties in the vicinity; and (3) a review of recent academic literature on the relationship between housing production and housing costs, and residential displacement. This report - *Socioeconomic Effects of 2918 Mission Street Market-Rate Development* – is presented as **Attachment E**. The findings of this study further support the previous analyses that indicate that, based on the preponderance of available evidence and studies to date, there is no demonstrated causation between market rate development in the Mission District and commercial and residential displacement.

Pipeline Effects on Displacement of Commercial Establishments

According to the Department's most recent development pipeline report, a total of 710 net new residential units are proposed (including the proposed project) within one-half mile of the project site. Of these, 564 units are market rate, and 146 are below market rate affordable units. These projects propose a total of 27,480 square feet of net new retail space. Within an additional one-quarter mile radius, there are four proposed residential development projects comprising a total of 97 net new units, including 86 market rate units, 11 affordable units, and 7,258 square feet of net new retail. In total, the pipeline identifies 807 net new residential units, with 650 market rate and 157 (19 percent) affordable, and 34,738 square feet of net new retail space proposed within three-quarters of a mile of the Project site.[6]

The projects in the pipeline, if constructed, would result in a relatively small increase over the existing residential and retail development in the project and plan areas. At present, there are approximately 11,275 households and 1.4 million square feet of retail space within one-half mile of the project site, and approximately 15,659 households and 3 million square feet of retail space within the Mission District as a whole. Thus, the projects in the pipeline would result in an approximately 5.9 percent increase in households and 2.0 percent increase in retail space within a one-half mile radius of the project site and an approximately 4.3 percent increase in households and 0.9 percent increase in retail space for the Mission District as a whole.

The estimated retail demand generated by future residents of projects in the pipeline within a three-quarter-mile radius of the project site is 28,900 square feet. As stated above, the projects in the pipeline would provide a total of 34,738 square feet of net new retail space. Because the projects in the pipeline would provide slightly more net new retail space than needed to support the estimated demand for neighborhood-serving retail generated by the related population increase, and because this demand is a small fraction of the existing neighborhood retail available in the project area, it is unlikely that the residential development in the pipeline would exert substantial pressure on the existing retail base within the one-half mile radius around the project site.

[6] ALH Economics, Socioeconomic Effects of 2918 Mission Street Market-Rate Development, June 18, Tables 1 and 2.

This analysis is reinforced by the existing balance between retail supply and demand in the one-half mile radius area as well as the Mission District. Retail demand analyses indicate that residents within a one-half mile radius are estimated to support approximately 920,900 square feet of retail services of which 354,300 square feet is neighborhood-oriented retail services, while the existing retail inventory in this area is approximately 1,363,000 square feet. Similarly, Mission District residents are estimated to generate demand for approximately 1,246,300 square feet of retail services of which 479,500 square feet is neighborhood-oriented retail services, and there is approximately 3 million square feet of retail inventory in the Mission.[7] These demand estimates indicate that the supply of retail in the Mission as a whole outstrips locally-generated demand. In the Mission, the total retail supply is 2.4 times the amount of retail supportable by its residents, and 6.3 times the neighborhood-oriented demand generated by district residents. Within a one-half mile radius of the project site, the total supply of retail area also exceeds the amount supportable by residents, but to a lesser extent than the Mission District as a whole. The one-half mile area total retail supply is 1.5 times the amount of retail supportable by its residents, and 3.8 times the neighborhood-oriented demand. This suggests the area is a retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area.

Given the estimated number of existing Mission District households and the number needed to support the Mission District retail base, an additional 22,320 to 83,056 households would be needed to fully support the Mission District retail base. The potential 775 pipeline households would comprise only 0.9 to 3.5 percent of this amount, indicating that new pipeline households would have a very insignificant effect on the Mission District retail base.[8]

In summary, retail supply and demand analysis for the one-half mile area around the 2918-2924 Mission Street Project site, and in particular for the Mission District as a whole, demonstrates that both areas are regional shopping destinations, providing substantially more retail supply than can be supported by the residents of the Mission. Accordingly, it appears that (1) broad socioeconomic changes and trends in the retail industry have greater influence on commercial uses in the Mission than the composition of the immediate population of the neighborhood; (2) new residential development in the Mission has a relatively insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a broader citywide as well as a regional clientele; and (3) changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development given the scale of the existing stock relative to new development.

[7] Ibid, Table 6

[8] Ibid, Table 7. The range indicates the number of households to capture only neighborhood-oriented retail demand to all retail demand.

Effects on residential rents and displacement

ALH Economics reviewed case study as well as academic and related literature to probe whether market-rate apartment production at and around 2918 Mission Street would affect residential rents of existing properties, thereby making housing less affordable for existing residents. The findings generally conclude that housing production itself does not result in increased costs of the existing housing base, but rather helps suppress increases in home prices and rents in existing buildings. The literature shows that failure to increase housing stock to accommodate demand resulting from job and wage growth and a generally increasing population results in greater competition for existing housing, with higher income households outbidding lower income households and otherwise exerting upward price pressure on existing housing. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement.

A recent study by researchers at UC Berkeley and UCLA commissioned by the California Air Resources Board[9] found that, while gentrification and displacement was occurring in neighborhoods near transit stations, such displacement was largely taking place in areas that did not experience significant new residential development. The authors note that:

> "Gentrification in Los Angeles and the Bay Area transit neighborhoods cannot be attributed to new residential development, as the vast majority of transit neighborhoods in both Los Angeles and the Bay Area experienced relatively little residential development from 2000 to 2013" (p. 91).

Furthermore, the study finds that limiting market-rate housing development near transit is likely to increase regional vehicle miles traveled (VMT). The report stresses that:

> "[A] policy that reduced market-rate housing development in locations that encourage lower auto use, even if the policy reduced displacement and preserved affordable housing, would likely result in a net regional increase in VMT compared to a policy that increased the production of (dense) housing near transit" (p. 180).

In summary, the available evidence does not support the appellant's claims that the 2918-2924 Mission Street project would cause commercial or residential displacement. Nor does the evidence support the appellant's attempts to link gentrification and displacement to significant adverse impacts on the environment beyond those identified in the Eastern Neighborhoods PEIR. Thus, the appellant has not demonstrated that the Department's determination that in the proposed project would not result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is not supported by substantial evidence in the record.

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[9] California Air Resources Board, 2017. "Developing a New Methodology for Analyzing Potential Displacement". https://www.arb.ca.gov/research/apr/past/13-310.pdf

CONCLUSION

As discussed in the CEQA Guidelines section (page 6) of the Department's Appeal Response dated February 5, 2018, CEQA section 21083.3 and CEQA Guidelines section 15183 **mandate** that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, **shall not** require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

CEQA Guidelines section 15064(f) provides that the determination of whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15604(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

The Appellant has not provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The Planning Department conducted necessary studies and analyses necessary to make an informed decision about the environmental effects of the project, based on substantial evidence in the record, in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board of Supervisors uphold the Department's CPE and reject the appeal.

Attachment D

Historic Resource Evaluation

2918-2922 Mission Street

May 29, 2018

FINAL DRAFT

2918-2922 MISSION STREET, SAN FRANCISCO
HISTORIC RESOURCE EVALUATION PART I

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Acronyms and Abbreviations

1976 DCP Survey	San Francisco Department of City Planning Architectural Survey of 1976
APN	Assessor's Parcel Number
AWOC	Agricultural Workers Unionizing Committee
BART	Bay Area Rapid Transit
California Register	California Register of Historical Resources
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CSO	Community Service Organization
DPR	California Department of Parks and Recreation
HERE	Hotel Employees and Restaurant Employees Union
Here Today	Here Today: San Francisco's Architectural Heritage
HRE	Historic Resource Evaluation
HUD	U.S. Department of Housing and Urban Development
La Raza	La Raza en Acción Local
MACABI	Mission Area Community Action Board
MALDEF	Mexican American Legal Defense Fund
MAPA	Mexican American Political Association
MCCC	Mission Childcare Consortium
MCO	Mission Coalition Organization
MCOR	Mission Council on Redevelopment
MHDC	Mission Housing Development Corporation
MHH	Mission Hiring Hal
MMNC	Mission Model Neighborhood Corporation
MNC	Mission Neighborhood Centers
MTU	Mission Tenants' Union
National Register	National Register of Historic Places
NCLR	National Council of La Raza
NCM	National Chicano Moratorium
NFWA	National Farm Workers Association
OBECA	Organization for Business, Education, and Community Advancement
Planning	City and County of San Francisco Planning Department
PRLDF	Puerto Rican Legal Defense Fund
SFRA	San Francisco Redevelopment Agency
UFW	United Farm Workers

Chapter 1
Introduction

1.1 Executive Summary

This Historic Resource Evaluation (HRE) Part I was prepared by ICF on behalf of RRTI, Inc., to inform future review by the City and County of San Francisco Planning Department (Planning). ICF is on a consultant pool list maintained by Planning to prepare HREs for development projects in the city that may affect historical resources, as defined by the California Environmental Quality Act (CEQA).

The project site currently consists of three lots: a single building that resides on two parcels (Assessor's Parcel Number [APN] 6529/002 and 6529/002A), consisting of 2,600 square feet, and one single parking lot located on the adjacent parcel to the south (APN 6529/003), consisting of 6,433.13 square feet. The proposed project involves merging the three lots into one and demolishing the existing building and parking lot at the project site (2918-2922 Mission Street), and constructing a new building (an eight-story 75-unit residential building with ground floor retail).

The building at 2918-2922 Mission Street was previously documented in the South Mission Historic Resource Survey via a California Department of Parks and Recreation (DPR) 523A (Primary Record) form, completed by Page & Turnbull in 2008 (Page & Turnbull 2008). Planning has assigned the building a California Historical Resource Status Code of 6Z: ineligible for National Register of Historic Places (National Register), California Register of Historical Resources (California Register), or local designation through survey evaluation. The San Francisco Historic Preservation Commission adopted the findings of the South Mission Historic Resource Survey on November 17, 2011. It appears that this status code was assigned to the building based on its lack of architectural character, but a full evaluation of the building's potential significance under California Register criteria was not completed at the time of the South Mission Survey. This HRE evaluates the potential historical significance of the building at 2918-2922 Mission Street under all applicable California Register criteria for the purposes of CEQA review.

1.1.1 Property Information

1.1.1.1 Zoning

The project site is within the Mission Street Neighborhood Commercial Transit Zoning District, which is a moderate- to high-density, transit-oriented, multi-scale mixed-use neighborhood with land use controls that encourage community-serving commercial uses on the ground and lower floors, with housing above. Neighborhood Commercial Transit Zoning Districts are located in transit-rich neighborhoods and aim to utilize the residential and commercial prospects of these areas.

1.1.1.2 Current Historic Status

As stated previously, the one-story building at the project site was previously documented as part of the South Mission Historic Resource Survey and requires further evaluation. Additionally, ICF

searched federal, state, and local records to determine if the subject properties have been identified in any official registers of historic resources.

National Register of Historic Places

The National Register is the nation's most comprehensive inventory of historic resources. It is administered by the National Park Service and includes buildings, structures, sites, objects, and districts that possess historic, architectural, engineering, archaeological, or cultural significance at the national, state, or local level.

2918-2922 Mission Street is not listed in, nor has it previously been found eligible for listing in, the National Register.

California Register of Historical Resources

The California Register is an inventory of significant architectural, archaeological, and historical resources in the State of California. Resources listed as State Historical Landmarks and in the National Register are automatically listed in the California Register. Resources can also be nominated to the California Register by local governments, private organizations, or citizens.

2918-2922 Mission Street is not listed in, nor has it previously been found eligible for listing in, the California Register.

San Francisco Planning Department Historic Status Code

Planning has assigned each building in the city a status code that determines whether a property fits the definition of a *historical resource* as defined in the CEQA Statutes and Guidelines and as described in the San Francisco Preservation Bulletin No. 16. There are three categories of status codes:

- **Category A:** properties that are historical resources for the purposes of CEQA.
- **Category B:** properties that require further consultation and review because the property is 50 years old or older and has not been previously evaluated.
- **Category C:** properties that are either not age-eligible or have been determined not to be historical resources.

Table 1 lists the previous historic resource codes and status of the properties at the project site.

Table 1. Previous Historic Resource Status of Properties at the Project Site Assigned by Planning

Address	Planning Dept. Historic Resource Status
2918-2922 Mission Street	C
2920 Mission Street (parking lot)	B

San Francisco City Landmarks, Structures of Merit, Historic Districts, and Conservation Districts

The City maintains a list of properties and groupings of properties designated as local landmarks and historic districts under Articles 10 and 11 of the San Francisco Planning Code. San Francisco Landmark designation criteria are identical to those of the National and California Registers,

requiring a property or district to have significance in the areas of events, associated people, architectural merit, or the ability to yield information, as evaluated within a local context. A property may also be designated as a Structure of Merit if it is not officially designated as a landmark and is not situated in a designated historic district but is recognized as worthy of protection, enhancement, perpetuation, and continued use. Additionally, properties may be designated as individually significant or contributors to conservation districts located exclusively in the City's downtown core area, under Article 11 of the San Francisco Planning Code. Conservation districts seek to designate and protect buildings based on architectural quality and contribution to the character of downtown.

2918-2922 Mission Street is not a San Francisco Article 10 or Article 11 Landmark, or a Structure of Merit, and it is not located in the boundaries of any locally designated Article 10 landmark district or Article 11 conservation district.

Here Today: San Francisco's Architectural Heritage (1968)

The Junior League of San Francisco conducted one of the first architectural surveys in San Francisco, documenting approximately 2,500 properties in the 1960s. It published its findings in the book entitled *Here Today: San Francisco's Architectural Heritage* (*Here Today*) (Junior League of San Francisco 1968). The survey did not assign ratings to buildings or contain in-depth archival research or formal historical evaluation of the properties that would meet today's standards. The research files and the *Here Today* book held at the San Francisco Public Library's San Francisco History Room, provide brief historical and biographical information for the properties the authors considered important. On May 11, 1970, the findings of the *Here Today* survey were adopted by the San Francisco Board of Supervisors as Resolution No. 268-70, and the survey is considered an official local historical register under CEQA.

2918-2922 Mission Street is not listed in *Here Today*.

Department of City Planning Architectural Quality Survey (1976 DCP Survey)

The San Francisco Department of City Planning Architectural Survey of 1976 (1976 DCP Survey) was a reconnaissance survey of the City and County of San Francisco to identify and rate architecturally significant buildings and structures. The rating was based on a scale of -2 (contextual) to 5 (extraordinary). Potential historical significance was not considered when assigning a rating and historical associations were not considered for the buildings and structures included in the survey. The 10,000 rated buildings and structures included in the survey accounted for only 10% of the City's architectural building stock. The 1976 DCP Survey is recognized by Planning for informational purposes.

2918-2922 Mission Street was not recorded in the 1976 DCP Survey.

South Mission Historic Resource Survey

The building at 2918-2922 Mission Street was included in the South Mission Historic Resource Survey, which was informed by a DPR 523A form completed by Page & Turnbull in 2008 (Page & Turnbull 2008). No DPR 523B form or detailed evaluation of the property was completed under this survey. The survey assigned the property a California Historical Resource Status Code of 6Z, interpreted for the survey to mean that the property was found ineligible for national, state, and local registers through survey evaluation. However, it appears that 2918-2922 Mission Street was

evaluated based upon its architectural characteristics under California Register Criterion 3, and that comprehensive evaluation of the building under Criterion 1 and 2 was not completed.

1.2 Methods

1.2.1 Architectural Survey

ICF architectural historians Andrea Dumovich and Jonathon Rusch surveyed the site on February 14, 2018, to record existing conditions, historic features, and visible alterations of the property. The survey included documentation of all exposed exterior façades and accessible interior spaces of the building with photographs and written notes. Except where otherwise noted, all photographs in this report were taken by ICF on February 14, 2018.

1.2.2 Research

ICF prepared this report using primary and secondary sources associated with the property and its past occupants. These sources were collected at various repositories, including available permits from the San Francisco Department of Building Inspection (Appendix A, *Building Permits*); deed information and building valuation cards from the San Francisco Assessor-Recorder's Office (Appendix B, *County Assessor's Real Property Record*); and inventory forms held in Planning's property files.

Historic images of the property were sought through the San Francisco Public Library's online photograph collection and San Francisco Assessor's Office Negative Collection, San Francisco Municipal Transportation Agency's online photograph collection, Western Neighborhoods Project's online photograph collection, and University of California collections through Calisphere.

Property-specific research was conducted using the following sources.

- Planning's online Property Information Map
- San Francisco Public Library Ephemera Collection
- Sanborn Fire Insurance Company maps (Appendix C, *Sanborn Fire Insurance Maps*)
- Historical San Francisco city directories
- *San Francisco Chronicle* archives

In addition, ICF architectural historians conducted telephone interviews with several community members. Interviewees were selected because of their close knowledge of the Mission's twentieth-century history, and/or direct personal experiences with the Mission Coalition Organization (MCO) and the non-profit organizations that occupied the subject building during the 1970s and 1980s. ICF pursued this research method in order to collect historical factual information and reminiscences that otherwise are not captured in written historical records. Individuals interviewed during the preparation of this report are the following: Sam Moss, executive director of Mission Housing Development Corporation (MHDC); Mike Miller, community organizer involved in the MCO during the late 1960s and early 1970s; Larry Del Carlo, participant in the MCO and former executive director of MHDC; and Pete Gallegos, Mission activist during the 1970s and board member emeritus of MHDC. Anne Cervantes, architect and founding member of the San Francisco Latino Historical

Society, also shared research regarding the history of the Mission and organizations housed within the subject building via written notes and phone conversations.

Chapter 2
Property Description and History

2.1 Property Description

2.1.1 Project Site

The project site includes three adjacent parcels located in San Francisco's Mission District neighborhood, along the western edge of Mission Street between 25th and 26th Streets (Figure 1). The northern two parcels (6529/002 and 6259/002A) contain one building, which is currently occupied by a coin operated laundry service; this building abuts a three-story residential building to the west and a one-story commercial bank building to the north. The southern parcel (6529/003) extends between Mission Street and Osage Alley and contains a surface parking lot. Located adjacent to the parking lot to the south is the one-story Zaida T. Rodriguez Child Development School. Facing the project site across Mission Street is the Instituto Familiar De La Raza, Inc. (2919 Mission Street) and a two-story auto body collision repair shop (2925 Mission Street), which was previously associated with the automobile-related tenant of the subject building.

The surrounding area is characterized by a mix of one- to four-story buildings, which primarily contain commercial uses at the ground level with residential units within the upper stories. The subject building contributes to the commercial district that lines Mission Street. The immediate neighborhood's typical era of construction is the 1920s, mixed with a few late 1880s buildings and some examples of modern construction.

Figure 1. Project site, perspective view facing northwest at Mission Street between 26th and 25th Streets; north is up.

2.1.2 Architectural Description

2.1.2.1 2918-2922 Mission Street

2918-2922 Mission Street is a one-story-with-mezzanine, commercial building (Figure 2). The building has a rectangular plan, is constructed of reinforced concrete, and stands on a concrete foundation. The building's roof is generally flat with a parapet and features two shallowly pitched gables that are not visible from the street level. The building's east (primary) façade faces Mission Street. It expresses a minimally Gothic Revival architectural style with a Gothic frieze that extends along the parapet of the primary façade, above an aluminum-frame window assembly that spans the width of the façade. The building's south façade faces the adjacent parking lot enclosed by a chain-link fence (Figure 3). Between the building's west (rear) facade and an adjacent three-story residential building is a narrow alleyway on a raised foundation. The building's north facade immediately abuts a neighboring, street-facing commercial building and could not be inspected.

Figure 2. 2922 Mission Street, perspective view facing west at Mission Street near 24th Street

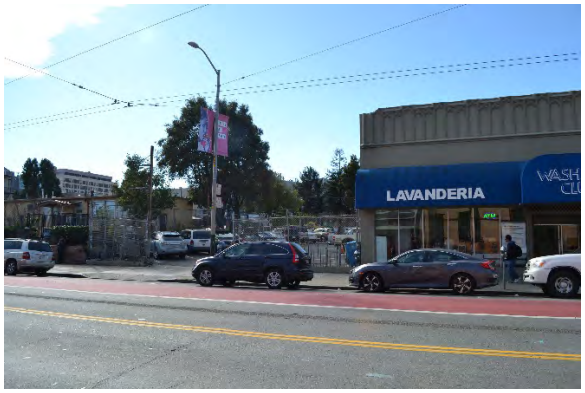

Figure 3. 2920 Mission Street, perspective view of the parking lot, facing west at Mission Street

East Façade

The building's primary façade faces Mission Street and is generally symmetrical in design. The façade comprises two structural bays with an aluminum-frame window assembly across each bay. The east façade is primarily clad in concrete stucco with occasional concrete grid patterns. The building's primary entrance is recessed at the center of the two bays. The entrance has a single, fully glazed door with a glazed sidelight providing access to the laundromat; a second door is located at the north wall formed by the recessed entrance and accesses the commercial space within the north half of the building (Figure 4). A wood lattice surmounts the recessed entrance. The window assembly and door are not original to the building. A non-original metal-frame, canvas awning is installed above the band of windows and spans the width of the façade. The Gothic frieze at the parapet that terminates the façade is an original feature of the building; however, it appears that decorative elements at the center and sides of the frieze, possibly finials, have been removed (Figure 5). A series of fluorescent lights are installed behind the canvas awning.

Figure 4. Glazed door and glazed sidelite, east (primary) façade, facing west

Figure 5. Gothic frieze at the parapet, east (primary) façade, facing west

South Façade

The south façade is constructed of board-formed concrete. An entrance is located at the center of the façade, containing a non-original single paneled, metal-faced wood door (Figure 6). This entrance is located within an area of the façade that has been infilled with concrete, indicating the location of a larger, previous entrance. Occasional piping remains along the wall of the façade. The flat parapet roof projection is visible along the south façade. A painted sign advertising the current laundromat tenant of the building is also located near the roofline at the south façade (Figure 7).

Figure 6. Entrance at the South façade, facing north

Figure 7. Flat parapet roof projection with painted sign advertisement, located at the south façade, facing north

West Façade

The west façade faces the narrow alleyway on a raised foundation. The west façade contains a band of nine-lite industrial steel-sash windows, including several broken panes. Pairings of aluminum sash windows have replaced some of the upper lites, and in some instances the steel-sash windows have been removed altogether and have been replaced by ventilation tubing. Wrought iron security bars are mounted over some of the steel windows. The west façade is not pedestrian-accessible, as the rear alleyway is blocked off by a chain-link fence (Figure 8).

Figure 8. Detail of the west facade, facing east

Interior

The interior of 2918-2922 Mission Street is divided into two primary rooms, each of which fills approximately half of the building. A laundromat tenant occupies the southern half of the building and features modern floor, wall, and ceiling finishes throughout, which date to the building's conversion to its current use c.1991. Predominant finishes within the laundromat include tile flooring and gypsum board. Commercial washing machines and driers line all interior walls apart from the glazed wall at the front of the building, and form long banks through the center of the room (Figure 9). Structural steel columns are arranged throughout the interior and support steel ceiling beams. Interior doors provide access to narrow maintenance channels along the south and west walls of the building; these channels contain utilities and ventilation ducts attached to the commercial laundry equipment in the adjacent room. A staircase opening to the laundromat room leads to the mezzanine level located at the rear of the building (Figure 10).

The north half of the building contains a vacant commercial space accessible through the door at the building's central recessed entrance, as well as through an interior door leading from the laundromat (Figure 11). Two windows are located within the partition wall separating the two interior spaces (Figure 12). The vacant commercial space features linoleum or vinyl tile flooring and gypsum board walls. Fluorescent lighting and ceiling fan fixtures are found throughout the building's interior.

Figure 9. Interior detail of commercial washing machine space, facing east

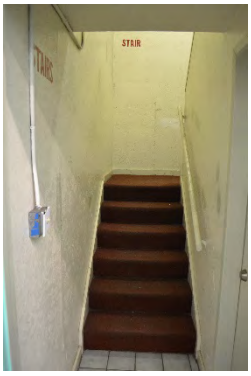

Figure 10. Staircase leads to mezzanine, facing north

Figure 11. Vacant commercial space occupies the north half of the building, facing northwest

Figure 12. Two windows within the partition wall that separates laundry from vacant commercial space, facing south

2.1.2.2 Adjacent Parking Lot

An asphalt-paved surface parking occupies the adjacent parcel to the south of 2918-2922 Mission Street (Figure 13). The parking lot is enclosed in metal chain-link fencing and features gates at Mission Street and the rear alley. An iron fence and low concrete curb are located along the public sidewalk at Mission Street. The parking lot features abandoned metal poles that appear to have held lighting fixtures or signage associated with its former use for automobile sales.

Figure 13. Project site features a parking lot, perspective view facing west at Mission Street toward Osage Street

2.2 Property History

The following sections provide a site history and construction chronology based on historic maps, photographs, building permits, newspaper articles, and additional primary and secondary resources collected from repositories and online sources listed in Section 1.2, *Methods*.

2.2.1 Site History

Following the turn of the twentieth century, the parcels that currently contain 2918-2922 Mission Street contributed to a neighborhood of residences interspersed with small-scale commercial establishments. As shown on the Sanborn Fire Insurance Map published in 1905, the parcels that currently contain the subject building were occupied by a multi-family, two-story building of flats set back slightly from Mission Street. The adjacent lot to the south (currently containing the surface parking lot) was occupied by a two-story livery stable that filled its entire lot (Figure 14). Immediately adjacent to the south is Haight Primary School, a commercial lot that takes up a majority of the block. Nearby buildings facing Mission Street mostly include one-story dwellings and two-story commercial storefronts.

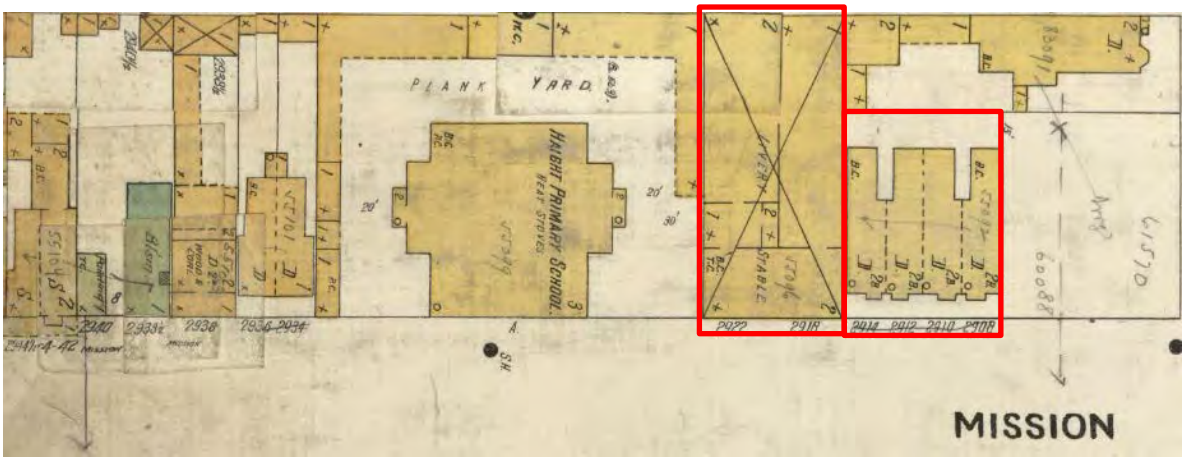

Figure 14. Detail of 1905 Sanborn File Insurance Company map, Volume 6, Sheet 626, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via David Rumsey Map Collection.

As shown on the next available Sanborn map, published in 1914, the parcel at 2918-2922 Mission Street maintained its shape and residential building; the 1914 map provided additional detail that the northern half of the building contained "housekeeping rooms" (Figure 15). Though the adjacent parcel (today's parking lot) also retained its two-story commercial building, the building was noted as vacant. Both buildings withstood the 1906 earthquake and ensuing fires, which were halted at 20th Street. Surrounding properties facing Mission Street had mostly remained their same lot building size and shape as in 1905. By 1914, as shown on the Sanborn map, the lot at the corner of Mission and 25th Street was filled by a three-story commercial building; several one-story dwellings on the school's lot had been demolished; and several of the lots near 26th Street had been filled.

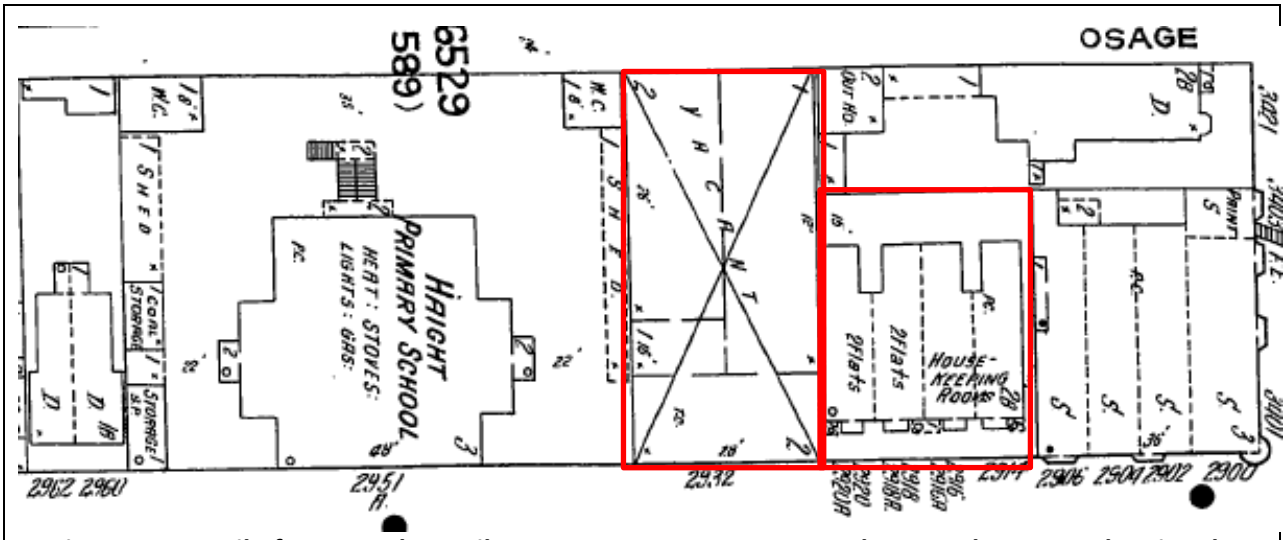

Figure 15. Detail of 1914 Sanborn File Insurance Company map, Volume 6, Sheet 611, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via San Francisco Public Library.

The flats building and adjacent commercial building were demolished at a subsequent date, although the exact demolition year has not been determined. The approximately square-plan building that currently stands on the project site was built c.1924, which is the construction date listed in the San Francisco Planning Department's Property Information Map. However, an original building permit was not located at the San Francisco Department of Building Inspection, so the construction date cannot be confirmed. Furthermore, the original architect has not been identified.

The subject building appears to have originally been divided into two separate commercial spaces, each affiliated with a separate street address (2920 Mission Street and 2922 Mission Street). The two earliest identified tenants were associated with automobile sales and repair. In 1925, the commercial space at 2920 Mission Street served as a branch location of Coast Auto Company, a new and used vehicle dealership with a main location on Van Ness Avenue. Several other automobile dealers occupied the space in rapid succession. By 1933, Morton & Wildman, a used car dealership, occupied the southern half of the building (2922 Mission Street); a second automobile-related business, Malkason Motors Co., occupied the northern half of the building (2920 Mission Street). Further information on the known occupants of the building is included in Table 4. The aerial photograph of the site taken in 1938 by Harrison Ryker confirms that the adjacent parcel to the south was then occupied by a surface parking lot, presumably utilized as a car storage lot for the businesses operating in the neighboring building (Figure 16).

Figure 16. Detail of 1938 aerial photo, showing the subject parcels outlined in red. Right is north.
Source: San Francisco Aerial Views, accessed via David Rumsey Map Collection.

Automobile-related businesses are known to have occupied the subject building during the following few decades. Limited information has been uncovered to describe physical alterations to the building into the immediate post-World War II period, although a photograph of the Mission Street streetscape in 1949 illustrates the building and its immediate commercial and residential setting at that time. In the photograph, the subject building is viewed from the south and is identifiable through its distinctive Gothic-style frieze, which appears to have featured finials projecting above the roofline at the center and outer ends of the façade (Figure 17). No additional documentation of the appearance of the building's street-facing façade prior to the 1960s was located during the preparation of this report.

Figure 17. View of Mission Street at 26th Street, facing north, November 17, 1949.
Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

The 1950 Sanborn map shows that the vacant parking lot maintained its use as a car sales lot or "used car mart," addressed 2920 Mission Street. The adjacent commercial building maintained two separate storefronts with addresses 2920-2922 Mission Street. City directories indicate that the building was vacant for limited periods of time during the 1950s. At the end of 1956, a permit was issued to remove interior concrete panels, implying that the two separate commercial tenant spaces were consolidated into one. City directory records and permits specify that the building was occupied in 1957 as a supermarket.

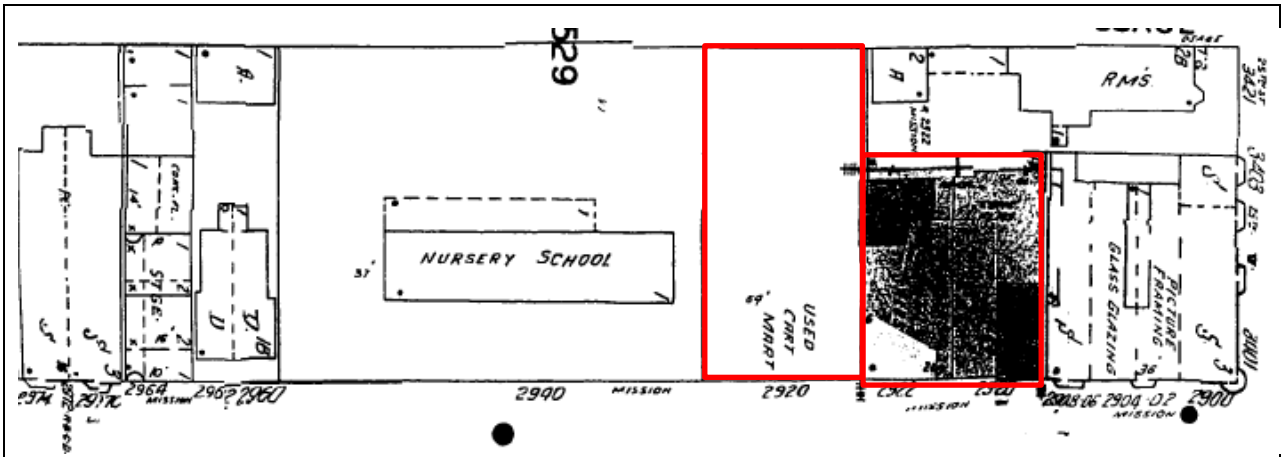

Figure 18. Detail of 1950 Sanborn Fire Insurance Company map, Volume 6, Sheet 611, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via San Francisco Public Library.

In 1958, Atlas Motors or Atlas Volkswagen became the sole tenant of 2920-2922 Mission Street. Atlas remained as the primary tenant at the site until 1972. A photograph of the building taken in 1964 illustrates exterior improvements implemented by the tenant during this period, including illuminated signage, flagpoles at the roofline, and screen installed above the band of display windows along Mission Street, which effectively concealed the building's distinctive decorative frieze and created a more contemporary appearance to attract customers. (Figure 19).

Figure 19. Photo of subject property as Atlas (Volkswagen) Motors, August 24, 1964.
Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

By 1960, the property appears to have been divided again into two store fronts by adding a "partition across center," as stated in a 1960 building permit.

After Atlas Motors moved out in 1972, several community-based social service organizations rented the space throughout the 1970s and 1980s. According to San Francisco City Directories and San Francisco Telephone Directories, the following organizations were tenants of the building during this period:

- Mission Hiring Hall (1973 to 1985)
- Mission Housing Development Corporation (1974 to 1985)
- Mission Model Neighborhood Corporation (1974)
- Mission Childcare Consortium Inc. (1974 to 1975)
- Mission Community Legal Defense Fund (1974 to 1978)

1974 was the only year that all of these local organizations occupied 2918-2922 Mission Street at once. Additional information on these organizations is included in Chapter 4, *Owner/Occupant History*.

In 1974, a group of pioneer Chicana/Latina female muralists, the Mujeres Muralistas, were approached by the Mission Model Neighborhood Corporation (MMNC) to paint a mural on the south façade of the subject building. For the commission, the muralists were paid $1,000 from federal Model Cities funds. (See Chapter 3 for additional information about MMNC and Model Cities funding.) The resulting mural was called *Latinoamerica*, or *Pan America* (Figure 20). Painted collaboratively by lead muralists Consuelo Mendez, Graciela Carrillo, Patricia Rodriguez, and Irene Perez, the mural represented Latino/a residents of the Mission District with an emphasis on Latin America's mestizo and indigenous heritage. A particular detail near the mural's center depicts Venezuelan devils surrounding a family encased in a sun symbol, and towards the bottom right is a group of Mission youth (Cordova 2017:134-141; Rodriguez 2011:83-84). Although not the first mural that the Mujeres Muralistas painted collaboratively, *Latinoamerica* introduced the group as important public artists providing a new perspective within the Mission's mural movement. Four additional Latina artists—Miriam Olivo, Ruth Rodriguez, Ester Hernandez, and Xochil Nevel—joined the Mujeres Muralistas as a result of the project. Patricia Rodriguez later recalled, "Everyone was watching us and interviewing us for newspapers, television, and radio. We represented a new generation of muralists depicting our own reality at the present moment of time, exploring new ideas and new styles, and speaking about the Latinas who lived in the Mission District. […] [Mission residents] brought their children to introduce them to their Latino heritage so that they would not forget where they came from. The mural seemed to heal some of the community's wounds" (Rodriguez 2011:84-85).

Figure 20. Undated photo (1974 or later) of the *Latinoamerica* mural painted by Mujeres Muralistas. Source: Mujeres Muralistas, http://mujeresmuralistas.tumblr.com/

According to Rodriguez, *Latinoamerica* significantly raised the public profile of Mujeres Muralistas within the community of Latino/a artists in San Francisco and expanded the aesthetic vocabulary of murals in the Mission to include themes representing the experiences of Latinas. The mural attracted national press, and the group earned wider recognition that led to numerous new projects (Rodriguez

2011:85-86; Cervantes pers. comm.). It remains unknown exactly how long the mural existed; although it was included in a mural map of the Mission published in the *San Francisco Chronicle* in 1988, a 1990 flyer documenting murals in the Mission District does not list the mural at that time, which indicates that it had since been painted over (*San Francisco Chronicle* 1988:B4; San Francisco Contemporary Chicano Murals 1990:1).

Per a 1989 building permit, the building was occupied that year by a video store. In 1991, the building was converted to its current commercial function as a coin-operated laundromat.

2.2.2 Construction Chronology

Table 2 provides a construction chronology of the subject properties. Building records are included in Appendix A, *Building Permits,* providing copies of the available permits, and Appendix C, *Sanborn Fire Insurance Maps,* providing full sheet Sanborn maps for the subject properties.

Table 2. Construction Chronology

Date	Architect/ Builder	Detail	Source
June 2, 1926	C. Chiappo (Builder)	Permit for concrete floors (2920 Mission St)	SF Dept. of Building Inspection
December 17, 1934	Neon Sign Service Co. (Contractor)	Permit to install horizontal neon swinging sign that reads "Oldsmobile" (2920 Mission St)	SF Dept. of Building Inspection
November 20, 1937	Neon Sign Service Co. (Contractor)	Building permit to install one horizontal double face neon sign reading "Used Cars Malkason Motors Co" (2920 Mission St)	SF Dept. of Building Inspection
October 14, 1946	Hugo Bloomgust (Construction supervisor)	Permit to replace swing doors with slide doors (2920 Mission St)	SF Dept. of Building Inspection
March 28, 1947	West Coast Advertising Co. (Construction supervisor)	Permit to erect a steel billboard less than 10 feet tall and 25 feet wide, surrounded by ornamental moldings (2920 Mission St)	SF Dept. of Building Inspection
June 3, 1953	L.A. Hinson (Contractor)	Permit to remove façade's glass front and rebuild with hollow tile, base, plastered in and outside (2920 Mission St)	SF Dept. of Building Inspection
July 2, 1954	L&M Construction (Contractor)	Permit to replace existing 9-foot-by-10-foot sliding entrance doors with 6-foot-8 inch-by-5-foot	SF Dept. of Building Inspection

Date	Architect/ Builder	Detail	Source
		width double doors (2920 Mission St)	
April 24, 1956	Wonderlite Neon Products Co (Contractor)	Permit to install horizontal neon sign reading "Joy Meat Co Free Parking" (2920 Mission St)	SF Dept. of Building Inspection
August 1, 1956	Bertelsen + Odgeys (Contractor)	Permit to repair fire damage to roof, interior and storerooms (2920 Mission St)	SF Dept. of Building Inspection
December 12, 1956	Bertelsen + Odgeys (Contractor)	Permit to remove three concrete panels dividing two stores and install steel beams to support roof to form three arches between stores (2920-2922 Mission St)	SF Dept. of Building Inspection
1957	Unknown	Converted from supermarket to repair garage (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
June 4, 1957	Bertelsen + Odgeys (Contractor)	Permit to alter entrance doors to make 8-foot opening. Reinstall 2nd entrance doors that have been removed. Construct plywood panel partition across back of store, only 8 feet high (2920 Mission St)	SF Dept. of Building Inspection
June 5, 1957	Wonderlite Neon Products Co (Contractor)	Permit to erect "Volvo" sign (2920 Mission St)	SF Dept. of Building Inspection
1960	Unknown	Partition across center; Plaster walls and ceiling; Change glass front (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
1960	Unknown	Convert from repair garage to auto sales and garage with "OFC" (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
May 26, 1960	Lang Construction (Contractor)	Permit to install screen at front of building to hold sign (2922 Mission St)	SF Dept. of Building Inspection
August 17, 1960	Cascade Neon (Contractor)	Permit to install Atlas Motors "V W" sign (2922 Mission St)	SF Dept. of Building Inspection

Date	Architect/ Builder	Detail	Source
August 17, 1960	Cascade Neon (Contractor)	Permit to install Atlas Motors "Porsche" sign (2922 Mission St)	SF Dept. of Building Inspection
December 7, 1972	Range Building Contractor (Contractor)	Permit to patch roof and improve framing, heating, electrical, plumbing, and level the floor, paint, plaster, and wallboard (2922 Mission St)	SF Dept. of Building Inspection
July 22, 1974	J. Alex Camilli (Contractor)	Permit to build four partitions, 8 inches each, with doors (2922 Mission St)	SF Dept. of Building Inspection
September 28, 1981	Eller Outdoor Ad (Contractor)	Permit to erect sign on wall (2918 Mission St)	SF Dept. of Building Inspection
April 25, 1989	Unknown	Permit to install awning (2920 Mission St)	SF Dept. of Building Inspection
March 25, 1991	Unknown	Permit for tenant improvements: new vinyl flooring, tables, non-bearing partitions, painting (2922 Mission St)	SF Dept. of Building Inspection
May 28, 1991	Zdwih Yuen (Contractor and lessee)	Permit to change approved plan/change of use to coin operated laundry and mini mart. (2922 Mission St)	SF Dept. of Building Inspection
December 26, 2000	ABC Roofing (Contractor)	Permit to replace existing roof (2922 Mission St)	SF Dept. of Building Inspection

2.2.3 Building Alterations

A review of building permits and historic photographs, as well as visual inspection of the current exterior and interior conditions of the building, indicate that a number of alterations have occurred at 2918-2922 Mission Street.

The original 1924 construction permit and building plans were not located during the preparation of this report. However, historic photographs indicate that the original exterior design of the building is somewhat similar to its current appearance, containing a Gothic Revival-style frieze over a broad, glazed storefront assembly. The frieze at the front façade has been altered through the removal of elements projecting above the roofline at the outer corners and center of the façade; these elements appear in a photograph taken in 1949 (Figure 17) but were no longer extant in a photograph taken in 1964 (Figure 19). The frieze currently shows rough edges in the locations where the projecting elements were removed.

The storefront assembly and entrance doors at the front façade have been altered numerous times since the building was constructed to meet the changing needs of tenants. Furthermore, panels were installed at the front façade in front of the frieze prior to 1964 and remained in place until at least 1974 (as evidenced in Figure 20, showing the mural *Latinoamerica*); research has not revealed the date when these panels were removed.

Originally accommodating two tenants, the building's interior has experienced repeated changes to its partition wall and room configuration. A 1974 permit was issued to erect four partition walls within the building, which likely occurred in order to create separate interior workspaces for the group of community-based service organizations that were housed there at various times over the subsequent decade.

Building permits also indicate that automobile-related tenants have installed numerous identification signs for their businesses, which is unsurprising for a building that housed a succession of commercial tenants desiring to advertise their services. None of the automobile-related signage is extant.

The 1964 photograph shows a broad side door at the south façade of 2918-2922 Mission Street that connected the business tenants of the building to the adjacent surface parking lot, where used cars were parking. By the time the Mujeres Muralistas painted *Latinoamerica* on the south façade of the building in 1974, the earlier opening appears to have been infilled and contained only a single-leaf door. This entrance has been retained, although the door leaf has been replaced.

In 1991, several permits were filed to convert the building at 2918-2922 Mission Street to its current laundromat use with attached convenience store. Scopes of work that supported the building's conversion included installation of commercial laundry equipment (requiring new concrete flooring and ventilation systems) and construction of partition walls. It is unknown if the circa 1960s panels were removed from the façade at this time. New mullions were furthermore inserted into the glazed storefront assembly across the building's front façade, based on visual inspection; this change remains undated.

Chapter 3
Historic Context

3.1 Mission Street and the Mission District Through the Early Twentieth Century

3.1.1 Early San Francisco: Spanish and Mexican Periods

In 1769, an expedition led by Spanish soldier Gaspar de Portolá, founder and first Governor of Alta California, traveled north from San Diego in an attempt to locate Monterey Bay. He arrived instead at Sweeny Ridge in today's San Mateo County, where members of the party became the first Europeans to observe the San Francisco Bay. In 1776, Juan de Bautista de Anza led a party that traveled from Monterey into what is now San Francisco to explore settlement locations. Anza chose the site of today's Fort Point for a new Spanish garrison, or *presidio*, and chose a creek location approximately 3 miles to the southeast, which he named Arroyo de los Dolores, for a new mission. The Presidio of San Francisco was dedicated in September, and Mission San Francisco de Asís (which became known as Mission Dolores) was dedicated in October (Kyle 2002:350-52; Woodbridge 2006:18-21).

The Spanish period ended in 1822, as the new government of Mexico seized control of California, and the pueblo of Yerba Buena was formally created in 1835. Fueled by anti-clerical sentiment, during the 1830s the Mexican government began secularizing the California missions. Throughout the Spanish era and much of the Mexican era, areas between Mission Dolores and Mission Bay to the east, and Rincon Point and Yerba Buena Cove to the northeast, remained undeveloped. However, Spanish and Mexican residents were familiar with and made transient use of these undeveloped landscapes. By the mid-1820s, trails ran along the contours of Yerba Buena Cove, and a horse path approximating today's Mission Street extended from the cove southwest to the mission and pueblo (Bean and Rawls 2002:56, 58-70, 72; Sandos 2004:11-12, 108-09; JRP Historical Consulting 2010:33-35; Tim Kelley Consulting 2011:5).

3.1.2 Early Mission District Development

For much of its history, the Mission developed as a semi-independent "city within a city" with its own rich cultural and architectural heritage. The Mission district is the oldest settled area of the city, beginning with Spanish establishment of Mission Dolores in 1776, from which the district derives its name. Land formerly held by Mission Dolores was secularized following Mexican independence from Spain in 1821, and the Mission district became home to a mixture of Spanish soldiers, Mexican gentry, ranchers, settlers and their families, and squatters. Ranchos on the hills surrounding the low-lying Mission "valley" (the current-day Inner Mission) were granted to figures such as José Cornelio Bernal and José Noe. The discovery of gold in the foothills of the Sierras in 1848 brought a massive population influx to San Francisco. Residential development in most of the Mission district was delayed until the mid-1860s, when the resolution of lingering historic land claims, the formal extension of the City boundary to its current-day line, and the construction of more rail lines combined to spur residential construction through the entirety of the Mission. Houses in various sizes and configurations accommodated a wide range of economic classes. Transit service was established on all of the major north-south streets of the Mission by the mid-1880s, connecting the

area to workplaces downtown. Precita Creek, which had served as the natural border between the Mission and the old Potrero Viejo rancho (Bernal Heights) was infilled c.1884, and Army Street (renamed Cesar Chavez Street in 1995) was constructed. This new road linked the major north-south routes and defined the southern boundary of the urbanizing Mission District. (City and County of San Francisco Planning Department 2007:1-41).

The architectural character of the Mission was largely developed in the decades between 1880 and 1906, and is composed of single-family and multi-family residential buildings on the east-west and smaller north-south roads, designed in a mixture of Stick Eastlake, Italianate, and Queen Anne styles, and commercial and residential-over-commercial buildings on the larger north-south thoroughfares.

The 1906 San Francisco earthquake and fire destroyed most of downtown San Francisco and the entire South of Market district, where the majority of the city's industry and working-class housing had been located. While most of the northern portion of the Mission was destroyed in the fire, the area south of 20th Street was spared devastation, and many working-class residents who had lived South of Market sought new homes nearby in the Mission.

After the reconstruction and intense development following the 1906 earthquake and fire, the Mission was largely built out, and little physical change occurred between the First and Second World Wars. The Mission's commercial corridors—namely Valencia and Mission streets, including the shopping district along Mission Street between 16th and Army (now Cesar Chavez) streets that came to be known as "Mission Miracle Mile" in the post-World War II period—remained economically vibrant through the 1960s. Demographically, the Mission had a large Irish and Irish-American population during these years, joined by other ethnic groups including Italians, Germans, Scandinavians, Armenians, and Greeks (City and County of San Francisco Planning Department 2007:66). Some Latino/a residents also called the Mission home prior to World War II and operated small businesses, such as grocery stores (Cervantes pers. comm.). Most male residents in the neighborhood were employed in working-class occupations and made their livelihoods as teamsters, carpenters, or longshoremen. Working women in the neighborhood found positions as domestic servants. The neighborhood developed a distinct working-class identity and a strong organized labor presence during the early twentieth century. After the 1906 earthquake and fire, the Mission became a central location for union activism, and the neighborhood witnessed tensions as the working class received stagnate wages, as well as below-standard living and working conditions. In the 1960s, union activism expanded with fraternal organizations and union halls located in the Mission (City and County of San Francisco Planning Department 2007:65-66).

3.2 The Mission District in the Post-World War II Era

3.2.1 Demographic Changes in the Mission

Following World War II, the Mission was among San Francisco's neighborhoods that experienced an exodus of established working-class and middle-class residents, primarily white, to the suburbs and more affluent residential neighborhoods in the far western parts of the city. This pattern of "flight" from the Mission created opportunities for the many subsequent newcomers to the neighborhood, including in-migration of African Americans from the southeastern U.S. during World War II, followed by Latin American immigration beginning in the 1950s. These successive waves of immigration into San Francisco during the post-World War II period, coupled with the availability of

affordable housing stock in the Mission that had been vacated by the earlier groups of residents, underscored the Mission's identity as an important, evolving working-class enclave in San Francisco. (Summers Sandoval 2013:103-104)

The Mission first experienced an influx in Latin American residents in the 1940s, the start of a demographic shift that ultimately came to define the neighborhood's social and cultural identity in the second half of the twentieth century. The Mission was not the first enclave of Spanish-speaking residents in San Francisco; Mexican-American communities had previously taken root in North Beach (known as Little Mexico) and the South of Market district (Summers Sandoval 2013:103-104). Mexican-American laborers had also lived in neighborhoods along the city's waterfront near their employers, which included shipyards (Cervantes pers. comm.) As the twentieth century progressed, however, large-scale infrastructure projects took place within or adjacent to the city's Mexican-American communities. These projects, particularly the construction of the Broadway Tunnel and San Francisco-Oakland Bay Bridge, displaced members of the existing Latino neighborhoods. Seeking a new home, these communities were drawn to the Mission's available housing and proximity to industrial employers such as factories, warehouses, shipyards, and canneries (Summers Sandoval 2013:103-104).

As a result, the Mission—and specifically the Inner Mission—developed into San Francisco's foremost Latin American enclave after World War II. Estimates suggest that the neighborhood's Latino/a residents comprised 11% of its population in 1950; by 1970, the percentage had risen to 45%. The streams of new immigrant residents into the Mission during this period only strengthened over time. Many Latino/a people arrived in the neighborhood because they followed established social, cultural, and family bonds; the Mission provided an environment where Spanish was often spoken and where social support was available for finding housing and employment. (Summers Sandoval 2013:101-104)

Near the beginning of the Mission's ascendance as a Latino enclave in the middle of the twentieth century, many of San Francisco's Spanish-speaking residents had been born in Mexico. Through the 1950s and 1960s, however, increasing numbers of Central American-born migrants arrived in San Francisco and made their homes in the Mission alongside residents of Mexican heritage. The largest numbers of Central American immigrants to San Francisco originated in El Salvador and Nicaragua. (By 1960, just as many Nicaraguans resided in San Francisco as in the remainder of California.) However, individuals arrived in San Francisco, and specifically the Mission, from all countries in Central and South America. "Push" and "pull" factors motivated this new group of Latin American immigrants, as many sought better economic opportunities in the United States and also fled politically repressive governments in their home countries. The influx of foreign-born Latin American residents to San Francisco was only strengthened by the passage of the Immigration and Nationality Act of 1965, which reformed the United States' previous quota-based immigration system. While in some respects the new legislation eroded earlier restrictions based on country of origin, it introduced a new cap on the total number of immigrants allowed from the Western Hemisphere per year. By restricting legal avenues, this change in federal policy led to a rise in unsanctioned immigration into the United States. Considered together, these various forces brought many new Latin American residents to the Mission, which evolved as a vibrant, culturally and nationally diverse pan-ethnic Latino enclave in San Francisco. (Summers Sandoval 2013:101-104; Gutiérrez 2013)

3.2.2 Community Needs and Organizational Response in the 1960s

In the 1950s and 1960s, San Francisco's manufacturing industries that had previously nourished the city's blue collar and ethnic communities were rapidly disappearing from central San Francisco. The Mission had long been recognized as a working-class enclave, but in the mid-twentieth century the neighborhood experienced a rise in poverty among residents (Summers Sandoval 2013:123-124). Compounding residents' economic uncertainty were the myriad obstacles that ethnic minority and immigrant communities faced in the job market and education system. The neighborhood experienced major issues including youth unemployment, absentee landlords, lack of childcare services, and poorly performing public schools (Howell 2015:222, 239). Furthermore, much of the Mission's building stock had been constructed within 15 years of the 1906 earthquake, and by the 1960s had suffered decades of deferred maintenance. Studies of the neighborhood's physical conditions judged many buildings in the Mission to be substandard and/or deteriorating (Summers Sandoval 2013:123-124).

In light of the numerous challenges facing the Mission in the 1960s, the neighborhood's political and social landscape included a broad range of community-based organizations committed to improving livelihoods and providing resources to the neighborhood's residents. Many of the Mission's residents were economically disadvantaged, culturally distinct from San Francisco's social elite, and lacked representation in the city's established political arenas. Yet the neighborhood embodied a long tradition of self-determination as a "city within a city," which continued to influence how Mission residents, property owners, and businesses organized themselves and advocated for their needs (Howell 2015:222).

Due to the Mission's concentration of Spanish-speaking immigrant residents, many of the community organizations active during the 1960s were aligned with specific Latin American ethnic and nationality groups. They also represented a range of political positions; some focused on business and social concerns from a cultural assimilationist perspective, while other organizations employed activist approaches to address structural social inequalities. Taken together, however, these organizations formed a broad network active in the neighborhood. Although by no means not exhaustive, the following list summarizes several of the prominent community organizations that operated in the Mission during the 1960s:

- Mission Neighborhood Centers (MNC): Founded as a settlement house, MNC advocated for greater social services to address issues faced by the neighborhood's residents. MNC completed a study in 1960, "A Self-Portrait of the Greater Mission District," that was an early attempt to articulate the neighborhood's social challenges and propose solutions (Howell 2015:222-227).

- Community Service Organization (CSO): The Mexican American-affiliated CSO was active across California and focused on social and political issues facing Latino/a residents of urban areas; the organization's focus spread to San Francisco during the 1960s (Summers Sandoval 2013:127).

- Organization for Business, Education and Community Advancement (OBECA)/Arriba Juntos: Known as OBECA at its founding in 1965, this nonprofit organization developed programs to address Mission residents' needs in a range of issues, but focusing on employment skills. Renamed Arriba Juntos (Upward Together) in 1967, the Catholic-affiliated service group

was most active in training youth for employment opportunities. (Howell 2015:237; Summers Sandoval 2013:132)

- Centro Social Obrero: A union caucus affiliated with the locally prominent Building and Construction Workers Union, Local 261, Centro Social Obrero focused on the needs of Mission laborers. Centro Social Obrero developed programs that benefited the union's Spanish-speaking members, such as English language instruction and naturalization support (Summers Sandoval 2013:130).
- Mission Area Community Action Board (MACABI): MACABI was formed by San Francisco's Economic Opportunity Council and was involved in the distribution of federal anti-poverty funds in the Mission. Operating with a board of directors consisting of members elected from the neighborhood the organization served, MACABI directed funding to local organizations—including Centro Social Obrero, OBECA/Arriba Juntos, and the youth-focused service organization Mission Rebels—to support their community programs. (Howell 2015:251; Miller 2009:50)
- Mission Tenants' Union (MTU): Affiliated with the Progressive Labor Party, the Marxist-orientated MTU fought for the rights of the Mission's most in need residential tenants (Summers Sandoval 2013:130-131).

In addition these organizations, the Catholic Church became a pronounced force for Latino political inclusion and civil rights in the Mission. Existing neighborhood parishes, such as St. Peter's Church, provided important social and cultural institutions for the Mission's many Spanish-speaking Catholic residents. Priests were keenly aware of the social barriers faced by members of their congregations, and their involvement in social justice struggles became an extension of their ministries. The further left-aligned Catholic parishes worked to overturn discriminatory hiring practices of local employers, and actively supported the civil rights efforts of the National Farm Workers Association. (Summers Sandoval 2013:106-115; Miller 2009:49)

The robust network of community service organizations active in the Mission during the 1960s set the stage for fruitful organizational collaboration when the issue of City-sponsored redevelopment arrived in the second half of the decade.

3.2.3 Urban Renewal and Community Mobilization in the Mission

3.2.3.1 The Roots of Urban Renewal in San Francisco

Social organizing in the Mission during the 1960s and 1970s can only be understood in the context of broader trends in federal urban policy. The availability of new funding sources from the federal government for redevelopment projects led cities across the United States to enact major new projects that had pronounced, and often adverse, effects on the lives of their residents.

Broadly speaking, economic revival in the United States following World War II caused a rebirth of interest in improvement of cities by some after nearly two decades in which private buildings and public infrastructure had decayed due to lack of funding. Postwar planning addressed four major issues: so-called urban blight, accommodating the automobile in the city, flight to the suburbs, and integrating government-sponsored urban planning and social welfare programs into a private-enterprise-driven economy (Pregill and Volkman 1999:704).

The first significant postwar urban legislation was the federal Housing Act of 1949. This act and much of America's urban renewal and revitalization initiatives that followed during this period focused on slum clearance and affordable housing development. The Federal-Aid Highway Act of 1956, which created the National System of Interstate and Defense Highways, also had a significant impact on America's postwar development. The interstate road system was designed to link major cities and most state capitals, reducing time over traditional long-distance routes and, in urban areas, carrying a higher volume of traffic during congested, peak commuting hours. One consequence of this federal transportation legislation was that in numerous American cities, new highway construction led to the displacement of existing communities (Pregill and Volkman 1999:695).

In most cities, the task of coordinating urban renewal, as it became known, fell to newly created local redevelopment agencies. In San Francisco, Justin Herman directed the San Francisco Redevelopment Agency (SFRA) during a particularly active period from 1959 until 1971. As with other city redevelopment agencies throughout the country, the SFRA leveraged federal funding and new powers to acquire land through eminent domain to facilitate redevelopment by razing large sections of San Francisco. At the time, this large-scale clearance was considered a necessary technique by some to prevent the redeveloped area from returning to its former blighted condition. However, this method displaced thousands of residents and businesses, proving especially disruptive to San Francisco's low-income, black, and Asian communities (Brown 2010:41).

The Western Addition is one example of massive displacement led by the SFRA in San Francisco. Through the 1940s and 1950s, the Western Addition neighborhood, also known as the Fillmore, was largely composed of working-class African Americans who primarily lived in older Victorian homes that the SFRA judged to be in disrepair. Through its attempts to redevelop the neighborhood, SFRA displaced more than 13,500 people and destroyed approximately 3,120 housing units along with the neighborhood's beloved cultural institutions, including jazz clubs. At the time, it was the nation's second-largest residential redevelopment project (Howell 2015: 241). The leveling of the Western Addition sounded alarm bells within other neighborhoods similarly composed of poor and working-class minority populations.

3.2.3.2 Community Response in the Mission

By the 1960s, local opposition to the devastation wrought by urban renewal to existing residents and historic fabric echoed nationwide. In the Mission, residents took note of the Western Addition as a cautionary tale and organized to prevent a similar outcome in their neighborhood. While the SFRA did not intend to replicate precisely the same types of clearance in the Mission, Mission residents anticipated that considerable and disruptive changes would affect their communities as a result of the SFRA's redevelopment plans (Miller 2009:23-24; Summers Sandoval 2011:124-125).

In 1966, the SFRA sought funds for their proposed "Mission Street Corridor"—a study to understand how construction of the Bay Area Rapid Transit (BART) system and associated redevelopment near planned transit stations would affect the Mission's immediate urban environment. This event sparked one of San Francisco's greatest urban political mobilizations, catalyzed by the threat of urban renewal on the neighborhood's predominantly low-income minority communities. Within almost no time, local opposition to SFRA's plans began, led by groups of business and property owners. In 1966, Mary Hall, a realtor, along with "right-wing populist" Jack Bartalini and other neighborhood groups, opposed the SFRA's study out of fear of anticipated displacement. Residents from a range of political backgrounds feared that BART access would generate massive speculative

development in the Mission, which would then price out the existing poor, working-class, and middle–class residents. (Summers Sandoval 2011)

That year, the Mission Council on Redevelopment (MCOR) was established in anticipation of the city's plans for redevelopment in the Mission. A consortium of existing Mission community organizations, MCOR was formed by existing organizations such as OBECA, in addition to "Latino social service providers, Catholic parish churches, tenants' groups, homeowners' groups, block clubs, and the emerging left-wing *Raza* youth groups" (Howell 2015:267). MCOR was not strictly opposed to the concept of federally funded redevelopment, but rather demanded the opportunity to veto any of the SFRA's urban redevelopment plans that MCOR judged as not meeting the needs of Mission community members. Because the SFRA's reputation had been severely damaged through its earlier slum clearance approach in the Western Addition, the agency took a somewhat more community-sensitive approach for urban renewal in the Mission, through the use of rehabilitation grants and rental supplements in addition to limited building clearance and new construction. MCOR specifically sought a high level of self-determination in the planning process for Mission redevelopment, and held a series of meetings with the SFRA to convey the viewpoints of its constituent members and to urge for neighborhood participation in the city's urban renewal planning efforts. When MCOR was ultimately not granted veto power over SFRA plans, the group organized mass demonstrations that resulted in the Board of Supervisors not pursuing federal urban renewal funds for projects in the Mission. Following its victory, MCOR quickly disbanded (Howell 2015:258-277).

3.2.3.3 The Model Cities Program and the Mission Coalition Organization

In 1966, the same year that MCOR mobilized in the Mission, the federal government was also refining its policy perspective on how urban revitalization should be accomplished in the United States. In 1966, the federal Demonstration Cities and Metropolitan Development Act established the Model Cities Program—one of President Lyndon Baines Johnson's Great Society programs—that provided funding for urban renewal through the U.S. Department of Housing and Urban Development (HUD). In light of the acknowledged social failures of the earlier urban renewal paradigm, the new Model Cities Program mandated citizen input into planning decisions and required that urban improvement efforts involve neighborhood preservation rather than demolition. (Pregill and Volkman 1999:706-711)

The nationwide Model Cities Program was composed of a five-year plan to address social and economic issues pertaining to "blighted" urban neighborhoods. Cities that participated in the program received a one-year grant to develop programming for education, housing, health, employment, and social service improvements. Once these plans were completed, cities were then eligible for additional grants and programming, such as supplemental Model Cities grants and federal grant-in-aid programs. Local mayors or city managers were responsible for overseeing the Model Cities Program for their local neighborhoods, and each participating city was required to form a demonstration agency to coordinate the program at the municipal level. However, the Model Cities Program also required "widespread citizen participation" for involving the voices of community residents, groups, and businesses (U.S. Department of Housing and Urban Development 1969:3-7). According to a federal informational brochure on the program, Model Cities aimed to "give citizens early, meaningful, and direct access to decision-making, so they can influence the planning and carrying out of the program" (U.S. Department of Housing and Urban Development 1969:8). The federal program did not specify any particular format for citizen participation, however, and each

Model Cities application had to propose its own strategy (U.S. Department of Housing and Urban Development 1969:8).

Mayor Joseph Alioto was attracted by the Model Cities Program as a new, participatory mechanism to fund social and built environment improvement programs in San Francisco with federal money. In February 1968, Alioto presented the Model Cities Program to the neighborhood at MACABI's Spanish-Speaking Issues Conference. The mayor stated to community members that he would sponsor an application from the Mission for Model Cities funding if the neighborhood supported the idea (Summers Sandoval 2011; Cervantes pers. comm.). The members of MCOR viewed this as an opportunity for meaningful community improvements in the Mission and reconvened to form a new consortium, the Mission Coalition Organization (MCO)—a larger and broader organization than MCOR. The aim of MCO was to strategically position the neighborhood on the Model Cities Program, to articulate community needs, and to secure community control for how the new forms of HUD urban renewal funds were to be used in the Mission (Howell 2015:282-287). MCO subsequently became one of the most broadly based and highly visible community organizations in all of San Francisco (Miller pers. comm.).

Figure 21. MCO Housing Chair Flor de Maria Crane lobbies State Assemblyman Willie Brown and San Francisco Supervisor Terry Francois. Source: El Tecolote Archives, via FoundSF, http://www.foundsf.org/index.php?title=The_Truth_Behind_MCO:_Model_Cities--End_of_the_Mission.

As a neighborhood-based group that ultimately gained considerable influence over the use of federal funding in the Mission, MCO was distinguished through its inclusive, coalition-based organizational model. MCO was a grassroots entity united under multiethnic and diverse solidarity and was developed after the Alinsky Model of Community Action, which was unusual for its time and set the group apart from many other community organizations. Many 1960s social movements understood themselves as representing a specific category or concern—such as Black Power, tenants' rights, or

welfare and low-income needs. The Alinsky Model attempted to create urban protest "and to draw lessons from different experiences in order to provide a fulfilling model of popular organization, able to improve the living conditions of the poor, empower the grassroots, and obtain more democracy and greater social justice" for a wide range of disenfranchised groups (Castells 1983:60).

In California, the Alinsky Model was adopted by significant community organizers such as Fred Ross Sr. of the CSO. Ross, who trained Cesar Chavez and was involved in the development of the United Farm Workers union, mentored Mission community leaders who became involved in the MCO. These leaders included Herman Gallegos, Abel Gonzalez, Chuck Ayala, Margaret Cruz, Rosario Anaya, Lee Soto, Juanita Del Carlo, and Roberto Hernandez, among others (Cervantes pers. comm.). MCO upheld memberships with a wide representation of Mission residents, including "conservative white homeowners' clubs, unions [such as the prominent Centro Social Obrero union caucus], ethnic mutual aid groups, Latino social service providers, merchants, churches, and even self-described third-world nationalist groups" (Howell 2015:13-14). As a strong community group with a broad base of support, MCO was able to gain considerable political power and neighborhood support during negotiations with Mayor Alioto regarding the Mission's role as a Model Cities target neighborhood.

On October 4, 1968, MCO held its first convention at the Centro Obrero Social Hall in the Mission; over 500 delegates participated and elected OBECA's Ben Martinez as president of MCO. MCO's power was also upheld by tenant's unions and Centro Social Obrero (Howell 2015: 283). To create an inclusive and varied following, MCO created numerous interest-group and nationality vice presidencies, as well as twelve membership-concerns committees, and additional committees focused on housing, employment, education, community maintenance, and planning. This diverse web of committees helped the MCO develop into an expansive voice for community change (Howell 2015:283; Mission Model Neighborhood Corporation 1973:1). According to a history of the MCO written for a Model Cities report several years after the coalition was formed, the coalition's "long range goal was to build a city wide identity as a powerful community organization capable of speaking for the broad range of people and interests in the Mission" (Mission Model Neighborhood Corporation 1973:2). It was through MCO's unique and complex committee structure that MCO was able to support unity across its organizations and ultimately MCO as a whole (Figure 22).

Figure 22. MCO's 5th annual convention at University of San Francisco, 1972. Source: El Tecolote Archives, via FoundSF, http://www.foundsf.org/index.php?title=MCO_and_Latino_Community_Formation.

Thus, MCO was positioned as a highly structured and inclusive neighborhood organization during the ramp-up to Model Cities in San Francisco. (Bayview-Hunters Point, a San Francisco neighborhood similarly composed of many low-income and minority residents, also began the process of negotiating with the Mayor's Office and HUD to become a Model Cities target neighborhood.) The coalition's direct involvement in the program, however, was limited because HUD would not formally designate MCO as the neighborhood's citizen participation structure. Even so, MCO secured considerable control over the use of federal Model Cities funds. MCO worked with Mayor Alioto to ensure that the coalition secured majority board representation of (and thus had effective control over) the new decision-making planning authority, the Mission Model Neighborhood Corporation (MMNC) (Howell 2015:283-288). Formed in 1970, MMNC somewhat mirrored SFRA in function as a public authority but was a private, non-profit corporation and focused only on Mission residents (Howell 2015:279). MMNC had a 21-member board, two thirds of which were nominated by the MCO and later appointed by the Mayor. The remaining MMNC board members were also appointed by the Mayor (Miller pers. comm.).

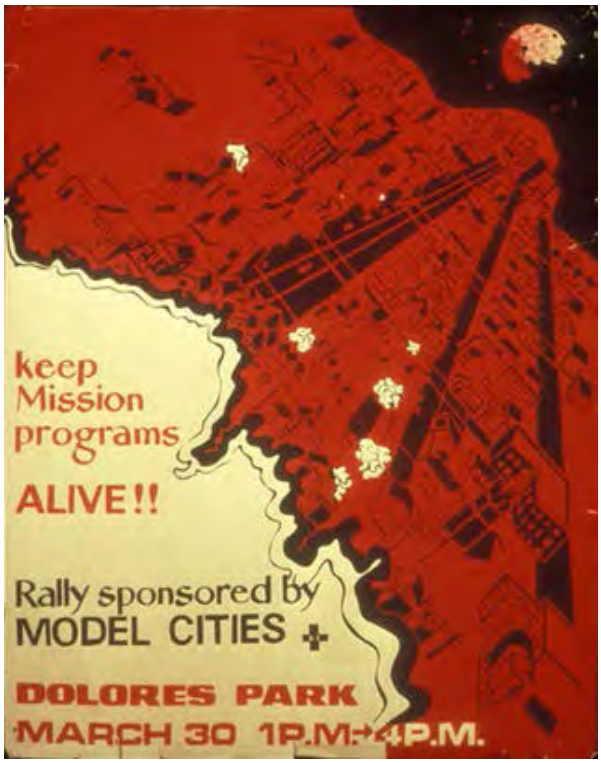

Figure 23. Flyer for the Mission District's community programs. Source: UC Santa Barbara, Library, Department of Special Research Collections, Lucero (Linda) collection on La Raza Silkscreen Center/La Raza Graphics.

Through its initial efforts (reflecting the priorities that MCO had developed during its first years in existence), the MMNC board developed a Model Cities plan that laid out the Mission's various community needs and issues, with a focus on housing, employment, education, childcare, and legal defense. Developing a planning process was essential for identifying community needs and developing a proposal for how federal funds could meet such needs of low-income families and peoples. The plan also proposed a number of new neighborhood-based organizations with programs that would address these needs. The plan was submitted to HUD for review, and it was approved in 1970. Grant funding for the Mission was released shortly thereafter, and the various organizations proposed in the Model Cities plan could be established (Miller pers. comm.; Del Carlo pers. comm.). Several of these organizations—which included Mission Housing Development Corporation (MHDC), Mission Hiring Hall (MHH), and Mission Childcare Consortium (MCCC)—ultimately occupied the subject building; additional information on the missions and programs of these organizations is included in Chapter 4, Owner/Occupant History.

In the context of the Model Cities Program nationwide, ample control and planning set the Mission apart from other Model Cities target neighborhoods. MMNC developed several task forces with the objective of gaining self-reliance for neighborhood residents. The task forces included Social Services, Health, and Housing and Physical Development, and were responsible for monitoring and evaluating the work of the various MMNC-affiliated nonprofit corporations (Figure 24).

Figure 24. Map of Model Cities-funded organizations in the Mission, included on the cover of a 1974 programs report published by the MMNC
Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

MCO operated from 1968 to 1974, with its peak years of power between 1970 and 1971. At one time the organization had up to 12,000 members (Castells 1983:106). In addition to securing its involvement in the MMNC, and thus exerting considerable control over the use of federal Model Cities funding, the organization continued to advocate for sensitive redevelopment planning, specifically related to the introduction of the two BART stations in the Mission. According to historian Ocean Howell, the MCO had the foresight and organizational strength to prevent disruptive speculative development around the transit stations:

> The MCO addressed this issue by successfully lobbying the Department of City Planning to downzone Mission Street, imposing height and bulk limitations. These limitations, in turn, succeeded in making the speculative redevelopment of the area a losing bet. […] In the end, no buildings surrounding the BART stations were cleared. When the stations themselves were finally built, they would be much better integrated into the surrounding urban fabric, at least in terms of scale, than were any projects in the Western Addition. (Howell 2015:288)

In 1969, President Nixon's administration began to restrict federal funding for urban programs. In 1974, after a moratorium on Model Cities funding was issued, and due to internal organizational issues, MCO dissolved. However, the work of MCO during the previous several years resulted in a network of community-based service organizations, which continued to receive funding through MMNC. In addition to MHH, MHDC, and the other programs that occupied the subject building and are described in more detail in Chapter 4, Model Cities funded new and existing non-profit corporations in the Mission. These included the following: Mission Education Project, which provided support to Inner Mission children, parents, teachers, and administrators; Mission Reading Clinic, which provided specific educational needs to children with reading disabilities and

handicaps; Mission Contractors Association, which worked to lower barriers for minority contractors working in the mainstream construction industry; and Mission Language & Vocational School, which offered instruction in English language and related job skills to improve Mission residents' chances for employment (Office of the Mayor 1975). Model Cities funding also reached arts institutions and programs in the Mission, such as Galería de la Raza, that supported the work of Latino/a artists in the neighborhood. Funding supported these artists as they developed new approaches to artistic practice—such as public murals with themes related to political activism and Latino culture and identity in the Mission (Howell 2015:291-292; Cervantes pers. comm.).

City directories reveal that MCO's primary administrative space during the 1970s was at 2707 Folsom Street. Of the numerous groups developed under MCO, several were housed in the building at 3145 23rd Street during their earliest years before ultimately moving into the subject building at 2918-2922 Mission Street beginning in 1974. These organizations include the Model Cities nonprofits MHH and MHDC, both of which were established in 1971 and continue to operate today. Further information on the histories and programs of these groups is included in Chapter 4, *Owner/Occupant History*.

3.2.4 Mission District Community-Based Organizations and Activism After Model Cities

Although the federal government formally ended the Model Cities Program in 1973, and MCO dissolved the following year, many organizations that were developed under the auspices of Model Cities with MCO involvement were able to sustain their programs and continued to be active forces for social change and meaningful neighborhood improvement in the Mission. The Model Cities funding paradigm transitioned to the federal Community Development Block Grant (CDBG) model, created through the Housing and Community Development Act of 1974. Once the program was established, CDBGs were funneled from HUD through city governments to organizations throughout San Francisco, as long as the non-profits continued to serve low-income families and maintain their original missions. The transition from Model Cities funding to CDBGs, however, limited the amount of grass-roots activism that previously occurred during MCO's leadership; the organizations became dependent upon the city for funding and thus had to cooperate with the city. Therefore, some viewed the non-profits as an extension of city government with less local power. Conversely, CDBGs allowed programs originally created under the Model Cities Program in the Mission to expand their services outside of the earlier Model Cities neighborhood boundary (Del Carlo pers. comm.). In addition to CDBG funding, existing Model Cities organizations also sought new funding from municipal and state sources to supplement their federal money. For instance, major funding sources for Mission Childcare Consortium included the State Department of Education and the Department of Social Services.

Because the Mission received a significant amount of CDBG funding that was available, organizations that developed from the Model Cities Program continued to grow their services and ultimately expand operations into larger facilities. Such was the case for Mission Hiring Hall, Mission Housing Development Corporation, Mission Childcare Consortium, and Mission Community Legal Defense Fund, when they expanded and moved into the building at 2918-2922 Mission Street in 1973-1974.

Many organizations that developed under Model Cities and the MCO were later sustained through CDBG funding. These non-profits included the Mission Language and Vocational School, Horizons Unlimited, Economic Opportunity Council, and Arriba Juntos. This geography of community-based

support embodied the spirit of close collaboration that had its roots in the MCO. The various organizations frequently worked with one another in order to address the interlinked needs of community members in the Mission. The fact that Mission Hiring Hall, Mission Housing Development Corporation, Mission Childcare Consortium, and Mission Community Legal Defense Fund, all shared space at 2918-2922 Mission Street at one time is reflective of such collaboration. It was important that their staff shared workspace in order to collaboratively solve problems and support one another's missions. For instance, a Mission resident seeking employment through Mission Hiring Hall may also require childcare in order to attend training or interviews; in those cases, they were then referred to Mission Childcare Consortium. As each organization eventually grew and required larger office/community space, however, they became more independent of one another (Del Carlo pers. comm.).

Additionally, other organizations that developed after MCO with CDBG funding maintained organizational missions related to those groups developed under Model Cities. One example of these was Mission Economic Development Project, which formed in 1975 to provide socio-economic aid to Mission residents who ran small businesses and those who wanted to start their own business. (Office of the Mayor 1975)

The established and City-aligned network of active community-based non-profits in the Mission had a counterpoint in a constellation of groups that represented a range of more radical perspectives, and that reflected the growing urgency around the experiences of politically disenfranchised groups in the United States. The various forms of organizing and service delivery that arose beginning in the late 1960s but continuing through the 1970s and 1980s reflected growing consciousness and political concerns related to movements around race/ethnic-based civil rights and militarism, Third World solidarity, and women's rights and women's liberation.

An important current of Mission activism in the 1970s and 1980s that operated outside of the federally funded service organizations was largely led by the radical Latino student group known as La Raza en Acción Local (La Raza). Following the San Francisco State College strike (led by a leftist coalition of student groups) and building upon the ideals of MCO, La Raza formed in the late 1960s to accelerate local activism in the Mission and defend a unified Latino community (reflected in its name, "the race," referring to all Spanish-speaking people). Energized by the community mobilization that accompanied the trial of Los Siete de la Raza, seven teenage Latinos accused of killing a police officer in 1969, La Raza was set up similarly to MCO in that it created numerous social and cultural programs, which were funded by other similar-minded groups as well as by the Catholic and Baptists churches. Each program had an elected board and militant groups; La Raza also had a general board that oversaw the organization. Membership was highly selective; a member could vote only if he/she had served in a program for at least two years as an active participant. By 1970, La Raza significantly expanded their activities. The group developed the La Raza Information Centre as part of their Latino educational tutorial program; established a legal counseling center, silkscreen center, credit co-operative, and its own affordable housing development corporation. The corporation's first project encompassed building a 50-unit, low-income housing project on top of a public parking lot, with solar-heating, in the heart of the Mission District (Castells 1983: 119).

In 1975, La Raza undertook a campaign with the Mission Planning Council and successfully preserved housing for approximately 4,000 people while also shutting down pornography-related bookstores and theaters. La Raza also closed down a bar at 24th Street in an attempt to halt gentrification, and redirected the city's funds for urban landscaping towards sanitation, public transit, and traffic improvements. Additionally, La Raza, in joint effort with a neighborhood coalition,

achieved approval of a zoning ordinance to help preserve the neighborhood's residential character. Although these achievements were important, La Raza hoped for a larger mobilization by San Francisco's low-income neighborhoods that would impose a new urban development strategy (Castells 1983: 119).

Throughout the 1970s, Mission District activism remained strong, and by the late 1970s there were approximately 60 community-based organizations in the Mission, most all of which were relatively active (Castells 1983: 120). Longstanding Latino community organizations continued to operate in the post-MCO era, such as the G.I. Forum, Mexican American Political Association (MAPA), Catholic Social Services, the YMCA, and the Salvation Army, for example. Following the MCO movement, some new organizations were founded to focus on more narrowly defined services, clientele, or political goals, and in some instances began looking towards international political situations rather than social conditions at home (Gallegos pers. comm.).

One notable development in this vein was the Central American solidarity movement, which was active in Mission through the 1970s and 1980s. As a result of repressive regimes in Central American nations supported by the United States—such as in Nicaragua, El Salvador, and Guatemala—immigration to San Francisco from these countries remained pronounced. Central American activists in the Mission, as well as those standing in solidarity with them, organized around anti-militarism. These activists supported the needs of those involved in political struggles in Central America, with some leaving San Francisco to join the revolutions. A sanctuary movement also emerged to protect refugees who arrived in the city, specifically in the Mission. (Martí 2006:6-7; Gallegos pers. comm.)

A period of varied political positions and strategies for producing social change, the 1970s and 1980s saw a flourishing of organizing and political activity in the Mission. The focus of Mission social service providers and activist groups in the post-MCO era formed around the myriad needs of the residents. Many of these needs were similar to those first laid out in the Mission Model Cities plan, including housing, education, and employment within the neighborhood. However, the post-MCO era's groups became more specialized as the community, too, became more politically diverse.

3.3 Comparative Context: Latino Civil Rights and Activism in California in the Post-World War II Period

In order to provide a comparative context that informs the evaluation of the subject building at 2918-2922 Mission Street, the following section describes significant trends in organizing and service delivery that occurred throughout California during the post-World War II period. While diverse, the developments described in this section shared the aim to rectify the social and political disenfranchisement experienced by Latino/a people statewide. Adapted from information contained in the National Register of Historic Places context statement *Latinos in Twentieth Century California* (prepared for the California Office of Historic Preservation), this summary addresses major organizations and movements that originated within various Latino communities and political contexts, and that illustrates the impressive range of ways in which Latino/a individuals have become socially and politically active and have fought for greater rights as Americans.

3.3.1 Organizations for Latino Rights and Inclusion

Throughout the twentieth century, Latino/a people have created movements and service organizations in all regions of the United States against numerous forms of racial and ethnic discrimination in realms closely tied to inclusion in American civic life—including education, employment, housing, and political participation. Broadly speaking, before 1960 Latino activism was most often visible as

> community-based, civic and trade union organizing. After 1960, electoral politics and voter mobilizations assumed greater importance, signifying the accumulating power of Latinos. In the process, activists formed key organizations to harness the collective power of the Latino community. This history was characterized by generational waves of organization building and leadership, each animated by the broad social context of their times (California Office of Historic Preservation 2015:99).

Formed in 1947, the Community Service Organization (CSO) was an early and important postwar Latino civil rights advocacy organization based in Los Angeles, which eventually expanded throughout the state of California. Initially formed in Los Angeles by Antonio Rios, Edward Roybal, and Fred Ross, CSO began by leading Roybal's voter campaign for the Los Angeles City Council. In 1949, Roybal won the position, making him the first Mexican-American since 1881 to be elected to the Los Angeles City Council. By 1950, CSO had registered 32,000 East Los Angeles' Mexican-Americans as voters. From there, the organization expanded into larger and broader activism. In 1950, CSO's membership grew to more than 5,000 and comprised chapters throughout 35 cities. CSO advocated for worker rights such as unionization, minimum wage, and migrant worker medical care, and also advocated against housing displacement, educational segregation, and police brutality. Membership continued to increase with 10,000 members throughout the state by the early 1960s, which included those in the San Francisco Bay area, the Central Valley, the Los Angeles region, and others. Local CSO chapters trained Cesar Chavez, Dolores Huerta, and other Latinos/Latinas for future leadership roles (California Office of Historic Preservation 2015:115-116).

During the 1960s and 1970s, Latino civil rights national activism expanded substantially and changed in tenor. While activists shared the goal of ending racial discrimination, various strategies diverged within Latino political activism during this time. Some groups fought for acceptance and inclusion by Americans into the American mainstream society; however, many rejected a cultural assimilation approach and instead underlined Latino cultural integrity. At this time, Latino activism fought to be included in, or to change the structures of, America's political system.

The 1960s brought the formation of La Raza Unida, a Mexican-American political party based in Texas. In 1972, La Raza Unida held a national convention and also fostered local and state political candidates within the Southwest (DeSipio 2013). In 1968, the National Council of La Raza (NCLR) was established in Arizona by Julian Samora, Ernesto Galarza, and activist Herman Gallegos (of San Francisco) who served as the group's executive director. NCLR was a large national organization that operated as an umbrella for other community organizations. Its work supported organizations nationwide while creating a national Latino-activist plan. The Mexican American Legal Defense Fund (MALDEF), established that same year in San Antonio, worked on gaining equity within various fields including employment, education, politics, and immigration. MALDEF eventually opened headquarters in San Francisco and Los Angeles. Vilma Martinez led MALDEF while it was headquartered in San Francisco in the 1970s. Four years after MALDEF formed, the Puerto Rican

Legal Defense Fund (PRLDF) developed (DeSipio 2013). Additional Latino activist groups that formed through the 1960s and 1970s include the National Hispanic Chamber of Commerce and the United Farm Workers (UFW), established by Cesar Chavez, Dolores Huerta and others. UFW elevated California's Mexican farmworker plight to the national level, which helped increase awareness of injustices against Latino laborers.

In the 1960s, injustices against largely immigrant farmworkers from Mexico provided stimulus for the Chicano movement: an urban movement with a broad constituency that developed from the era of 1960s social protesting. An important part of the struggle for Latino civil rights, the Chicano movement inspired many community-oriented services to open, of which several received funding from federal War on Poverty programs. In California, community services to open under the momentum of the Chicano movement include an Oakland health clinic, Centro de Salud Mental; San Diego's Chicano Community Health Center; the Chicana Service Action Centers for job-training located throughout Los Angeles; the East Los Angeles Community Union; and Santa Clara County's Mexican American Community Services Agency (California Office of Historic Preservation 2015:104).

The Chicano movement also relied on youth activism. Groups included those such as high school and college quasi-military radical student protesters known as the Brown Berets, who demanded equal education and cultural acknowledgement. Additionally, the National Chicano Moratorium (NCM) was an anti-Vietnam War group that protested from 1969-1970 in Los Angeles. Latina activists also utilized feminism and the 1960s feminism movement to demand social equality. Francisca Flores led the creation of Los Angeles' Comision Feminil Mexicana Nacional, a group that prepared Latinas for leadership roles within and beyond the Chicano movement (California Office of Historic Preservation 2015:104-105).

The Chicano movement's efforts resulted in noted victories for Latino/a people in the United States. The Fifth and Fourteenth Amendments were nationally enforced; national Latino advocacy groups and organizations gained permanency; Latino/a individuals began to progress into the national and political mainstream; and newer Latino groups—those who demanded stronger civil rights—outweighed earlier methods of assimilation into mainstream American culture (California Office of Historic Preservation 2015:105).

The year 1975 was pivotal for California's Latino population. Through grassroots activism, the Voting Rights Act extended to Latino/a people, easing the voting process along with providing bilingual materials. In 1982, the Voting Rights Act was amended to allow majority-minority voting districts that benefited minority voters. This amendment helped the election of several Latinos into political roles (California Office of Historic Preservation 2015:117-118).

3.3.2 Postwar Latino Labor and Union Activism

Following the Depression era and World War II, the United States underwent tremendous economic growth. This trend meant greater jobs for some and many Latino workers—many of them of Mexican heritage—quit their agricultural jobs and searched for work in cities. By 1960, 85 percent of the Spanish surname population in California resided in the state's cities (California Office of Historic Preservation 2015:72). Latinas, too, generally shifted from semi-skilled factory occupations into clerical positions. An increase in jobs in urban areas, along with the G.I. Bill that allowed Latinos to achieve higher education and therefore greater opportunities for white-collar jobs, provided them upward mobility for the first time. However, much of their gains were temporary, and Latino/a

workers continued to hold inferior jobs, continued to largely occupy the manual labor sector, and continued to earn lower wages than Anglos.

In the 1960s, Latino/a Californians led strike efforts with political support at the state level by Governor Pat Brown, who gained political control through his 1958 pro-labor campaign. Latinos also strengthened their union forces by entering into AFL-CIO unions. In Southern California, Mexican-Americans held union membership in high numbers. At a meat-processing factory, workers grew union membership with strong organizing tactics and through the leadership of J.J. Rodriguez, a CIO local president. The Mine, Mill and Smelter Workers Union of Los Angeles held numerous strikes from the 1940s-1960s, with 400 Mexican union members out of a 2,100-member union. Also in Los Angeles, Mexican steelworkers made up a third of a 16,000-member union. Mexican laborers of Southern California unionized and led strikes in other industries, such as auto, electrical, aircraft, rubber, and longshoremen (California Office of Historic Preservation 2015:76).

Farmworkers also organized. The Agricultural Workers Unionizing Committee (AWOC), established in 1959, held a strike in 1961 against lettuce growers of the Imperial Valley, and again the following year towards the California Packing Corporation (California Office of Historic Preservation 2015:76-77).

On a national level, the National Farm Workers Association (NFWA)—later renamed the United Farm Workers (UFW)—led efforts to organize farm workers. NFWA demanded minimum wage, social security, housing, healthcare, and education assistance for farm laborers. NFWA led several strikes that drew attention nationwide for the first time. In 1965, a UFW strike against grape growers that lasted until 1970 attracted national support and sympathy, coinciding during the civil rights movement (California Office of Historic Preservation 2015:77-78). In 1972, the UFW had increased California's farmworker wages to nearly double with some then receiving basic healthcare. The UFW peaked in the 1970s while organizing workers in Arizona, California, and Florida, and securing the passage of the Agricultural Labor Relations Act for California, giving farm labor unions new protections (California Office of Historic Preservation 2015:78).

In the 1970s, Latinos and Latinas continued advocating and fighting for worker rights. "Housing the largest Spanish-speaking population in the U.S., California emerged as the site of nationally significant labor activism" (California Office of Historic Preservation 2015:79). By the 1980s, the Reagan administration propagated national anti-unionism sentiment when the President fired air traffic controllers who went on strike in 1981 and replaced them with other employees. Reagan's firings led other employers across the nation to follow suit with their own employees who went on strike.

While the national labor movement began to wither at this time, Latino/a organizers brought fierce union tactics, which ignited the labor movement on a national scale. In San Francisco in the 1980s, the Hotel Employees and Restaurant Employees Union (HERE) Local 2 aided a hotel strike with the organization of Miguel Contreras. HERE also created Latinos Unidos (United Latinos) to additionally assist the strikers. The strike lasted 27 days, and ultimate gained higher wages and increased benefits. In Van Nuys, California, Mexican workers at a General Motors plant delayed closure of the plant through grassroots boycotting. In Watsonville in 1985, 1,500 Mexican and Mexican-American women employees went on strike against their frozen food employer for 19 months. Although they lost, their strike was noticed across the nation (California Office of Historic Preservation 2015:81).

Chapter 4
Owner/Occupant History

4.1 Owner/Occupant Chronology

Table 3 provides a list of the known owners of 2918-2922 Mission Street. Table 4 provides a list of known occupants. Given that the building contained many commercial tenants at any one time, Table 4 presents the tenants listed in San Francisco city directories at four points in time between the building's construction in 1924, and 1982, the final year that city directories are available.

Table 3. Owner Chronology

Date	Name/Address	Source
APN 6529-002	**2918-2920 Mission Street**	
1917- 1953	Henrietta Sittenfeld	San Francisco Office of the Assessor-Recorder; June 2, 1953 Building Permit, source: SF Dept. of Building Inspection
1947	Union Trust So. Exrs	San Francisco Office of the Assessor-Recorder
1952–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-002A	**2922 Mission Street**	
1917	Commercial Centre Realty	San Francisco Office of the Assessor-Recorder
1938	ML Fruhling	San Francisco Office of the Assessor-Recorder
1938	Cal Pao Title & Tr Co	San Francisco Office of the Assessor-Recorder
1938–1946	Aaron A. and Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1946	Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1956	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
Unknown–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-003	**Parking Lot**	
1948	Jessie B. Lyon	San Francisco Office of the Assessor-Recorder

1960	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
1952–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–Present	RRTI Inc.	San Francisco Office of the Assessor-Recorder

Table 4. Occupant Chronology

Date	Name/Address	Source
1925	• Coast Auto Company	*Crocker-Langley San Francisco City Directory 1925* (San Francisco, CA: R.L. Polk & Co. 1925).
1926-1929	• Badger & Hayes Inc. (2922 Mission St)	*Crocker-Langley San Francisco City Directory 1928* (San Francisco, CA: R.L. Polk & Co. 1926-1929).
1933	• Morton & Wildman (used cars) (2922 Mission St) • Malkason Motors Co. (2920 Mission St)	*Polk's Crocker-Langley San Francisco City Directory 1933* (San Francisco, CA: R.L. Polk & Co. 1933).
1953	• Lesher-Muirhead Motors (2920 Mission St)	*Polk's San Francisco City Directory 1953* (San Francisco, CA: R.L. Polk & Co. 1953).
1955–56	• Better Values Store Inc. (2920 Mission St)	*Polk's San Francisco City Directory 1955–56* (San Francisco, CA: R.L. Polk & Co. 1956).
1958	• Volvo Motors Auto (2922 Mission St) • Sam's Speed Service (auto repair) (2920 Mission St)	*Polk's San Francisco City Directory 1958* (Los Angeles, CA: R.L. Polk & Co. 1958).
1959–1972	• Atlas Motors or Atlas Volkswagen (2920-2922 Mission St)	*Polk's San Francisco City Directory 1959–1972* (Los Angeles; Monterey Park, CA: R.L. Polk & Co. 1959-1972).
1973–1985	• Mission Hiring Hall Inc. (2922 Mission St)	*Polk's San Francisco City Directory 1973* (Monterey Park, CA: R.L. Polk & Co. 1973); *San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & Co. 1978). San Francisco Telephone Directory 1979–1985.

1974–1985	• Mission Housing Development Corporation (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & CO. 1978). San Francisco Telephone Directory 1979–1985.
1974	• Mission Model Neighborhood Corp. (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974).
1974–1975	• Mission Childcare Consortium Inc. (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1975).
1974–1978	• Mission Community Legal Defense Fund (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & CO. 1978).
1989	• Movie Magic	SF Dept. of Building Inspection, Permit No. 612733
1991–Present	• Wash Club Laundry (2922 Mission St)	SF Dept. of Building Inspection, Permit No. 668045

4.2 Organization Occupant Histories

The five community-based nonprofit organizations whose offices were housed in the subject building beginning c.1974 developed in close association with one another and have interlinked histories (Figure 25). These five organizations—Mission Model Neighborhood Corporation (MMNC), Mission Housing Development Corporation (MHDC), Mission Hiring Hall (MHH), Mission Childcare Consortium (MCCC), and Mission Community Legal Defense Fund (MCLDF)—have a shared origin created through, and funded by, the federal Model Cities Program. They also embodied a shared goal to improve the lived experiences of the residents of the Mission, many of whom faced serious social barriers regardless of their ethnicity.

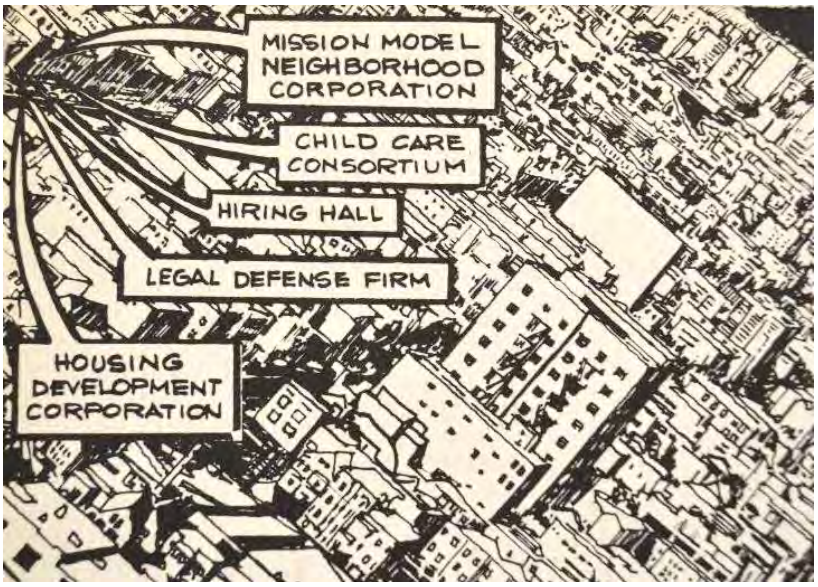

Figure 25. Detail of 1974 Model Cities programs report cover, showing a hand drawn map indicating the location of four Model Cities organizations within the subject building
Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

The organizations were created following the submittal of the Mission Model Cities plan to the Department of Housing and Urban Development and the first delivery of Model Cities funding to San Francisco in 1971. The plan identified a broad range of community needs for the Mission in the realms of employment, education, housing, health, recreation, and other areas. Upon their formation, the majority of these organizations (with the exception of MCLDF) established their offices at 3145 23rd Street. As the organizations grew their staff and programs, it is believed that their first shared space proved too small for them, and they relocated to 2918-2922 Mission Street in order to expand (Del Carlo pers. comm.). Based on city directories and municipal Model Cities reports, the first of the organizations to relocate was MHH, in 1973; the remainder followed in 1974. The various groups vacated the building over time, with the MCCC offices remaining for only one year. MHDC and MHH remained the longest, until 1985, when it appears that these organizations outgrew the space they had occupied for over ten years (Del Carlo pers. comm.).

The following section presents brief histories of the five Model Cities-funded programs that occupied the building at 2918-2922 Mission Street during the early- to mid-1970s. These histories provide an overview of the programs' primary programs and major organizational accomplishments, as well as brief comparative context that describes similar organizations that may have also operated in San Francisco during the same period. The building's earlier automobile-related commercial tenants are not expanded upon in this section, as they appear to be unremarkable businesses within the context of a neighborhood commercial corridor in San Francisco during the early- to mid-twentieth century.

4.2.1 Mission Model Neighborhood Corporation

In 1970, MMNC was formed by MCO and Mayor Joseph Alioto's office as a private, not-for-profit corporation that was the primary citizen participation mechanism required by the Model Cities program. The corporation resembled existing agencies that operated throughout the entire city (such as the SFRA), but MMNC was responsible for administering Model Cities funding to programs

occurring within the boundaries of the Mission Model Cities target area. Prior to the waning of MCO's political influence in 1974, MMNC operated in tandem with the Mission Housing Development Corporation (described in the following section) to assess the Mission's policy and planning needs. Most importantly, MMNC became an instrument for the MCO's political objective to allow residents of the Mission to identify urban planning priorities and to determine its own political future (Howell 2015:279-280).

The community-focused planning efforts of the MMNC were rooted in its 21-member board of directors, two thirds of which are put forward by the MCO and formally appointed by the mayor. The directors were responsible for developing the Model Cities improvement plan that outlined MMNC's areas of community involvement in the Mission (Del Carlo pers. comm.). On May 3, 1971, a $2.9 million Mission District improvement plan, drafted by MMNC, was approved by the San Francisco Board of Supervisors and forwarded to HUD. The plan proposed approximately $800,000 for job development, $800,000 for housing development, $775,000 on education, and $200,000 on citizen participation and outreach (Burns 1971:5).

Playing a central role in the work of MMNC was its large collection of task forces—in areas such as employment, police, recreation, welfare, and housing—that liaised with applicable Model Cities organizations. For instance, the housing task force was linked with programs including the Mission Housing Development Corporation; the police task force was a bridge to programs such as Mission Community Legal Defense Fund. The task forces were responsible for evaluating the efficacy of their respective organizations and had the authority to withhold funding if any organization's programs were deemed as not meeting community needs sufficiently (Mission Model Neighborhood Corporation 1973).

MMNC was initially allocated an annual budget of $3.2 million and was viewed as the primary source of local planning expertise and community participation in the Mission. During the early 1970s MMNC gained considerable funding and access to City Hall, which it used to propose new programs and policies to improve the quality of life for existing Mission residents and mitigate potential displacement. One example of MMNC's influence was its successful campaign to downzone areas of Mission Street near the BART station locations, making those areas less attractive to outside real estate developers. Also in the early 1970s, MMNC drew attention to issues such as inadequate municipal service performance (i.e., garbage collection), and lobbied appropriate city agencies to address residents' concerns (Howell 2015:284–289).

City directories indicate that MMNC was housed in the subject building for one year only. As MMNC fulfilled the community participation mandate of the Model Cities Program, the moratorium on Model Cities in 1974 forecast an uncertain future for the corporation. Mayor Alioto proposed that both the MMNC and the equivalent organization in the city's other Model Cities neighborhood, Bayview-Hunters Point, be combined into a new body, the Model Cities Council. The council was to include board members from each of the neighborhoods but would be housed in the mayor's office (Burns 1974:3). Thus MMNC pivoted to a position more closely associated with City Hall; historian Ocean Howell has written that the corporation "effectively ceased to be a strictly community-controlled organization. From that point on, the organization's activities were severely curtailed by a conservative Department of Housing and Urban Development" (Howell 2015:294).

4.2.2 Mission Housing Development Corporation

MHDC was formed alongside the MMNC and functioned as a public housing development authority that initially operated using Model Cities funding. MHDC's primary goal was to improve housing options for low-income residents of the Mission, and it was closely aligned with the planning expertise of MMNC. Reflecting their interconnected relationship, both organizations shared space within the building at 3145 23rd Street beginning in 1971, and in 1974 relocated together into the subject building at 2918-2922 Mission Street.

When established in 1971, MHDC was an early non-profit affordable housing development organization in San Francisco. Although it does not appear that comparable neighborhood-based affordable housing corporations existed previous to MHDC, an important antecedent to the organization's work is the ILWU Longshore Redevelopment Corporation, which planned and developed the St. Francis Square complex in the Fillmore District during the 1960s. While not strictly a community-based non-profit like MHDC, the union-affiliated developer of St. Francis Square is notable for constructing affordable housing units outside the auspices of the municipal housing agency, the San Francisco Housing Authority. Union pension investments funded St. Francis Square, whose 300 units were sold to low- and moderate-income San Francisco residents. The project has been viewed as an important model for creating affordable housing units for individuals who otherwise faced barriers in the housing market in the city (Cole 2016).

Compared to St. Francis Square, the work of MHDC ultimately represented a longer-term investment in a single neighborhood. MHDC was formed to address the specific housing needs of the Mission. A 1974 fact sheet on the corporation described its rationale: "overcrowding, deterioration, high rent, high construction cost, dilapidation, and lack of a master plan are some of the housing problems existing in the Mission Neighborhood Area. Lack of cooperation from existing housing agencies to deal with these problems has created the need for the MHDC Project" (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Model Neighborhood Corporation" para. 3).

In conjunction with the MCO and MMNC, MHDC oversaw programs that distributed federal Model Cities funding into new housing development projects and other housing-related initiatives in the Mission. The program's earliest efforts were in community funding for the rehabilitation of existing buildings that had suffered from deferred maintenance (Del Carlo pers. comm.). MHDC employed Model Cities funding for a provision of $150,000 to Crocker National Bank, which the bank used as security against potential defaults for rehabilitation loans that were available to Mission residents (San Francisco Chronicle 1972:2). The corporation furthermore acquired a limited number of properties, which it then arranged to be sold to Mission residents who were not able to buy property without MHDC's financial assistance. According to a 1974 program report, MHDC had sponsored the rehabilitation of more than 100 buildings in the Mission (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Model Neighborhood Corporation"). In addition to its rehabilitation and home buying assistance programs, MHDC sought a clearer picture of housing issues in the Mission and conducted a door-to-door survey to identify the neighborhood's makeup of owners and renters (Cervantes pers. comm.)

The most visible of MHDC's projects within its first two years in existence were its successful appeal for federal funding for two new below-market-rate housing projects. This money was awarded shortly before President Richard Nixon's administration slashed Model Cities program funding. Apartamentos de la Esperanza, at 19th and Guerrero streets, and the Betel Apartments complex, at 24th Street and Potrero Avenue, were funded in 1973 and completed several years later, providing

39 and 50 units of affordable housing respectively (San Francisco Chronicle 1973:2; Howell 2015:292–293).

MHDC additionally spearheaded new urban planning efforts in the Mission. A significant accomplishment for the organization was the completion of the 1974 *A Plan for the Inner Mission*, also known as the Mission Plan. During the development of the plan from 1972 to 1974, planners hired by MHDC worked with community members to refine priorities for neighborhood improvements in a range of planning-related areas, including housing, recreation and park space, economic development, public health, education, community services, and transportation. Although not an official neighborhood plan developed by the Department of City Planning, the Mission Plan was a major effort for a community-based organization to analyze and synthesize a range of urban issues affecting quality of life of neighborhood residents (Mission Housing Development Corporation 1974).

Following the dissolution of MCO, MDHC's two affordable housing developments in the Mission had already been awarded federal funding and were underway; the organization's completed initiatives included rehabilitating several buildings as subsidized condominiums, as well as providing financial assistance to approximately 450 residents. Despite MMNC and MDHC's ambitions to introduce thousands of new affordable residential units in the Mission, in 1974 political developments at the local and national levels heavily restricted their ability to enact those plans (Howell 2015:294-295).

Through the 1970s, MHDC saw its two funded development projects—Apartamentos de la Esperanza and Betel Apartments—through to completion, and continued to explore new affordable housing construction. In the early 1980s, MHDC was responsible for constructing a third housing project from scratch, as well as rehabilitated a single-room occupancy hotel (Moss pers. comm.).

MHDC remained at 2918-2922 Mission Street until the mid-1980s. As a tenant of 2918-2922 Mission Street, MHDC originally utilized the building as an administrative office. While today MHDC has internal facing programs that go beyond affordable housing provision—such as engaging community members through skills building classes—those programs did not start until after MHDC relocated from 2918-2922 Mission Street (Moss pers. comm.). The organization currently occupies offices in the Mission at 474 Valencia Street.

4.2.3 Mission Hiring Hall

MHH was established as a Model Cities employment service for Mission residents, and was among several "manpower" organizations that operated in the neighborhood at this time. Once formally funded by Model Cities grants, MHH carried forward the goals of the MCO's jobs committee, which had developed its role negotiating directly with San Francisco employers to secure employment contracts. A number of individuals who had been heavily involved in the MCO jobs committee transferred to MHH upon its creation (Miller 2009:222).

The name given to MHH harkened to the hiring hall concept that is closely associated with San Francisco labor history, and specifically with the 1934 West Coast Longshoreman's Strike. During the strike, one principal demand of the waterfront workers was to establish a union-administered institution, the hiring hall, to dispatch union members to jobs on the docks. Once implemented, the hiring hall system regulated job assignments and eliminated the favoritism that had previously been rampant along the waterfront (Mills n.d.). MHH thus had a meaningful connection to an established tradition in San Francisco, but the organization operated outside of a union context. Based on research conducted for this report, it could not be determined whether any comparable

neighborhood-based employment organizations existed prior to Model Cities that used a similar strategy to negotiate directly with employers to secure jobs for underserved residents.

The primary goal of MHH during the 1970s and 1980s was to place unemployed residents of the Mission in jobs in San Francisco. The organization sought to overcome the various barriers faced by neighborhood residents, particularly Spanish speakers, in the employment market: these barriers included lack of job training and formal education, lack of English language skills, and discriminatory hiring practices. Many of the positions that were open to job seekers who had limited experience were in sectors such as garment manufacturing, and offered low pay and difficult workplace conditions (Mission Model Neighborhood Corporation 1974:C4-C5).

Staff members of MHH met with unemployed residents of the Mission seeking job referrals, and provided employment counseling and skills related to resume writing and application completion (Figure 26). With a formal bureaucratic structure and full-time, paid staff, the MHH forged relationships with major employers in the city, including Pacific Gas & Electric, Chevron, Foremost-McKesson, Hostess, and Safeway, which committed to interview and hire Mission job seekers. (Del Carlo pers. comm.; Office of the Mayor 1975) The organization therefore advocated for employment opportunities, some of them white-collar, that may previously have been unattainable to Mission residents. By 1973—prior to the moratorium on federal Model Cities funding and the organization's relocation into the subject building—MHH had placed over 650 individuals in jobs, and had placed nearly 200 Mission residents in employment training opportunities (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Missing Hiring Hall").

Figure 26. Interior space occupied by Mission Hiring Hall in the subject building, c.1975
Source: Office of the Mayor, *San Francisco Model Cities Program*, 1975

Although the federal Model Cities Program was eliminated in 1973, MHH was able to continue work through funding provided by the Department of Labor (Miller pers. comm.). The organization's relocation to new offices in 1973 and its transition to federal block grant funding do not appear to have disrupted its program offerings, and MHH continued working to place unemployed Mission residents in jobs. By 1975, the organization had received over $300,000 in funding from HUD (Office of the Mayor 1975). According to the 1979 municipal performance report for community development programs, MHH operated to "provide sufficient job information, supportive services

and referrals of Mission Model Neighborhood residents to place them in full-time employment. A secondary goal is Affirmative Action and Job Development activities leading to job creation and placement" (Mayor's Office of Community Development 1979:48).

MHH worked closely with other manpower organizations in the Mission, including Arriba Juntos (which also received HUD funding through the Model Cities program and community block grants). Job applicants who arrived at Mission Hiring Hall but required additional training prior to employment were referred to Arriba Juntos, which provided the necessary support (such as a specific training program for jobs at Safeway). Arriba Juntos also provided post-hire counseling to assist in job retention. The collaboration between these two organizations reflects the tightly connected environment of community-based nonprofits in the neighborhood during the 1970s. (Del Carlo pers. comm.; Office of the Mayor 1975)

MHH remained in the subject building until 1985. The organization remains in existence as of the writing of this report, with offices in the Mission at 3080 16th Street, and in the South of Market district at 1048 Folsom Street.

4.2.4 Mission Childcare Consortium

MCCC was established to provide sliding-scale child day care to families residing within the Mission Model Cities target area, which was identified as in high need of affordable day care options for working-class families. The organization grew out of the MCO's childcare committee (Del Carlo pers. comm.). A 1973 Model Cities Program report articulated the community's need for affordable childcare, stating that "parents, single mothers in particular, are unable to find childcare at a cost which will permit them to go to work or continue working" (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Childcare Consortium" para. 2). The provision of community-based childcare, therefore, was viewed as a tool to support not only childhood development but also employment and family financial security. Additional funding for MCCC was initially supplied by the Department of Social Services (Office of the Mayor 1975). Research completed for this report did not determine whether any comparable community-based childcare organizations operated in San Francisco during the second half of the twentieth century.

The consortium's first day care location, accommodating 40 children, opened in November 1971 at the former St. Peter's school on Alabama Street; seven additional locations opened early the following year, housed in both residential and commercial properties in the Mission (Stack 1971:4; Cervantes pers. comm.). Many of the coalition's staff members were hired directly from Mission communities and were fluent in Spanish, although not all children who participated in the group's day programs were from Spanish-speaking homes. The organization was structured to meet varying childcare needs within the community: several locations operated throughout the day, others operated before and after school hours, and one additional location was a drop-in center. The coalition's services aimed to allow parents—particularly mothers, who were traditionally assigned to child-caring roles—to take employment or receive job training during the daytime (Hamilton 1971:4; Stack 1971:4).

Within the consortium's first years in operation, its programs were expanded to include a 24-hour Extended Family Center that provided social services to abused children and their families (California Living Magazine 1973:23). By 1973, the organization reported that it had grown rapidly to serve approximately 250 children in the Mission. Its day care services included a nutrition program providing free meals and snacks, as well as a health program with medical, vision, and

dental examinations. Social workers were also employed at the individual childcare locations (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Childcare Consortium").

According to city directories, the administrative office of MCCC relocated from its initial location at 3145 23rd Street into the subject building at 2918-2922 Mission Street in 1974, and remained there through 1975. At this time, the organization had six childcare centers throughout the Mission, and continued the scopes of its nutrition, health, and social service programs (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Childcare Consortium"). After the moratorium on federal Model Cities funding, the Mission Childcare Consortium continued to receive money from the Department of Social Services but also secured major funding from the State Department of Education. The change in funding source did not disrupt the organization's programs, and in 1975 eight childcare centers were in operation (Office of the Mayor 1975). However, the consortium's dependence on state money meant that policy changes at the state level at times threatened to limit certain families' participation in its subsidized childcare programs. In response, through the 1970s the consortium fought to maintain the community's access to its programs and joined campaigns against proposed state policy changes (Zane 1974:4; McKillips 1976:4).

City directories indicate that the offices of the Mission Childcare Consortium relocated out of 2918-2922 Mission Street in 1976, after two years' occupancy of the building. Immediately after its relocation out of the subject building, the organization retained spaces at 3000 Folsom Street and 1406 Valencia Street and was led by Ben Martinez, the former president of the MCO (Cervantes pers. comm.). The organization remains in operation as of the writing of this report.

4.2.5 Mission Community Legal Defense Fund

MCLDF was founded to provide bilingual (Spanish and English) legal services free of charge to residents of the Mission, particularly serving low-income Latino/a residents who faced legal barriers to full participation in civic life. The legal defense fund was established in 1973, two years after the formation of the other organizations that ultimately joined it within 2918-2922 Mission Street. MCLDF's original office location was at 2707 Folsom Street (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Community Legal Defense Fund"), which it occupied briefly before moving to the Mission Street Model Cities building in 1974.

Although focused at a community scale, MCLDF followed in the tradition of influential public interest legal defense funds that had become active nationwide in the twentieth century. Prominent organizations included the NAACP Legal Defense and Education Fund, in addition to MALDEF and PRLDF, which addressed issues specific to Latino/a communities. These legal defense funds pursued legal action with the aim of changing socially unjust institutions and winning civil rights in areas such as employment, voting, and housing (DeSipio 2013). By providing legal services to individual community members, however, MCLDF was perhaps more similar to the Bayview-Hunters Point Community Defender, a federally funded legal program founded in 1971 in San Francisco's other Model Cities target neighborhood (Office of the Mayor 1975).

The programs of MCLDF responded to the inability of the public defender's office to provide effective legal counsel to Mission residents. According to an MMNC report drafted immediately before the legal defense fund began operating, the organization was created to lower "the large number of Mission Neighborhood Area residents arrested and found guilty of offenses simply because they cannot afford adequate legal services and must depend on the Public Defense Office"

(Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Community Legal Defense" para. 2).

The legal defense fund's staff was comprised of attorneys who volunteered their time, or worked well below the rates they would be paid by a private law firm (Del Carlo pers. comm.). Upon its establishment, the organization defined its parameters as providing criminal defense services, assisting with "own recognizance" release and bail services, as necessary. After one year in operation, the organization had expanded its services to encompass the following: "Legal counseling for those charged with criminal offenses; some legal aid for civil matters of community concern; court representation; attorney referrals; probation hearing aid; drug diversion assistance; legal research; training legal workers; law classes; coordination with other Mission community organizations; on-going study regarding arrests, police brutality, etc." (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Community Legal Defense" para. 3). Within six months in 1974, the organization reported that it had served more than 250 clients and appeared in court more than 150 times. The organization reported that, "Compared with the data in the Annual Report of the Public Defender's Office – 1972, the MCLD showed significantly fewer 'guilty' judgments, fewer clients sent to prison, more probations and more not guilty findings and dismissals" (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Community Legal Defense" para. 4). By 1975, Mission Legal Defense Fund had provided some form of legal assistance to over 600 residents of the Mission (Office of the Mayor 1975).

In addition to courtroom representation and legal research, MCLDF developed programs to assist Mission residents navigate the legal territory of immigration and welfare assistance. Through its immigration services, the organization provided counseling and representation at immigration and naturalization hearings. MCLDF's welfare services were a later addition to its suite of programs, and encompassed legal advising, representation, and workshops to familiarize welfare aid recipients in the Mission with their rights and responsibilities (Mayor's Office of Community Development 1979:47).

Beyond the organization's courtroom-based legal services and educational programs for Mission residents, MCLDF was involved in public campaigns to reform racially biased public policies in San Francisco, which reflected the strategies used by national civil rights legal defense funds such as MALDEF and PRLDF. During the years that the organization was housed at 2918-2922 Mission Street, it was one of several community groups involved in a reform campaign to establish new guidelines for police treatment of public witnesses during arrests. The organization also campaigned against changes to the admissions practices of Hastings College of the Law, which were viewed as creating bias against racial and ethnic minority applicants (Robinson 1976:14; Ramirez 1978:10).

City directories indicate that MCLDF moved its offices to 2940 16th Street in 1979. The organization no longer operates.

Chapter 5
Evaluation

5.1 California Register Eligibility

The following section evaluates the property to determine whether it meets the eligibility criteria for listing in the California Register, for the purposes of CEQA review. These evaluative criteria are closely based on those developed by the National Park Service for the National Register. In order to be eligible for listing in the California Register, a property must demonstrate significance under one or more of the following criteria:

- **Criterion 1 (Events):** Resources that are associated with events that have made a significance contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States.
- **Criterion 2 (Persons):** Resources that are associated with the lives of persons important to local, California, or national history.
- **Criterion 3 (Design/Construction):** Resources that embody the distinctive characteristics of a type, period, region, or method of construction, or represent the work of a master, or possess high artistic values.
- **Criterion 4 (Information Potential):** Resources that have yielded, or have the potential to yield, information important to the prehistory or history of the local area, California, or the nation.

In addition, a property must retain integrity when being evaluated for listing in the California Register. Integrity is the measure by which a property is evaluated based on the property's ability to convey its historical significance. To retain integrity, a property must have most of the seven aspects of historic integrity as defined by the National Register and adopted by the California Register: location, design, materials, workmanship, setting, association, and feeling.

5.1.1 Criterion 1 (Events)

2918-2922 Mission Street is significant under Criterion 1 at the local level, for its association with five community-based non-profit organizations that occupied the building and formed a locus of community services in the Mission between the mid-1970s and mid-1980s: Mission Model Neighborhood Corporation (MMNC), Mission Hiring Hall (MHH), Mission Housing Development Corporation (MHDC), Mission Childcare Consortium (MCC), and Mission Community Legal Defense Fund (MCLDF). These organizations represented the successful implementation of community-based (and largely Latino/a-based) control over the use of federal Model Cities funding for neighborhood resident empowerment in San Francisco during the post-World War II period. The organizations are closely associated with the evolving story of federal anti-poverty and urban renewal programs in the second half of the twentieth century. Through its use as a hub of neighborhood-based social services during the 1970s and 1980s, the building is associated with the Mission's successful Model Cities community participation strategy to define community needs and develop impactful organizational solutions.

Through the involvement of the MCO, a broad-based neighborhood coalition formed in 1968 based on the community organizing principles of Saul Alinsky, Mission residents gained a voice in the process of defining community needs. The MCO's participatory approach has been recognized as highly innovative and successful in terms of citizen participation, which distinguished the Mission from the majority of Model Cities programs across the United States. Specifically, the MCO negotiated with Mayor Alioto's office during the application process for the Mission's Model Cities designation, and ultimately secured majority representation on the board of the MMNC, the neighborhood-based nonprofit corporation responsible for planning, distributing funding to, and evaluating the Mission's Model Cities programs.

The Mission's experience in the Model Cities program thus represents a significant development in the history of the Mission during the twentieth century, and in the social history of Latino/a residents of San Francisco (who were served predominantly, but not exclusively, by the Mission's Model Cities initiatives). The strong involvement of the MCO in the MMNC (and by extension its affiliated community non-profits, which developed out of the MCO's standing committees) allowed a spectrum of community members to become involved in articulating the needs of residents, developing organizational solutions to overcome social barriers, and working towards the political and social inclusion of the Mission's underserved populations.

MMNC occupied the subject building for one year, 1974. It was joined by four of the neighborhood's Model Cities organizations (as represented in Figure 25). These organizations were:

- Mission Hiring Hall (1973–1985)
- Mission Housing Development Corporation (1974–1985)
- Mission Childcare Consortium (1974–1975)
- Mission Community Legal Defense Fund (1974–1978)

Although MMNC, MHH, MHDC, and MCCC previously shared a smaller office at 3145 23rd Street beginning in 1971, the subject building at 2918-2922 Mission Street has a long-term affiliation with the organizations. Specifically, MCLDF delivered social services and resources to Mission residents from the building for a period of at least five years and MHH and MHDC remained in the building for more than ten years. While the Model Cities program was phased out immediately prior to the organizations' relocation into the subject building, the organizations received federal HUD money through a different funding model (Community Development Block Grants) and continued to embody the vision of neighborhood-based social service delivery that had been developed by the MCO and implemented by MMNC.

The subject building meets the definition of "Headquarters and Offices of Prominent Organizations," a property type "associated with struggles for inclusion" as described in the publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement* (California Office of Historic Preservation 2015:139). While not significant specifically for individual achievements attributed to the tenant organizations, the subject building at 2918-2922 Mission Street was recognized as one of the neighborhood's most prominent hubs of Mission activism and social service organizations that worked to overcome the systemic social barriers faced by Mission residents, specifically Latino/a individuals. Working collaboratively with one another and housed together on the Inner Mission's primary commercial corridor, the four nonprofit organizations listed above (and initially joined by the MMNC) provided services to improve affordable housing options in the Mission, secure stable employment, provide childcare options for working and work-seeking

parents, and offer legal representation. Given the demographic composition of the Mission at this time, the organizations supported community-based efforts to improve the lives of its Latino/a residents and more fully integrate them into the social and political life of the city at large. Considered together in light of their cumulative influence on Mission residents, the four organizations (initially with the close oversight of the MMNC) formed an impactful neighborhood center that led to meaningful change in the lives of Mission residents following the influential organizing principles of the MCO.

The significant association of the subject building at 2918-2922 Mission Street with community-based social service delivery in the Mission was furthermore expressed through the MMNC's decision to commission the pioneering Latina muralist collective the Mujeres Muralistas to paint the mural *Latinoamerica* on the south façade of the building. *Latinoamerica* introduced the collective into the Mission muralist tradition, which previously had been dominated by men. The mural included complex themes related to the cultural identities and lived experiences of the Mission's Latino/a residents in the 1970s, and it marked the building's strong connection with the culturally vibrant neighborhood that its tenant organizations served. The mural continued to express the building's link to Mission community members until it was painted over during the late 1980s.

For the reasons described above, ICF finds that 2918-2922 Mission Street is significant under Criterion 1. The building's period of significance associated with this significance is 1974-1985, encompassing the years that the building housed the organizations originally established through the federal Model Cities Program. The period of significance ends in 1985, the year the final two of the organizations, MHDC and MHH, vacated the building.

5.1.2 Criterion 2 (Persons)

The subject property has been occupied by commercial enterprises and social service organizations for the entirety of its history and is not closely tied to any particular individual. To be found eligible under Criterion 2, the property has to be directly tied to a historically important person and the place where the individual conducted or produced the work for which the individual is known. The building housed a collection of Mission-based community organizations during the 1970s and 1980s, whose potential significance is analyzed under Criterion 1. Although staff members of these organizations were involved in notable initiatives to improve the opportunities and quality of life of Mission residents, the accomplishments of any persons would be better understood within the context of their organizations than as individuals. Consequently, ICF finds that 2918-2922 Mission Street is not significant under Criterion 2.

5.1.3 Criterion 3 (Design/Construction)

The building at 2918-2922 Mission Street is a one-story commercial building with relatively simple massing and design. Decorative elements are restricted to the front façade, which comprises a Gothic Revival-style frieze above a glazed storefront that has been altered numerous times over the course of nearly a century to meet tenant needs. The frieze provides visual interest to the building and conveys the ambitions of the original designer(s) to create a somewhat refined appearance for an otherwise vernacular commercial building. However, this design strategy is common among modest industrial and commercial buildings constructed during the 1910s and 1920s in San Francisco, and the repeated changes that have occurred to the materials and design of the storefronts prevent the building from exemplifying the qualities of an automobile-related commercial building dating to the mid-1920s. Furthermore, the building's architect or original

builder has not been identified through review of historical building permits, and 2918-2922 Mission Street does not employ Revival-style decorative elements or construction techniques in an inventive manner such that the design would indicate the hand of a master designer. 2918-2922 Mission Street does not embody the distinctive characteristics of a type, period, region, or method of construction, and does not possess high artistic values. For these reasons, ICF finds that 2918-2922 Mission Street is not significant under Criterion 3.

5.1.4 Criterion 4 (Information Potential)

The property is not evaluated for eligibility under Criterion 4 (Information Potential), which typically is employed for archaeological resources and is outside the scope of this report.

5.1.5 Integrity

The following discussion addresses the subject property's integrity under Criterion 1 as it relates to 2918-2922 Mission Street's significant associations with the Model Cities-affiliated community organizations that occupied the building between 1974 and 1985.

Location: The building at 2918-2922 Mission Street has not been moved since it was originally constructed; therefore, the property retains integrity of location.

Setting: The numerous properties in the immediate vicinity of 2918-2922 Mission Street continue to comprise a distinct, linear commercial district to which the subject building belongs, and to which it has belonged since its construction. Select buildings in the vicinity were constructed after Model Cities community organizations occupied the building in the 1970s and 1980s, including the adjacent building at 2900 Mission Street. However, the series of storefronts facing the Mission Street streetscape continue to form a primary business corridor serving the Mission's Latin American residents. Therefore, the subject property retains integrity of setting.

Design: While the basic elements of the subject building's original footprint and massing remain the same since its date of construction in c.1924, the building's exterior and interior have been altered substantially since Model Cities-affiliated community organizations vacated the building in 1985. At the exterior of the building, the Gothic frieze located at the roofline of the Mission Street façade is currently exposed, whereas a screen installed over the frieze c.1960 appears to have remained in place during at least a portion of the community organizations' tenancy in the building. (Portions of the screen system are visible in Figure 20, taken after the organizations had moved into the building.) The awning that spans the front façade above the storefront windows was installed after 1985 and is associated with the building's recent commercial use as a laundromat and market. Furthermore, visual inspection of the building indicates that the division of windows and entry door within the building's Mission Street storefront also appear to have been altered through the insertion of additional mullions, although the size of the window and door openings do not appear to have been expanded.

Interior tenant improvements that accommodated the building's conversion from auto sales to office use during the early 1970s included new plastering and painting, as well as the installation of new mechanical systems and concrete flooring. The construction of partition walls to divide the building into separate office spaces for the tenant organizations also occurred at approximately this time. The interior of the building, as illustrated in Figure 26, was characterized by simple finishes that were appropriate to its administrative use, as well as interior partial-height partitions that

separated staff offices. Based on available building permits, the conversion of the building to retail use in the late 1980s and ultimately to a laundromat in 1991 involved numerous changes to its interior layout, including new vinyl flooring and partition walls. Plans submitted in 1991 indicate that the partitioned office spaces that had previously housed the individual service organizations in the building had been removed by this time (See Appendix A). Rather, the building contained two primary, largely open, interior spaces: the smaller retail tenant space within the northeast corner of the building, and the laundromat space filling the remainder. The partial-height office partitions no longer exist. The laundromat space was furthermore altered through the installation of banks of industrial washing machines and clothes dryers, which involved the construction of new service corridors and walls at the south and west sides of the building interior. Visual inspection of the building interior reveals additional changes, including lighting fixtures, interior doors and windows, signage, and tile flooring that do not appear to date to the building's use as an office between 1974 and 1985.

Additionally, an important element of the building's design associated with the Model Cities tenants was the 1974 mural *Latinoamerica* at the building's south façade, which was painted over in the late 1980s.

As a result of the changes described above, the building does not retain elements of its design that previously characterized it as the administrative office space of MMNC, MHDC, MHH, MCCC, and MCLDF. Therefore the building does not retain integrity of design.

Materials and Workmanship: The historic material palette and construction methods of the subject building, dating to the occupancy of community service organizations between 1974 and 1985, are no longer evident based on the building's exterior and interior, which is mainly due to alterations in the late 1980s and early 1990s during its conversion to a laundromat. As described above under "Design," the simple finishes of bare concrete floor and multiple partition walls dividing the office spaces (including partial-height office walls) no longer exist. The current material palette of vinyl and ceramic tile flooring, modern interior doors, and banks of laundry equipment express different physical characteristics than the office finishes that defined the building during the 1970s and 1980s. The remaining interior finishes that appear to remain from the period of significance (1975-1985) appear to be gypsum board covering portions of the interior walls. Furthermore, the destruction of the *Latinoamerica* mural has removed the work of skilled artists from the exterior of the building. Therefore, the subject property does not retain integrity of materials and workmanship.

Feeling: The property no longer conveys its former character as an office building that once housed the offices of several community-based service organizations serving the Mission's population. Its change of use into a laundry and minimart and associated interior changes have altered the types of activities that occur there. The building does not express the feeling of an active organizational hub where community members of the Mission gather around neighborhood social issues and solutions. The destruction of the *Latinoamerica* mural has further reduced the building's feeling as an establishment connected to the needs and identity of the Mission. Therefore, the subject property does not retain integrity of feeling.

Association: As a composite of the other aspects of integrity, association would be present if the subject property retained a direct link to the organizations that occupied it during the 1970s and 1980s. 2918-2922 Mission Street retains few to no tangible or intangible aspects of its community-focused organizational use—as the interior partitioned office spaces have been removed and its use

has changed from community needs-serving to commercial. Of particular importance, the mural *Latinoamerica* previously formed a direct link between the property and its organization tenants' work largely serving the Latino/a residents of the Mission, but is no longer extant. Therefore, the subject property does not retain integrity of association.

In summary, although the subject property at 2918-2922 Mission Street retains integrity of location and setting, it lacks integrity of design, materials, workmanship, feeling, and association. Per guidance provided in the California Office of Historic Preservation publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*, properties with significance as headquarters or offices of significant Latino political or community organizations can be listed or found eligible under National Register Criterion A (the equivalent of California Register Criterion 1). However, in order for a property to be eligible for historic register listing under Criterion 1, its "historic location, setting, feeling, and association must be strongly present in the evaluation of integrity" (California Office of Historic Preservation 2013:140). As described above, 2918-2922 Mission Street lacks integrity of feeling and association, such that the building retains very few tangible or intangible qualities that would convey its past use as offices of Model Cities-affiliated community organizations in the 1970s and 1980s. For this reason, 2918-2922 Mission Street does not have sufficient integrity to convey its identified historic significance under Criterion 1 and is not eligible for listing in the California Register.

5.1.6 Historic District Evaluation

Properties located within the blocks surrounding the subject property were previously documented in the South Mission Historic Resource Survey. The methodology of this survey included the evaluation of California Register-eligible historic districts. Several such historic districts were identified in the neighborhood. The contributors of these districts were linked through their shared architectural character, urban development history, and/or significant builder. The South Mission Historic Resource Survey did not document any historic district that encompasses or is in the immediate vicinity of 2918-2922 Mission Street, which does not express a discernible consistency in architectural style or era of construction. For this reason, the subject building does not appear to be located within a historic district that is eligible for listing in the California Register under Criterion 3.

Additionally, this HRE considered whether a historic district analysis would be applicable to the subject building under California Register Criterion 1. It does not appear that a historic district exists, in consideration of the building's associations with postwar community organizing and social service delivery in the Mission. There does not appear to be a concentration of other properties in the immediate vicinity of the subject building that were historically linked to the subject building within the context of community organizing or political action during the 1970s and 1980s. As a result, 2918-2922 Mission Street does not contribute to any historic district that is eligible for listing in the California Register under Criterion 1.

Chapter 6
Conclusion

The subject building at 2918-2922 Mission Street is not individually eligible for listing in the California Register. Although ICF finds that the property has significance under California Register Criterion 1, with 1974-1985 as its period of significance, it lacks sufficient integrity to convey its identified significance. The property is also not eligible as part of any known historic districts. Therefore, the property does not meet CEQA's definition of a historical resource.

Chapter 7
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Chapter 8
Preparers' Qualifications

Andrea Dumovich (Preparer) is an architectural historian with 5 years of diverse policy and project support experience in historic preservation, California Environmental Quality Act, and affordable housing. She has experience in historic research, including reviewing building permits, Sanborn maps, and building directories, among other sources. Andrea has prepared Department of Parks and Recreation forms, Supplemental Information Forms, Historic Resource Evaluation sections, and architectural descriptions. Her previous work has included proposal writing, project research, data collection, and assisting with specific plans, environmental impact report chapters, and other planning documents. Andrea has provided writing and editorial skills to many non-profit organizations focused on environmental and urban planning issues. She has also been published in planning literature such as Earth Island Journal, SPUR's The Urbanist Magazine, and Urban Land Institute's San Francisco blog.

Jonathon Rusch (Preparer) holds a bachelor's degree in geography from the University of Minnesota and a master's degree in historic preservation planning from Cornell University. In more than 5 years of professional experience as an architectural historian, Rusch has worked throughout the United States for federal agencies and within the private sector; he has an extensive background preparing context studies, evaluating the historic register eligibility of properties in urban and rural settings, and assessing project impacts on historical resources. He has served as primary author of numerous historic resource evaluations in San Francisco and surrounding municipalities in the Bay Area. His experience also includes preparing architectural survey reports, Historic American Building Survey documentation reports, National Register nomination forms, federal rehabilitation tax credit applications, Section 106 technical reports, and neighborhood design guidelines. Rusch meets the Secretary of the Interior's Professional Qualification Standards for Architectural History.

Gretchen Hilyard Boyce (Senior Technical Reviewer) holds a bachelor's degree in architectural history from the University of Virginia and a master's in historic preservation planning from the University of Pennsylvania. Gretchen has worked as a historic preservation planner and cultural landscape specialist in California for 11 years and has extensive experience in cultural resource documentation, evaluation, design review, and compliance. Gretchen meets the Secretary of the Interior's professional qualification standards for architectural history, history, and preservation planning.

Appendix A

Building Permits

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

No. 157062

APPLICATION

OF

a. Ruef ..... Owner

To make additions, alterations or repairs to building

Location 2220 Mission St

Nos 20th St ..... Street

Estimated Cost, $ 200.00

Filed JUN - 1 1926

Referred to Inspector ..... For Report,

JUN 2 - 1926

Approved:

..... Chief Building Inspector.

6/2/26

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

Bureau of Building Inspection
Dept. of Public Works No. 1

ALTERATION BLANKS

WRITE IN INK—FILE TWO COPIES

TO THE HONORABLE

THE BOARD OF PUBLIC WORKS

OF THE CITY AND COUNTY OF SAN FRANCISCO

Gentlemen:

The undersigned respectfully petition your Honorable Board for permission to do the following work at corner Mission & 21st

side of No. 2920 Mission street 26 ft 4 in feet

of ..... street

WRITE PLAINLY FULL DESCRIPTION OF WORK TO BE DONE

Concrete floor 3" thick
and Store 2920 Mission St

Estimated cost of work, $200.00

Building to be used as automobile Garage

I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, and all costs and damages which may accrue from the use or occupancy of any sidewalk, street or sub-sidewalk place by virtue thereof and will in all things strictly comply with the conditions of this permit.

Name of Architect none

Address none

Name of Builder C. Chiappini

Address 1109 Montgomery St.

A. Ruef Owner

916 Kearny St. Address

Per .....

Report ——— favorably

Paul J. Ezz Inspector.

June 2nd 1926

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

BUREAU OF FIRE PREVENTION AND PUBLIC SAFETY

Construct and Install on Building to Satisfaction of Bureau of Fire Prevention the Following Fire Protection Equipment and Appliances

F. D. (Dry) Standpipes .....
Wet Standpipes .....
Hose Reels .....
Tanks .....
Downpipes .....
Automatic Fire Pumps .....
Automatic Sprinkler System .....
Water Service Connection .....
Groundfloor Pipe Casings .....
Refrigeration .....
Incinerators .....

Reserved 8962

APPROVED:
Ernest B. Nessel
Bureau of Fire Prevention and Public Safety

APPROVED:
Fire Marshal

APPROVED:
Superintendent Bureau of Building Inspection

APPROVED: 12/19/34
City Planning Commission

APPROVED:
Director of Public Health

APPROVED:
Department of Electricity

APPROVED:
Bureau of Engineering

APPROVED:
Art Commission

Report favorable
W. C. Sharon
12-18-34

BLDG. FORM. **3**

No. 9695

APPLICATION OF

W D Malhason Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission

Keep S.C.L. behind leaning post

Cost $100 DEC 17 1934

Filed Dec 13 1934

APPROVED: L Cope
SUPERINTENDENT OF THE BUREAU OF BUILDING INSPECTION
12/19/34
Superintendent Bureau of Building Inspection

Permit No. 12605
FEB 8 1935

Issued ..... 19....

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

Central Permit Bureau—F. No. 3

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — **CENTRAL PERMIT BUREAU**

BLDG. FORM **3**

APPLICATION FOR BUILDING PERMIT

ALTERATION

Dec 13 1936

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission

(2) For what purpose is present building now used? Auto Sales

(3) For what purpose will building be used hereafter?

(4) Total Cost $ 100—

(5) Description of work to be done

Install one horizontal double face neon Sign 3'-0" x 13' Swinging

Oldsmobile

Weight 250#

(6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)

(7) Supervision of construction by

Address

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

(8) ~~Architect~~

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(9) ~~Engineer~~

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor NEON SIGN SERVICE CO.

License No. 33263 License No. .....
State of California City and County of San Francisco

Address 1707 Taylor

(12) Owner W. D. Mahaffey Motor Co

Address 2920 Mission

By

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO.
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

BUREAU OF FIRE PREVENTION AND PUBLIC SAFETY

Construct and Install on Building to Satisfaction of Bureau of Fire Prevention the Following Fire Protection Equipment and Appliances

F. D. (Dry) Standpipes

Wet Standpipes

Hose Reels

Tanks

Downpipes

Automatic Fire Pumps

Automatic Sprinkler System

Water Service Connection

Groundfloor Pipe Casings

Refrigeration

Incinerators

APPROVED:

D. J. McKenna

Bureau of Fire Prevention and Public Safety

APPROVED:

Fire Marshal

APPROVED:

Superintendent
Bureau of Building Inspection

APPROVED: 11/17/37

City Planning Commission

APPROVED:

Director of Public Health

APPROVED:

Department of Electricity

APPROVED:

Bureau of Engineering

APPROVED:

Art Commission

Report favorably
Nov-16-'37
Not to obstruct windows or to project above fire-wall.
Robt. J. Cairns

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

NEON SIGN SERVICE CO.

BLDG. FORM.
3

No. 3373

APPLICATION OF

Malkasian Motor Co Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission

Cost $ 100 —

Filed NOV 15 1937 19 NOV 15 1937

APPROVED:

SUPERINTENDENT OF THE
BUREAU OF BUILDING INSPECTION

11/20/37

Superintendent
Bureau of Building Inspection

Permit No. 31757

Issued NOV 20 1937 19

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Central Permit Bureau—F. No. 435

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT

ALTERATION

NOV 15 1937 ....193....

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission

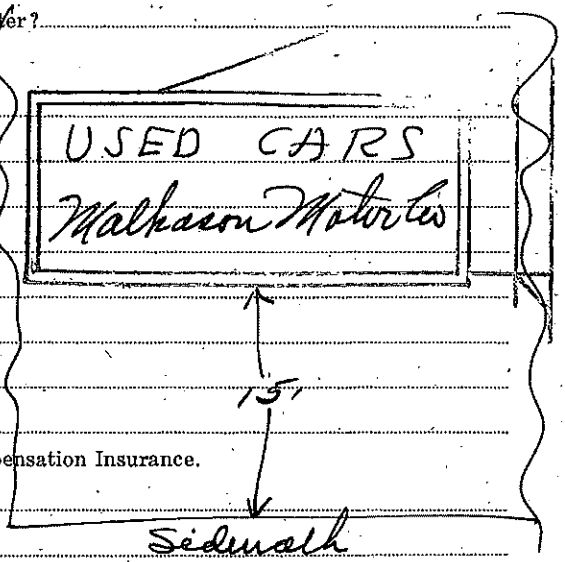
(2) For what purpose is present building now used? Used Cars

(3) For what purpose will building be used hereafter?

(4) Total Cost $ 100 —

(5) Description of work to be done

To install one horizontal double face
NEON SIGN 6' X 17' Weight 500 Lbs.
~~Swinging;~~ ~~Cabled;~~ Reading;
Against Face of Bldg
Single Face



(6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)

(7) Supervision of construction by

Address

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

(8) Architect

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(9) ~~Engineer~~

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor NEON SIGN SERVICE CO.

License No. 33263 HE 1243 License No. .....
State of California City and County of San Francisco

Address 1707 FOLSOM STREET

(12) Owner Mathewson Motor Co

Address 2920 Mission St

By NEON SIGN SERVICE CO.
Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. .....
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

APPROVED:

LHE 10/11/46

Division of Fire Prevention and Investigation

Workmen's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workmen's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . ☐

(b) Casual labor only to be employed . . . . . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization ☐

Approved:

Superintendent Bureau of Building Inspection

Zoning: C

Approved: 10-10-46

City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

Report favorable
David A. Stewart
10-11-46

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION
OCT 11 1946
RECEIVED

BLDG. FORM 3

No. 41796

APPLICATION OF

W. Malkasian Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission St

Cost $ $400.00

Filed OCT 11 1946 194

Approved:

APPROVED
Dept. Public Works
OCT 14 1946
SUPERINTENDENT OF THE
BUREAU of BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. P7627

Issued 194

OFFICIAL COPY

SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION 3

CENTRAL PERMIT BUREAU F. NO. 435

Write in Ink—File Two Copies

RECEIVED OCT 10 1946 BUREAU OF BUILDING INSPECTION CITY AND COUNTY

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM

APPLICATION FOR BUILDING PERMIT

ALTERATION

Oct 10 1946

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Present use of building Sales Room Used Cars No. of families 1

(3) Use of building hereafter Same No. of families

(4) Total Cost $ 400.

(5) Description of work to be done Replace swing doors with Sliding Doors.

(6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.

(1) Supervision of construction by Hugo Bloomquist

Address 266 Sanchez St.

(8) Architect —

Certificate No. ____ License No. ____
State of California City and County of San Francisco

Address ____

(9) Engineer —

Certificate No. ____ License No. ____
State of California City and County of San Francisco

Address ____

(10) Plans and specifications prepared by Other than Architect or Engineer ____

Address ____

(11) Contractor —

License No. ____ License No. ____
State of California City and County of San Francisco

Address ____

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner W. Malkason

Address 2925 Mission St.

By Hugo Bloomquist
Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. ____
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

APPROVED:

LRE 3/27/47

Division of Fire Prevention and Investigation

Workmen's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☑

No Workmen's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . ☐

(b) Casual labor only to be employed . . . . . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization ☐

Approved:

Superintendent Bureau of Building Inspection

Zoning: Com

Approved: 3-26-47

City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

Report favorable
Donald Hesse
3-27-47

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

BLDG. FORM 3

No. 26449

APPLICATION OF

West Coast Advertising Co. Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location Mission W/L 75' S. 25th
Wall

2920 Mission

Cost $ 20.00

Filed MAR 26 1947 194

Approved:

APPROVED
Dept. Public Works
MAR 28 1947
John Little
SUPERINTENDENT OF THE
BUREAU OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 3609

Issued 194

OFFICIAL COPY

SAN FRANCISCO CENTRAL PERMIT BUREAU F. NO. 439

DEPARTMENT OF BUILDING INSPECTION 3

Write in Ink—File Two Copies

RECEIVED MAR 26 1947 BUREAU OF BUILDING INSPECTION CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM

APPLICATION FOR BUILDING PERMIT

ALTERATION

March 25, 1947 194

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications, submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location Mission W/L 75' S. 25th Wall

(2) Present use of building Vacant No. of families

(3) Use of building hereafter Billboard No. of families

(4) Total Cost $ 20.00

(5) Description of work to be done To erect standard billboard having asteel advertising surface of not over ten feet in height and twenty-five feet in length and surrounded by ornamental mouldings. Structure to be in accordance with our customary plans and to conform with all requirements of sign ordinance.

20 - 3/8" x 4" lag screws are placed at bearing points. If platform is used, 8 additional screws of the same size are placed for platform support.

(6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.

(7) Supervision of construction by West Coast Advertising Co.

Address 123 So. Van Ness

(8) Architect None

Certificate No. State of California — License No. City and County of San Francisco

Address

(9) Engineer None

Certificate No. State of California — License No. City and County of San Francisco

Address

(10) Plans and specifications prepared by Other than Architect or Engineer Walter Henderson

Address 123 So. Van Ness

(11) Contractor Self

License No. State of California — License No. City and County of San Francisco

Address

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner West Coast Advertising Co.

Address 123 So. Van Ness

By E. Halsmith

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. UN 1959 IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Comm

CPC Setbacks

Department of City Planning

Approved:

6/1/53

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Workman's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workman's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . . ☐

(b) Casual labor only to employed . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization . . . ☐

REFER TO:

Bureau of Engineering . . . . . ☐
BBI Struct. Engineer . . . . . ☐
Boiler Inspector . . . . . ☐
Art Commission . . . . . ☐
Dept. of Public Health . . . . . ☐
. . . . . ☐

Approved 5/28 19 53

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM

3

No. 140134

APPLICATION OF

Herietta Sittenfeld. Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission Street

Total Cost $ 500.00

Filed 19

Approved:

APPROVED
DEPARTMENT OF
JUN 2 - 1953
BUILDING INSPECTION

SUPERINTENDENT

Superintendent, Bureau of Building Inspection

Permit No. 140134
JUN 3 - 1953

Issued 19

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU F455

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM 3

RECEIVED
DEPT. OF PUBLIC WORKS
CENTRAL PERMIT BUREAU
1953 MAY 28 AM 8:47
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

May 25, 1953 19

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission Street.

(2) Total Cost $ 500.00 (3) No. of stories 1 (4) Basement no (Yes or No)

(5) Present use of building ~~Garage~~ AUTO SALES (6) No. of families NINE

(7) Proposed use of building Same. (8) No. of families 0

(9) Type of construction Concrete. 3 (1, 2, 3, 4, or 5) (10) 16 (Building Code Occupancy Classification)

(11) Any other building on lot no (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy no (Yes or No)

(13) Does this alteration create an additional story to the building no (Yes or No)

(14) Electrical work to be performed no (Yes or No) Plumbing work to be performed no (Yes or No)

(15) Ground floor area of building Aprox. 2500 sq. ft. (16) Height of building Aprox. 22 ft.

(17) Detailed description of work to be done Remove present glass fronts-
and rebuild with hollow tile base, plastered-
in and outside.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by Address

(20) General contractor L. A. Hinson. California License No. 14304

Address 756-4th Avenue.

(21) Architect California Certificate No.

Address

(22) Engineer California Certificate No.

Address

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Harietta Sittenfeld (Phone Su. 1-1500) (For Contact by Bureau)

Address 14 Montgomery Street.

By L A Hinson Address 756-4th Ave

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR APARTMENT HOUSE PURSUANT TO SEC. 808 SAN FRANCISCO BUILDING CODE.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Com

CPC Setback

6/30/54
Department of City Planning

Approved:

Capt Kennedy 7/2/54
Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved July 1 1954

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM

3 APPLICATION OF

No. 16462

Battista D. Petrelli Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission St
S.F.

Total Cost $ 450.00

Filed JUL 28 1954 6/28 1954

Approved:

APPROVED
Dept. Public Works
JUL 28 1954

Lester C Bush
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 149257

Issued 7/6/54 195

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SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
DEPARTMENT BLDG FORM
BUILDING INSPECTION 3

CENTRAL PERMIT BUREAU F485

Write in Ink—File Two Copies

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DEPT. OF PUBLIC WORKS
1954 JUN 30 AM 10: 16
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
CENTRAL PERMIT BUREAU

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

6/28 1954

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St

(2) Total Cost $ 450.00 (3) No. of stories 1 (4) Basement No (Yes or No)

(5) Present use of building Not in use (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete 3 (1, 2, 3, 4, or 5) (10) 11 (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed No (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 1000 sq. ft. (16) Height of building 20 ft.

(17) Detailed description of work to be done Change two entrance doors
Present openings 9'x10' with sliding doors
New openings to be 6'8" x 5' with double doors

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by H. Letin Address 1328 Valencia St

(20) General contractor La M Construction California License No. 187027
Address 1328 Valencia St.

(21) Architect California Certificate No.
Address

(22) Engineer California Certificate No.
Address

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Baltista D. Piedrelli (Phone) (For Contact by Bureau)
Address 2911 Mission St.
By H. Letin H. Letin Address 1328 Valencia St
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

Approved:
Zone Residence
CPC Setback

APR 20 1956
Department of City Planning

Approved:

Capt. Ryan 4/24/56
Bureau of Fire Prevention & Public Safety

Approved:

W.W. Botelho 4-24-56
Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐

Approved April 23 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4069

BLDG. FORM 4

No. 164764

APPLICATION OF

Joy Meat Co.

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2920 Mission St

Cost $ 325.00

Filed APR 20 1956 195

Approved:
APPROVED
Dept. Public Works
APR 24 1956
Peter R. Bush
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 165347

Issued 4-27-56 195

WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4069

Central Permit Bureau P. No. 452

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BUILDING INSPECTION
APR 23 1956

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM

RECEIVED
APR 4 3 36 PM 1956
CITY & CO. OF S.F.
DEPT. OF CITY PLANNING

APPLICATION FOR PERMIT
SIGNS — BILL BOARDS

....., 195....

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2920 Mission St.

(2) Total Cost $325.00 (3) Number of stories in building 2

(4) Present use of building retail store (5) Type of building Frame (1, 2, 3, 4, or 5)

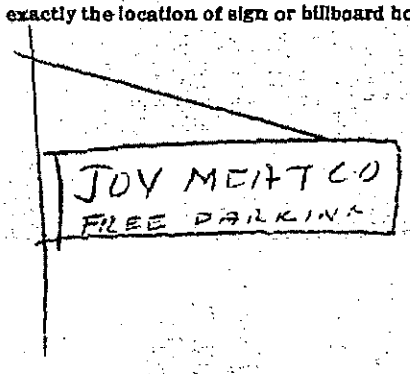
(6) If Sign give: Style double face horizontal neon

Thickness 10" Size 9' x 3½ Ft. Weight 150 Lbs

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.



(8) Drawings in duplicate showing methods of attachment must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4060

License No. 29264 State of California License No. H11 City and County of San Francisco

Address

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner Joy Meat Co.

Address 2920 Mission St. Phone No. (For contact by Bureau)

By WONDERLITE NEON PRODUCTS CO. Address 1095 FOLSOM ST. UNderhill 1-4060

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone [illegible]

CPC Setback

JUL 26 1956

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☑
	☐

Approved 7/28 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM **3**

No. 17906

APPLICATION OF

Marvin Sugayman Owner

FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS

TO BUILDING

Location 2920 Mission St.

Total Cost $ 7000.00

Filed JUL 24 1956 195

Approved:

APPROVED
Dept. Public Works
AUG - 1 1956
Leslie L. Bush
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 168134

Issued 8/1/56 195

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DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU F455

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1956 JUL 27 PM 2:27
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

July 23, 1956

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Total Cost $ 7000.00 (3) No. of stories one (4) Basement No (Yes or No)

(5) Present use of building Store (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete Walls Wood Roof (1, 2, 3, 4, or 5) (10) ____ (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed Yes (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 2400 sq. ft. (16) Height of building 20 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Repair fire damage to roof, interior and store rooms.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1932 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822

Address 446 Ralston St. SF

(21) Architect ____ California Certificate No. ____

Address ____

(22) Engineer ____ California Certificate No. ____

Address ____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone SE 1-8875 (For Contact by Bureau))

Address 21 Cragmont Ave S.F.

By Donald T. Odgers Address 446 Ralston St. S.F.

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Comm.

CPC Setback

In use permitted in a Commercial Dist. only such as retail stores. 12-5-56

Department of City Planning

Approved:

J Conniby 12-10-56

Bureau of Fire Prevention & Public Safety

Approved:

AT Bianchi 12/12/56

Structural Engineer, Bureau of Building Inspection

Approved:

NOTICE - If store to be used for any type food business drawings must be submitted to Bureau of Food and Milk Department of Public Health

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☑
	☐

Approved 12/10 1956

L K Moller

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Marvin Sugarman

Owner's Authorized Agent

BLDG. FORM 3

No. 172846

APPLICATION OF 12-1-56

Marvin Sugarman Owner

2210 - 29th Ave

FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS TO BUILDING

25th M

Location 2920-2922 Mission St.

Total Cost $ 1,200.00

DEC - 6 1956

Filed 195

Approved:

APPROVED
Dept. Public Works
DEC 12 1956

Leslie C Buck
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 172534

DEC 12 1956

Issued 195

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DEPARTMENT OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU F455

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CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM 3

RECEIVED DEC 6 4 07 PM 1956

CITY AND CO. OF S. F.

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

Dec. 4 19 56

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 – 2922 Mission St.

(2) Total Cost $ 1200.00 (3) No. of stories one (4) Basement No (Yes or No)

(5) Present use of building Store (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete Walls Frame roof (1, 2, 3, 4, or 5) (10) ____ (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed No (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 5000 sq. ft. (16) Height of building 20 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Remove three concrete panels dividing two stores and install steel beams to support roof to form 3 Arches between stores

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by Don Odgers Address 446 Ralston St.

(20) General contractor Bertelsen + Odgers California License No. 149822

Address 446 Ralston St. S.F.

(21) Architect ____ California Certificate No. ____

Address ____

(22) Engineer W. C. Ewing California Certificate No. ____

Address ____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone Ju 7-1440 (For Contact by Bureau))

Address 42 Den slo St. San Francisco

By Don Odgers Address 446 Ralston St.

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Comm

CPC Setback

Approval for Comm. use.

S.B. Brooks 5-28-57
Department of City Planning

Approved: provided no gasoline in tanks of cars on display.

J. Cunningham 6-4-57
Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept of Public Health	☐

Approved 5/29 195 7

L.H. Marks
Building Inspector, Bureau of Building Inspection

I agree to comply with all conditionst or stipulations of the various Bureaus or Departments noted hereon.

Dan Odgers
Owner's Authorized Agent

BLDG. FORM

3 APPLICATION OF

No. 178268

Volvo Motors Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920
Mission St.

Total Cost $ 480.00

Filed MAY 22 1957 195

Approved:

APPROVED
Dept. Public Works
JUN 4 - 1957
Leslie S. Brooks
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 177728

Issued JUN 4 - 1957 195

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DEPARTMENT OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU P436

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1957 MAY 28 PM 3:12
CENTRAL PERMIT BUREAU

DEPARTMENT OF PUBLIC WORKS
BLDG. FORM 3 MAY 27 8 24 AM
BUILDING INSPECTION

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

May 22, 1957

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Total Cost $ 480.00 (3) No. of stories One (4) Basement No.

(5) Present use of building Vacant (6) No. of families None

(7) Proposed use of building New car Sales (8) No. of families None

(9) Type of construction concrete walls frame roof (10) _____
1, 2, 3, 4, or 5 — Building Code Occupancy Classification

(11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No

(12) Does this alteration create an additional floor of occupancy No
Yes or No

(13) Does this alteration create an additional story to the building No
Yes or No

(14) Electrical work to be performed No Plumbing work to be performed No
Yes or No — Yes or No

(15) Ground floor area of building 3500 sq. ft. (16) Height of building 18 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Alter entrance doors to make 8' opening. Reinstall and entrance doors that have been removed. Construct one ply wood panel partition across back of store 8' high only.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 0'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1932 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822
Address 446 Ralston St.

(21) Architect _____ California Certificate No. _____
Address _____

(22) Engineer _____ California Certificate No. _____
Address _____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable there to will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything also in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Volvo Motors (Phone PL 5-2294 (For Contact by Bureau))
Address 7011 Mission St. Daly City
By Don Odgers Address 446 Ralston St.
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

Approved:

Zone 2nd

CPC Setback —

5-31-57

Department of City Planning

Approved:

6-4-57

Bureau of Fire Prevention & Public Safety

Approved:

M Whitelock 6-5-57

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved 6/3 1957

L H Mallen

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

WONDERLITE NEON [illegible]
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

BLDG. FORM

4 APPLICATION OF

No. 177751

Volvo Motors

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2920 Mission St

Cost $ 250 00 Fee $3.50 WWW

MAY 29 1957

Filed 195

Approved:

APPROVED
Dept. Public Works
JUN 5 - 1957

Superintendent Bureau of Building Inspection

Permit No. 177751

Issued JUN 5 1957 195

WONDERLITE NEON [illegible]
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

Central Permit Bureau Form No. 422

Write in Ink — File Two Copies

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APR 29 1957
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BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

1957 MAY 31 PM 3:02
CENTRAL PERMIT BUREAU

BLDG. FORM 4

APPLICATION FOR PERMIT
SIGNS — BILL BOARDS

May 3 1957 195

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2920 Mission St.

(2) Total Cost $ 250.00 (3) Number of stories in building 2

(4) Present use of building retail store (5) Type of building frame (1, 2, 3, 4, or 5)

(6) If Sign give: Style double face horizontal neon

Thickness 10" Size 8' x 2 Ft. Weight 150 Lbs

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.

(8) Drawings in duplicate showing methods of attachment must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor WONDERLITE NEON PRODUCTS CO. ATwater 8-4300
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

License No. 29264 License No. J25
State of California City and County of San Francisco

Address

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner Volvo Motors

Address 2920 Mission St. Phone No. (For contact by Bureau)

WONDERLITE NEON PRODUCTS CO.
By 4301 THIRD ST. ATwater 8-4300
SAN FRANCISCO 24, CALIFORNIA
Owner's Authorized Agent (to be Owner's Architect, Architect, Engineer or General Contractor)

6529/35

Approved:

Zone Commercial

CPC Setbacks

W Baker 24 FEB 60

Department of City Planning

Approved:

K Wilhelm 4-12-60

Bureau of Fire Prevention & Public Safety

Approved: As noted on plans

George Jeong 5/9/60

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Workman's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workman's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . . ☐

(b) Casual labor only to employed . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization . . . ☐

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved April 8, 1960

Provided:
Toilet room - facilities acc. to sec. 1606 SFBC.

C. J. Kellum

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

ATLAS MOTORS
by Jos. Hellen
Owner or Owner's Authorized Agent

BLDG. FORM **3**

No. 3126

APPLICATION OF

ATLAS MOTORS Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

2922

Location 2900 Mission

4000.—L.C.N.

Total Cost $ 3000.00

Filed FEB 23 FEB 23 1960 1960

Approved:

APPROVED
Dept. Public Works
MAY 26 1960
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent, Bureau of Building Inspection

Permit No. 211278

Issued 5/26/60 19

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SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU F435

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — **CENTRAL PERMIT BUREAU**

BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FEB 23 1960

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location ATLAS MOTORS 2990 MISSION

(2) Total Cost $ ~~3000~~ 1000 - Mech. (3) No. of stories 1 (4) Basement NO (Yes or No)

(5) Present use of building AUTO SHOW ROOM (6) No. of families

(7) Proposed use of building AUTO SHOW ROOM (8) No. of families —

(9) Type of construction B (1, 2, 3, 4, or 5) (10) 16.2 Building Code Occupancy Classification

(11) Any other building on lot NO (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy NO (Yes or No)

(13) Does this alteration create an additional story to the building NO (Yes or No)

(14) Electrical work to be performed NO (Yes or No) Plumbing work to be performed NO (Yes or No)

(15) Ground floor area of building 7500 sq. ft. (16) Height of building 20 ft.

(17) Detailed description of work to be done ADD MOVABLE PARTITION
INSTALL SCREEN @ FRONT OF BUILDING
TO HOLD SIGN

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by AL HANA Address 805 IRWIN ST SAN RAFAEL

(20) General contractor LANG CONSTRUCTION California License No.

Address 805 IRWIN ST SAN RAFAEL

(21) Architect — California Certificate No.

Address —

(22) Engineer — California Certificate No.

Address —

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner ATLAS MOTORS (Phone AT 50225) (For Contact by Bureau)

Address 2965 MISSION ST

By Allison T. Hana Address 805 IRWIN ST SAN RAFAEL

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR APARTMENT HOUSE PURSUANT TO SEC. 808 SAN FRANCISCO BUILDING CODE.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone .....

CPC Setback.....

.....
Department of City Planning

Approved:

.....
Bureau of Fire Prevention & Public Safety

Approved:

Jim Van Loan 8/16/60
Structural Engineer,
Bureau of Building Inspection

Approved:

.....
Department of Public Health

Approved:

.....
Department of Electricity

Approved:

.....
Art Commission

Approved:

.....
Boiler Inspector

Approved:

.....
Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
.....	☐

Approved 29 15 1960

C. Walker
Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

C. Hamilton
Owner's Authorized Agent

CASCADE NEON
San Leandro

BLDG. FORM

4

No. 339564

APPLICATION OF

ATLAS MOTORS
V-W SIGN

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2922 MISSION ST

Cost $ 200 00 1 - 4 ft 8 in

Filed 8-10-60 195

Approved:

APPROVED
Dept. Public Works
AUG 17 1960

Robert C. Levy
Superintendent, Bureau of Building Inspection

Permit No 21475

Issued 195

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

Central Permit Bureau F. No. 432

Write in Ink — File Two Copies

RECEIVED
DEPT. OF PUBLIC WORKS
1960 AUG 15 AM 8:54
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BLDG. FORM

4

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

8-10 1960

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN [X] NON-ELECTRIC SIGN [ ] BILL BOARD [ ]

(1) Location 2922 MISSION ST

(2) Total Cost $ 200.00 (3) Number of stories in building 3

(4) Present use of building AUTO SALES (5) Type of building 3 (1, 2, 3, 4, or 5)

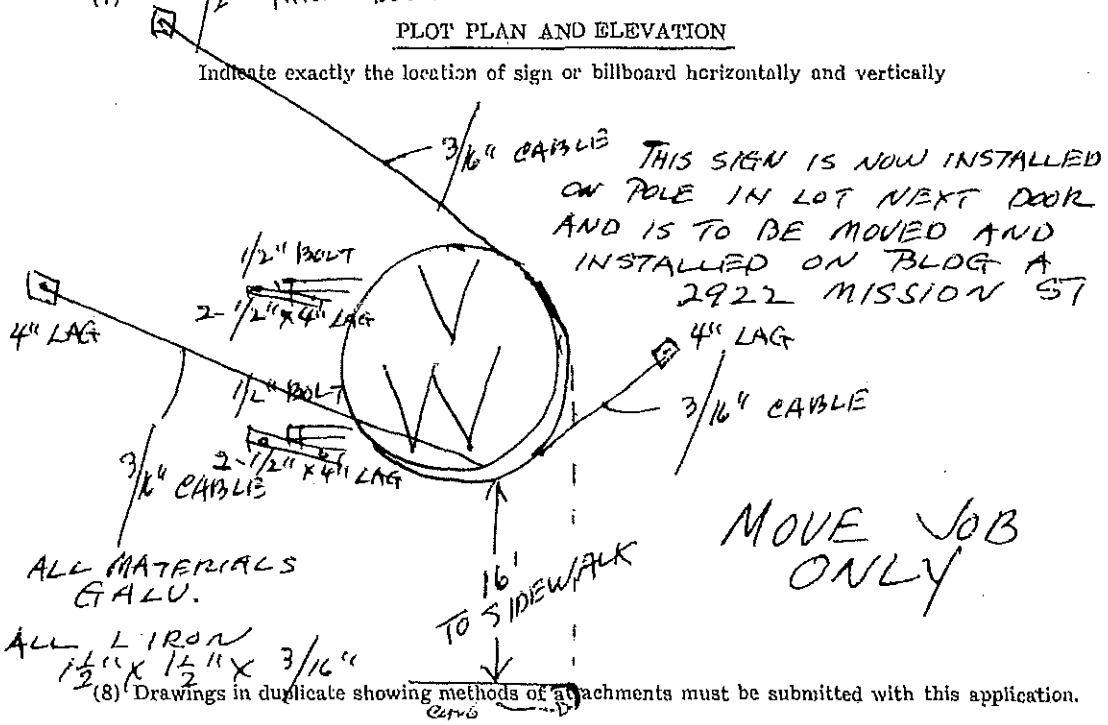
(6) If Sign give: Style D/FACE HORZ

Thickness 10" Size 6' x 6' Ft. Weight 200# Lbs.

(7) 1/2" THRU BOLT

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



(8) Drawings in duplicate showing methods of attachments must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor CASCADE NEON

License No. 148163 State of California License No. 390480 City and County of San Francisco

Address 67 VERONA PLACE

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner ATLAS MOTORS

Address 2922 MISSION ST Phone No. (For contact by Bureau)

By [signature] Address

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

Approved:

Zone .....

CPC Setback .....

.....
Department of City Planning

Approved:

.....
Bureau of Fire Prevention & Public Safety

Approved:

.....
Structural Engineer,
Bureau of Building Inspection

Approved:

.....
Department of Public Health

Approved:

.....
Department of Electricity

Approved:

.....
Art Commission

Approved:

.....
Boiler Inspector

Approved:

.....
Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
.....	☐

Approved, ... 195...

.....
Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

.....
Owner's Authorized Agent

CASCADE NEON

BLDG. FORM

4

No. 9765

APPLICATION OF

ATLAS MOTORS
PORSCHE SIGN

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2922 MISSION

Cost $ 250.00 (Flat Rate)

Filed 8-10-60 195...

Approved:

APPROVED
Dept. Public Works
AUG 17 1960

.....
Superintendent, Bureau of Building Inspection

Permit No. 21479

Issued ..... 195...

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Central Permit Bureau F. No. 432

Write in Ink — File Two Copies

RECEIVED
DEPT. OF PUBLIC WORKS
1960 AUG 10 AM 8:01
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM

4

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

8-10-60 195

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2922 MISSION ST.

(2) Total Cost $ 250.00 (3) Number of stories in building 3

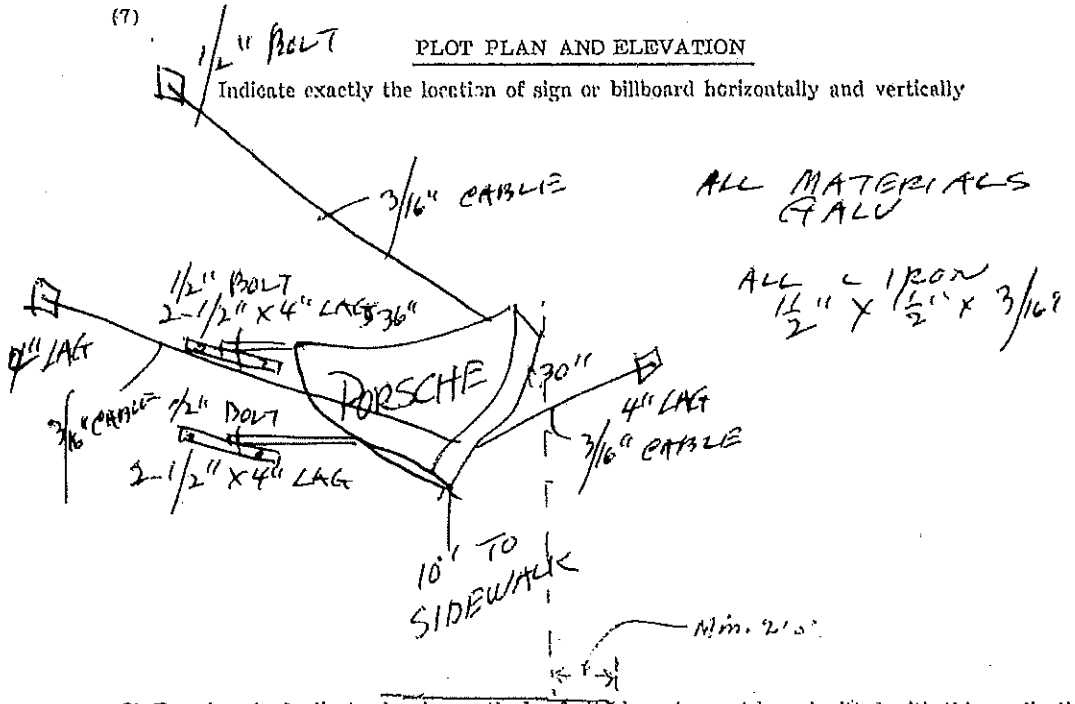
(4) Present use of building AUTO SALES (5) Type of building 3 (1, 2, 3, 4, or 5)

(6) If Sign give: Style D/F HORZ ELECTRIC SIGN

Thickness 10" Size 30" x 36" Ft. Weight 100# Lbs.

(7) PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



(8) Drawings in duplicate showing methods of attachments must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor CASCADE NEON

License No. 148163 State of California License No. 390480 City and County of San Francisco

Address 67 VERONA PLACE

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner ATLAS MOTORS

Address 2922 MISSION ST. Phone No. (For contact by Bureau)

By [signature] Address

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

OFFICIAL COPY

FOR DEPARTMENTAL USE ONLY

SAN FRANCISCO

APPROVED FOR ISSUANCE:

DEPARTMENT OF BUILDING INSPECTION

APPROVED Dept. Public Works DEC 1972

Alfred Goldberg
SUPERINTENDENT
BUREAU BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

BLDG. FORM 3

APPLICATION NO. 41581S

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH:

OFFICE COPY

(1) STREET ADDRESS OF JOB: 2922 Mission St

(3) ESTIMATED COST OF JOB: $36,676.00 ZAK

DATE FILED: NOV 18 1972 | FILING FEE RECEIPT NO.: 71648

PERMIT NO.: 3-12335 | ISSUED: DEC 7 - 1972

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR. 1-hr ☐ N ☐ 1 ☐ 2 ☐ 3 ☒ 4 ☐ 5 ☐	(5A) NUMBER OF STORIES OF OCCUPANCY:	(6A) NUMBER OF BASEMENTS AND CELLARS:	(7A) PRESENT USE:	(8A) BLDG. CODE OCCUP. CLASS:	(9A) NO. OF DWG. UNITS
	1	0	AUTO SALES	F-2	

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR. 1-hr ☐ N ☐ 1 ☐ 2 ☐ 3 ☒ 4 ☐ 5 ☐	(5) NUMBER OF STORIES OF OCCUPANCY:	(6) NUMBER OF BASEMENTS AND CELLARS:	(7) PROPOSED USE:	(8) BLDG. CODE OCCUP. CLASS:	(9) NO. OF DWG. UNITS
	1	0	OFFICE	F-2	

(10A) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES ☐ NO ☒	(10) IF YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT: FT.	(11A) DOES THIS ALTERATION CREATE A HORIZONTAL EXTENSION TO BUILDING? YES ☐ NO ☒	(11) IF YES, STATE NEW GROUND FLOOR AREA: SQ. FT.		
(14) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES ☐ NO ☒	(15) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES ☐ NO ☒	(16) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES ☐ NO ☒	(17) WILL STREET SPACE BE USED DURING CONSTRUCTION? YES ☐ NO ☒		
(19) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES ☐ NO ☒	(20) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☒ NO ☐	(21) ELECTRICAL WORK TO BE PERFORMED? YES ☒ NO ☐	(22) PLUMBING WORK TO BE PERFORMED? YES ☒ NO ☐		

(23) GENERAL CONTRACTOR	ADDRESS	CALIF. LICENSE NO.
RANGE BUILDING Contractor	318 Moscow ST.	277940
(24) ARCHITECT OR ENGINEER (FOR DESIGN)	ADDRESS	CALIF. CERTIFICATE NO.
~~Jack~~ THAD F. KOSMIERSKI	2321 PINE ST.	
(25) ARCHITECT OR ENGINEER (FOR CONSTRUCTION)	ADDRESS	CALIF. CERTIFICATE NO.
~~CROCKER ANGLO~~	~~16TH & MISSION~~	
(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN").	ADDRESS	
CROCKER ANGLO	Mission & 16 TH.	
(27) OWNER — LESSEE (CROSS OUT ONE)	ADDRESS	PHONE (FOR CONTACT BY BUREAU)
MISSION COALITION	SAME	584 - 4460

(28) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT):

Patch Roof.
FRAMING
HEATING
ELECTRICAL
PLUMBING
LEVEL FLOOR
PAINTING
PLASTERING
WALLBOARD

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See Sec. 103, 104.D, 104.B.1, 104.C, 502, 502.1, San Francisco Building Code and Sec. 104, San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to Sec. 302.A.8, San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDNIG OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (15) (16) (17) (20) (21) or (22).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

I CERTIFY THAT IN THE PERFORMANCE OF THE ABOVE WORK I SHALL NOT EMPLOY ANY PERSON IN VIOLATION OF THE LABOR CODE OF CALIFORNIA RELATING TO WORKMEN'S COMPENSATION INSURANCE.

I FURTHER AGREE TO SAVE SAN FRANCISCO AND ITS OFFICIALS AND EMPLOYEES HARMLESS FROM ALL COSTS AND DAMAGES WHICH MAY ACCRUE FROM USE OR OCCUPANCY OF THE SIDEWALK, STREET OR SUB-SIDEWALK SPACE OR FROM ANYTHING ELSE IN CONNECTION WITH THE WORK INCLUDED IN THE PERMIT. THE FOREGOING COVENANT SHALL BE BINDING UPON THE OWNER OF SAID PROPERTY, THE APPLICANT, THEIR HEIRS, SUCCESSORS AND ASSIGNEES.

Mr. Gerald C. Ranger
SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX:

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☒ CONTRACTOR ☐ ATTORNEY IN FACT

OFFICIAL COPY

SAN FRANCISCO
REFER TO
DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

	APPROVED: J. Wadda R. D. Kelchum BUILDING INSPECTOR, BUR. OF BLDG. INSP.	DATE: REASON: NOTIFIED MR.
☒	APPROVED: C. 2 PROJECT IN A CATEGORY C. P. COMM. FOUND HAS NO SIGNIFICANT EFFECT ON ENVIRONMENT NOV 27 1972 DEPARTMENT OF CITY PLANNING	DATE: REASON: NOTIFIED MR.
☐	APPROVED: BUREAU OF FIRE PREVENTION & PUBLIC SAFETY	DATE: REASON: NOTIFIED MR.
☒	APPROVED: Jim VanLonie 12/6/72 CIVIL ENGINEER, BUR. OF BLDG. INSPECTION	DATE: 11/22/72 REASON: More STRUCTURAL DETAILS & CALS. REQ'D NOTIFIED MR. Kusmiersky
☐	APPROVED: BUREAU OF ENGINEERING	DATE: REASON: NOTIFIED MR.
☐	APPROVED: DEPARTMENT OF PUBLIC HEALTH	DATE: REASON: NOTIFIED MR.
☐	APPROVED: REDEVELOPMENT AGENCY	DATE: REASON: NOTIFIED MR.
☐	APPROVED:	DATE: REASON: NOTIFIED MR.
☐	APPROVED: JB	DATE: REASON: NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.
NUMBER OF ATTACHMENTS ☐

M Isabel Rangel
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT FOR OWNER OR LESSEE.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

FOR DEPARTMENTAL USE ONLY

JUL 9 1974
APPROVED
Dept. Public Works
JUL 22 1974
Alfred Goldberg
OFFICE COPY

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

DATE FILED: JUL 8 1974 | FILING FEE RECEIPT NO.: 86367
PERMIT NO.: 390805 | ISSUED: JUL 28 1974

(1) STREET ADDRESS OF JOB: 2922 MISSION ST.
(3) ESTIMATED COST OF JOB: $1400 -20X

DESCRIPTION OF BUILDING BEFORE PROPOSED ALTERATION

(4) NAME FOR CONNER: (5) NO. OF STORIES OF BUILDING OR OCCUPANCY: 1 | (6) NO. OF BASEMENTS AND CELLARS: 1 | (7) PROPOSED USE: OFFICES | (8) BUILDING CODE OCCUPANCY CLASS: R-6

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) NAME FOR CONNER: (5) NO. OF STORIES OF BUILDING OR OCCUPANCY: 1 | (6) NO. OF BASEMENTS AND CELLARS: 1 | (7) PROPOSED USE: OFFICES | (8) BUILDING CODE OCCUPANCY CLASS: R-6

(9A) DOES THIS ALTERATION CREATE ADDITIONAL STORIES OR BASEMENTS? NO X
(9B) IF YES, STATE NUMBER OF STORIES OR CUBIC CONTENT OF BUILDING: FT.
(9A1) DOES THIS ALTERATION CREATE A NONCONFORMING OCCUPANCY OR EXCEED LIMITS FOR BUILDING? NO X
(9B1) IF YES, STATE NUMBER OF STORIES OR CUBIC CONTENT OF BUILDING: FT.

(10A) WILL SIDEWALK OVER SIDEWALK SPACE BE REMOVED OR ACCESS TO IT ALTERED? NO X
(10B) WILL BUILDING BE MOVED BEYOND PROPERTY LINES? NO X
(11A) IS APPURTENANCE TO BE CONSTRUCTED OR ALTERED? NO X
(11B) IS CONSTRUCTION UNDER SIDEWALK? NO X

(12A) IS GARAGE BEING BUILT OR ENLARGED? IF YES, SHOW ON PLANS. OR NOT ON PLANS. NO X
(12B) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? NO X
(12C) ELECTRICAL WORK TO BE PERFORMED? NO X
(12D) PLUMBING TO BE PERFORMED? NO X

(13A) GENERAL CONTRACTOR: J. ALEX CAMPBELL
ADDRESS: 538 CAMPBELL AVE ST.
CODE: 2-RKMC

(13B) ARCHITECT OR ENGINEER FOR DESIGN:
ADDRESS:
CODE:

(13C) ARCHITECT OR ENGINEER FOR CONSTRUCTION:
ADDRESS:
CODE:

(13D) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"):
ADDRESS:

(14) OWNER (CROSS OUT ONE): MAHARUN AH & MAHARUN AH
ADDRESS: 2922 MISSION ST.
PHONE: 826-5824

(15) WORK TO BE DONE UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT):

BUILT (4) 8' PARTITIONS - WITH DOORS - NO CEILING
RELOCATE EXISTING MOVABLE PARTITIONS
BUILT APROX. 11 FEET OF SHELVING

I HEREBY AGREE TO COMPLY WITH ALL ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO AND WITH ALL LAWS OF THE STATE OF CALIFORNIA REGULATING THE PROPOSED WORK. I UNDERSTAND THAT IN THE CASE OF ANY FALSE STATEMENT OR MISREPRESENTATION OF FACT IN THIS APPLICATION OR IN THE PLANS BASED ON WHICH THIS PERMIT IS ISSUED, THE PERMIT MAY BE REVOKED. I ALSO UNDERSTAND THAT THE ISSUANCE OF A PERMIT DOES NOT AUTHORIZE ANY VIOLATION OF ANY PROVISION OF THE SAN FRANCISCO BUILDING CODE, THE BUILDING PERMIT SHALL BE POSTED ON THE JOB. THE OWNER IS RESPONSIBLE FOR APPROVED PLANS AND APPLICATION BEING KEPT ON BUILDING SITE.

GRADE LINES, AS SHOWN ON DRAWINGS ACCOMPANYING THIS APPLICATION ARE ASSUMED TO BE CORRECT. IF ACTUAL GRADE LINES ARE NOT THE SAME AS SHOWN, REVISED DRAWINGS SHOWING CORRECT GRADE LINES, CUTS AND FILLS, TOGETHER WITH COMPLETE DETAILS OF RETAINING WALLS AND WALL FOOTINGS required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (15) (16) (17) (20) (22) or (23).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

I ACCEPT THAT IN THE PERFORMANCE OF THE WORK PERMITTED HEREUNDER, EMPLOYEE AND PERSONS ARE VOLUNTEERS OF THE LABOR CODE OF CALIFORNIA RELATING TO WORKMEN'S COMPENSATION INSURANCE.

I FURTHER AGREE TO SAVE SAN FRANCISCO AND ITS OFFICIALS AND EMPLOYEES HARMLESS FROM ALL COSTS AND DAMAGES WHICH MAY ACCRUE FROM USE OR OCCUPANCY OF THE SIDEWALK, STREET OR SUB-SIDEWALK SPACE OR FROM ANYTHING ELSE IN CONNECTION WITH THE WORK INCLUDED IN THE PERMIT. THE FOREGOING COVENANT SHALL BE BINDING UPON THE OWNER OF SAID PROPERTY, THE APPLICANT, THEIR HEIRS, SUCCESSORS AND ASSIGNEES.

J. Alex Campbell
SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX.

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☑ CONTRACTOR ☐ ATTORNEY IN FACT

CONDITIONS AND STIPULATIONS

The approval of this application and issuance of permit applies to specified work only and does not constitute an approval of the building.

BUILDING INSPECTOR, BUREAU OF BLDG. INSP.

DEPARTMENT OF CITY PLANNING

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

CIVIL ENGINEER, BUREAU OF BLDG. INSPECTION

BUREAU OF ENGINEERING

DEPARTMENT OF PUBLIC HEALTH

REDEVELOPMENT AGENCY

DATE
REASON
NOTIFIED MR.

PERMIT WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED HEREON, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS WHICH ARE HEREBY MADE APPLICATION.
COMMENTS:

SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT (FOR OWNER OR LESSEE)

PROTECTIONS MUST BE PLACED AND MAINTAINED AS REQUIRED BY LAW

OFFICIAL COPY

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

FOR DEPARTMENTAL USE ONLY

APPROVED: SEP 18 1981

APPROVED
Dept. Public Works
SEP 28 '81

Superintendent, Bureau of Building Inspection

FILING FEE RECEIPT NO. 184089

PERMIT NO. 475184

ISSUED _____ 19 ____

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

APPLICATION FOR PERMIT TO ERECT SIGN

Application is hereby made for permission to build in accordance with plans and specifications submitted herewith and for the purpose set forth herein:

ELECTRIC SIGN ☑ NON-ELECTRIC SIGN ☐

GROUND SIGN ☐

APPL. NO. 8107866

FORM 1

Date 9-8- 19 81

(1) Location 2918 MISSION ST SAN FRANCISCO / CA

(2) Total cost $ 1,200.00

(3) Height at center line of front of building _____ Ft. (4) Number of stories in building 1

(5) Present use of building COMMERCIAL (6) Type of building ☐ A ☐ B ☐ C ☐ D ☐ E

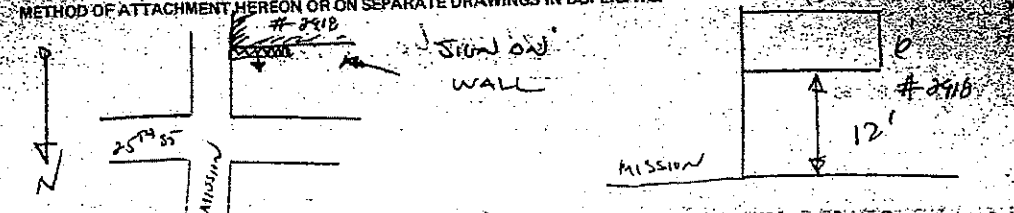
(7) Approval number for standardized signs _____

(8) Type of sign per Article 46, S.F. Building Code: ☐ Ground sign ☐ Roof sign ☑ Wall sign

☐ Projecting sign ☑ Single-faced ☐ Double-faced Dimensions: Thickness 10"

Size 6 x 12 Ft. Weight 500 Lbs. Total area of advertising space 5'x11'=55 Sq. Ft.

(9) PLOT PLAN AND ELEVATION. INDICATE EXACTLY THE LOCATION OF SIGN HORIZONTALLY AND VERTICALLY. SHOW METHOD OF ATTACHMENT HEREON OR ON SEPARATE DRAWINGS IN DUPLICATE.



(10) Contractor ELLER OUTDOOR AD California License No. 3690

Address 1695 EASTSHORE HWY BERKELEY Phone No. 527-3352

(11) Engineer or Architect FROST & MARVIN California License No. _____

Address 27 PAUL DR SAN RAFAEL Phone No. 472-6800

(12) Owner – ~~Lessee~~ (Cross Out One) WILLIAM & MARVIN SILVERMAN

Address 1220 TOYON DR Phone No. 697-4600 (For contact by Bureau)

MILLBRAE CALIF 94030

IMPORTANT NOTICES

Where top guy wire is required, anchor with ½" dia. through-bolt (minimum), to the structural frame of the building below the parapet wall. No portion of building or structure, or scaffolding used during construction, to closer than 6'0" to any wire containing more than 750 volts. See Sec. 385 Calif. Penal Code.

Encroachments authorized on public Property are revocable when ordered by Board of Supervisors (S.F. Building Code). Any stipulation required herein or by Code may be appealed.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE APPROVAL FOR THE ELECTRICAL WIRING, A SEPARATE PERMIT FOR THE WIRING MUST BE OBTAINED. THIS IS NOT A PERMIT TO ERECT A SIGN. NO WORK SHALL BE STARTED UNTIL A PERMIT TO ERECT A SIGN IS ISSUED.

CHECK APPROPRIATE BOX:

☑ OWNER ☐ ARCHITECT ☐ ENGINEER

☑ LESSEE ☐ AGENT WITH POWER OF ATTORNEY

☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of passive negligence of the City and County of San Francisco.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

(☑) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.

(☑) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.

( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

( ) IV. The cost of the work to be performed is $100 or less.

( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.

( ) VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature _____ Date _____

Allan Longazel 9-8-81

OFFICIAL COPY

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

REFER TO

CONDITIONS AND STIPULATIONS

APPROVED:

B Sellgren
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

APPROVED: Superintendent 052912
Zone C-2 & SSD-4
OPC Setback none

CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW
DEPARTMENT OF CITY PLANNING SEP 15 1981

APPROVED:

Visual inspection of fillet welds

SPECIAL INSPECTION REQUIRED PER SFBC SECTION 305.A,B,C.

Jpl Ovedia 9/17/81
CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

APPROVED:

BUREAU OF ENGINEERING

APPROVED:

REDEVELOPMENT AGENCY

APPROVED:

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.
NUMBER OF ATTACHMENTS ☐

Alan J Mazzolini
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT FOR OWNER OR LESSEE

OFFICIAL COPY

SAN ... DEPT. OF BUILDING INSPECTION

APPROVED
Dept. of Public Works
APR 13 1989

FIRE

APPROVED FOR ISSUANCE
APR 05 1989

J. WHIPPLE

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPROVED
APR 13 1989

FORM 3 ☑ OTHER AGENCIES REVIEW REQUIRED
FORM 8 ☐ OVER-THE-COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DATE FILED	PHOTO FOR RECORD NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
3-9-89	199109	2920	
PERMIT NO.	ISSUED	(2A) ESTIMATED COST OF WORK	(2B) REVISED COST:
6127124	4/25/89	4000	BY: DATE:

APPROVED PERMIT NUMBER: 8903815

CODE ENFORCEMENT NOTICE ☐

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(4B) NO. OF STORIES OF OCCUPANCY	(4C) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS
3	1	1	Retail Video	B-2	0

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
3	1	1	Retail Video	B-2	0

(15)

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☑	YES ☐ NO ☑	YES ☐ NO ☑	YES ☐ NO ☑

(14) GENERAL CONTRACTOR	ADDRESS	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
Zebra Awning Co	2901 Mariposa #3 SFA	863-3570	494659	7/91

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	PHONE (FOR CONTACT BY BUREAU)
Movie Magic - Gary Andreini			348-5574

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT) 1. ☐ 2. ☐ 3. ☐

Fabric Awning & Install Awning

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DECK OR HORIZ. EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☑	FT.	YES ☐ NO ☑	SQ. FT.

(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED?	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	(23) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN)	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?
YES ☐ NO ☑	YES ☐ NO ☑	YES ☐ NO ☑	YES ☐ NO ☑

(25) ARCHITECT OR ENGINEER (DESIGN ☐ CONSTRUCTION ☐) ADDRESS CALIF. CERTIFICATE NO.

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY, IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"). ADDRESS

Unknown

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED; WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☑ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate Item (IV) or (V) or (VI) below, whichever is applicable. If however, Item (VI) is checked then Item (V) must be checked as well. Mark the appropriate method of compliance below:

( ) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.

(✓) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.

( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

( ) IV. The cost of the work to be performed is $100 or less.

( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.

( ) VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature Date

9005-03

SAN
DEPT.
BUILD

CONDITIONS AND STIPULATIONS

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. [illegible]). THIS APPLICATION IS APPROVED WITHOUT SU[illegible] WHICH ALSO DOES NOT CONSTITUTE AN AP[illegible] OF THE BUILDING WORK AUTHORIZED DU[illegible] STRICT ACCORDANCE WITH ALL APPLICABLE [illegible]

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY APPLICANT WHICH HAS NOT BEEN VERIFIED.

DATE: [illegible]
REASON:

Frank Lang 3/14/89
BUILDING INSPECTOR, BUR. OF BLDG. INSPN.

NOTIFIED MR.

APPROVED:

approved as noted on plan

MAR 31 1989

DEPARTMENT OF CITY PLANNING

DATE:
REASON:

NOTIFIED MR.

APPROVED:

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:

NOTIFIED MR.

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE:
REASON:

NOTIFIED MR.

APPROVED:

BUREAU OF ENGINEERING

DATE:
REASON:

NOTIFIED MR.

APPROVED:

DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:

NOTIFIED MR.

APPROVED:

REDEVELOPMENT AGENCY

DATE:
REASON:

NOTIFIED MR.

APPROVED:

HOUSING INSPECTION DIVISION

DATE:
REASON:

NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application, and with attached statements of conditions or stipulations, which are hereby made a part of this application.

List of attachments

OWNER'S AUTHORIZED AGENT

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

COMPLAINT
8600392
8900697
CP-ZOC
BID INSP
COMPLAINT REMOVED WITH PERMIT APP # 9102781
RB.

APPROVED
Dept. of Public Works
MAR 25 1991

3HR

8x3 STH

BID

APPROVED FOR ISSUANCE
MAR 21 1991

APPLICATION NUMBER 9101936

DSMA APPROVAL RECD ☐

APPROVAL NUMBER:

7-82

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☐ OTHER AGENCIES REVIEW REQUIRED
FORM 8 ☐ ~~OVER THE COUNTER ISSUANCE~~

2 NUMBER OF PLAN SETS VM

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

1 OF 2

DATE FILED	FILING FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
2/06/91	923783	2922 Mission St.	6529 42
PERMIT NO	ISSUED	(24) ESTIMATED COST OF JOB	(25) REVISED COST
668045	3-25-91	$ 25,000.00	30,000

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(4B) NO. OF STORIES OF OCCUPANCY	(4C) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(8B) NO. OF DWELLING UNITS
III	1	-	RETAIL SALES	B-2	-

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE LEGAL USE	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
III	1	-	COIN LAUNDRY	B-2	-

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☒ NO ☐	YES ☒ NO ☐

(14) GENERAL CONTRACTOR	ADDRESS	PHONE	CALIF. LIC. NO	EXPIRATION DATE
To Be Selected		PAGER 261-7109		

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	PHONE (FOR CONTACT BY BUREAU)
~~OWNER~~ EDWIN YUEN	1845 44TH AVE	San Francisco 664-8604

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT) 1. ☐ 2. ☐ 3. ☐

Tenant Improvements INSTALL LAUNDRY COIN OPERATED EQUIPMENT
New vinyl flooring
Formica work - folding tables
Non-bearing Partitions
Painting

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DECK OR HOUSE EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☒	FT	YES ☐ NO ☒	SQ FT
(21) WILL SIDEWALK OVER SUBSIDEWALK SPACE BE REMAINED OR ALTERED? YES ☐ NO ☒	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES ☐ NO ☒	(23) ANY OTHER EXISTING BLDG ON LOT? (IF YES, SHOW ON PLOT PLAN) YES ☐ NO ☒	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☐ NO ☐

(25) ARCHITECT OR ENGINEER (DESIGN) ☐ CONSTRUCTION ☐ ADDRESS CALIF. CERTIFICATE NO

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"). ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept on building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10), (11), (12), (13), (22), or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☒ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH

Applicant's Signature 2/6/91

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked item (I) must be checked as well. Mark the appropriate method of compliance below:

( ) I. Certificate of Consent to Self Insure issued by the Director of Industrial Relations.
( ) II. Certificate of Workmen's Compensation Insurance issued by an admitted insurer.
( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
( ) IV. The cost of the work to be performed is $100 or less.
(X) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California, and I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
(X) VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workmen's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that the workmen's compensation insurance is carried.

Applicant's Signature 2/6/91

8003 03

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

REFER TO:

APPROVED:

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK WITHIN THIS PERMIT SHALL BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE LAWS.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

Any electrical or plumbing work will require appropriate separate permits...

Peter Gadlin 3/13/91
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

DATE:
REASON:
NOTIFIED MR.

APPROVED: Approval for work stated only.

☐ CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

DEPARTMENT OF CITY PLANNING FEB 12 1991

DATE:
REASON:
NOTIFIED MR.

APPROVED: as noted on plans.

R. Curtone 03/13/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE:
REASON:
NOTIFIED MR.

APPROVED:

BUREAU OF ENGINEERING

DATE:
REASON:
NOTIFIED MR.

APPROVED: as noted on plans (mop sink)

C Cannons 03/15/91
DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:
NOTIFIED MR.

APPROVED:

REDEVELOPMENT AGENCY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

HOUSING INSPECTION DIVISION

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various boards or departments noted on this application, or amended statements or conditions or stipulations, which are hereby made a part of this application.

Number of sheets attached ☐

X
OWNER OR AUTHORIZED AGENT

FRANCISCO

RTMENT OF
NG INSPECTION

FIRE

SRA PCD PARAPET PAD-STR PAD-FD PAD-ARC HEALTH HID CPB DOP CNTR RE BID-FP DIST

APPROVED
Dept. of Public Works
MAY 28 1991

SUPERINTENDENT
PUBLIC WORKS

APPROVED FOR ISSUANCE
MAY 22 1991

BOE FORM 3/8

APPLICATION NUMBER 9105103

OSHA APPROVAL REQ'D ☐

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☒ OTHER AGENCIES REVIEW REQUIRED
FORM 8 ☐ OVER-THE-COUNTER ISSUANCE
2 NUMBER OF PLAN SETS

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DO NOT WRITE ABOVE THIS LINE ▼

DATE FILED	FAND FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
4/9/91	225937	2922 MISSION ST.	6527 / 004A

PERMIT NO.	ISSUED	(2A) ESTIMATED COST OF JOB	(2B) REVISED COST	DATE
9132200	05/28/91	$ 5000 —	$ 5000 —	4/17/91

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING 6875

(4A) TYPE OF CONSTR.	(5A) NO. OF STORIES OF OCCUPANCY	(6A) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS
III	1		LAUNDRY & VIDEO STORE	B-2	1

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION 95/65

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE (LEGAL USE)	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
~~FIRE~~ III	1	0	COIN OP LAUNDRY & MINI MART	B-2	1

(10) IS AUTO RAMP TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(14) GENERAL CONTRACTOR	ADDRESS	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
SELF		PAGE 262-2708 TEL 669-8206		

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	PHONE (FOR CONTACT BY BUREAU)
EDWIN YUEN	1845 44TH AVE	SAN FRANCISCO	94122

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT) 1. ☐ 2. ☐ 3. ☐

CHANGE APPROVED PLANS (Permit # 9101936) FROM COIN OP LAUNDRY, VIDEO STORE TO COIN OP LAUNDRY & MINI MART
NO CHANGE TO APPROVED FLOOR PLAN EXCEPT -
- USE -

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DECK OR HORIZ EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☒	FT	YES ☐ NO ☒	SQ FT

(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED?	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	(23) ANY OTHER EXISTING BLDG ON LOT? (IF YES, SHOW ON PLOT PLAN)	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(25) ARCHITECT OR ENGINEER (DESIGN ☐ CONSTRUCTION ☐) ADDRESS CALIF. CERTIFICATE NO

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"). ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24) THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☒ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

9003-03

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3900 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

( ) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.
( ) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
( ) IV. The cost of the work to be performed is $100 or less.
( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
(✓) VI. I certify as the owner (or the agent of the owner) that in the performance of the work (for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature Date

CONDITIONS AND STIPULATIONS

REFER — APPROVED: CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE SUBDIVISION. WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED ... DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN ... LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

Any electrical or plumbing work will require appropriate separate permits.

DATE: _____
REASON:

4/17/91
BUILDING INSPECTOR, BUR. OF BLDG. INSP.
NOTIFIED MR.

APPROVED FOR NEW BATHROOM LOCATION & MINIMART AS SHOWN IN PLANS STAMPED ON APR 10

APPROVED: FOR WORK STATED AS INDICATED PER PLANS AND TO ABATE VIOLATION (COMPLAINT No. 8900697) AS INDICATED UNDER BUILDING PERMIT APPLICATION No. 9102781

DATE: _____
REASON:

Miriam Chion 9/19/91
CATEGORICAL EXEMPTION FROM ENVIRONMENTAL REVIEW — CITY PLANNING
NOTIFIED MR.

APPROVED: PLANS TO K CHIN

as noted on plans

R. Curtin 09/22/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE: _____
REASON:
NOTIFIED MR.

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE: _____
REASON:
NOTIFIED MR.

APPROVED:

BUREAU OF ENGINEERING

DATE: _____
REASON:
NOTIFIED MR.

APPROVED: Ice Hoses at Adequate Pump Capacity with Approved Backflow Prevent as Noted on Approved Plans

A Lawrence Chiu 5/17/91
DEPARTMENT OF PUBLIC HEALTH

DATE: _____
REASON:
NOTIFIED MR.

APPROVED:

REDEVELOPMENT AGENCY

DATE: _____
REASON:
NOTIFIED MR.

APPROVED:

HOUSING INSPECTION DIVISION

DATE: _____
REASON:
NOTIFIED MR.

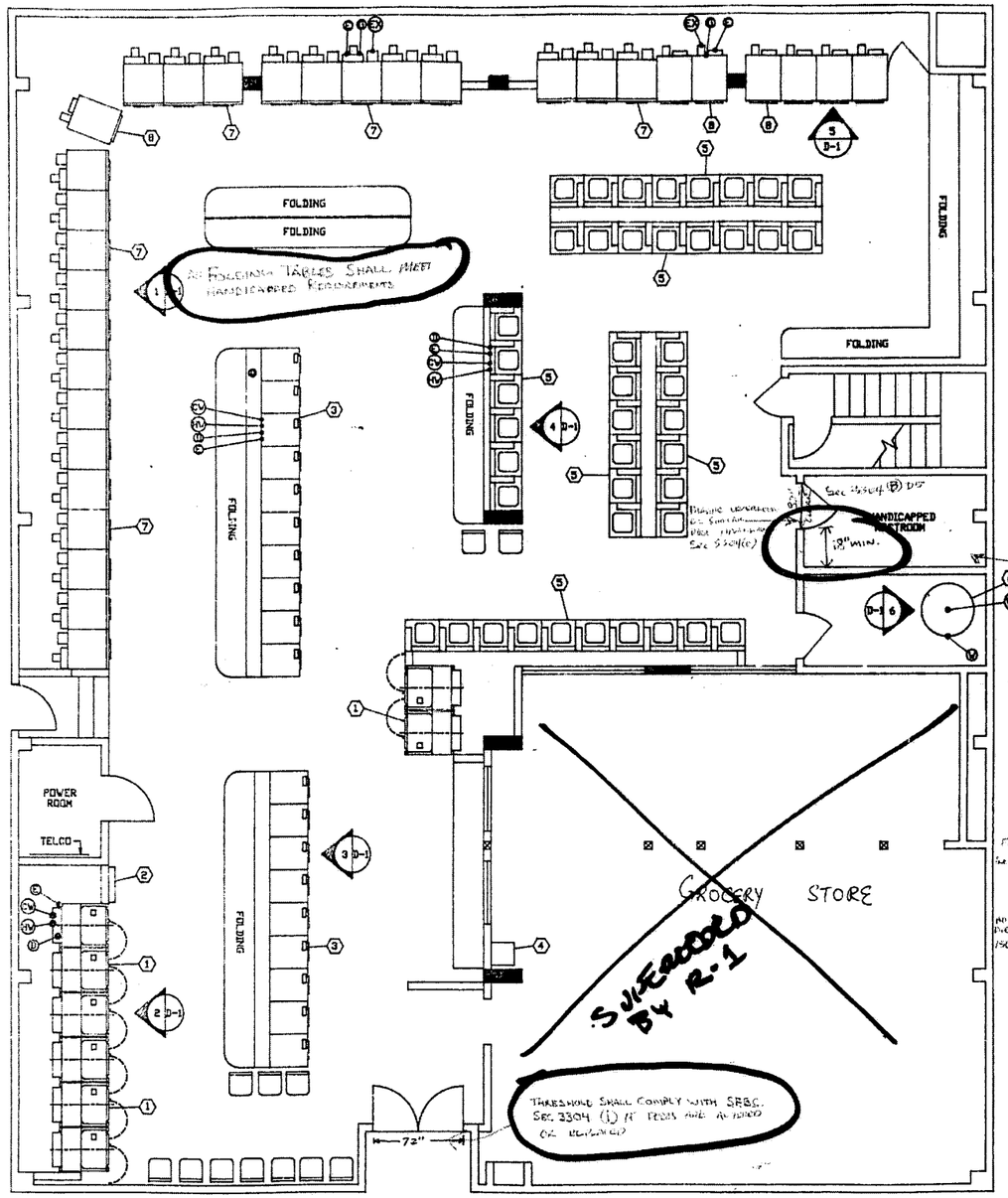
I agree to comply with all conditions or stipulations of the various departments noted on this application, and all attached statements of conditions or stipulations, which are hereby made a part of this application.

Number of attachments ☐

OWNER'S AUTHORIZED AGENT

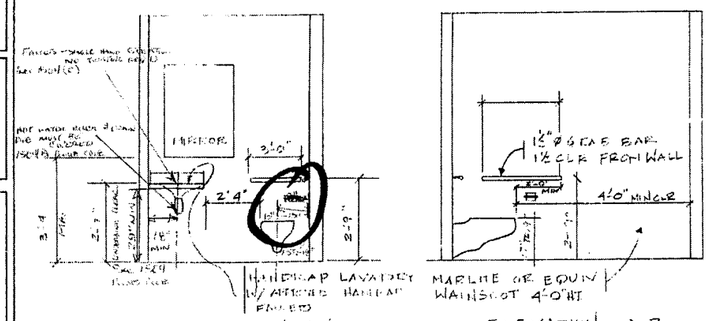
HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

910936



EQUIPMENT		
NO.	QTY	DESCRIPTION
1	8	KILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	24	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

Fixtures comply to Sec 3304(f)



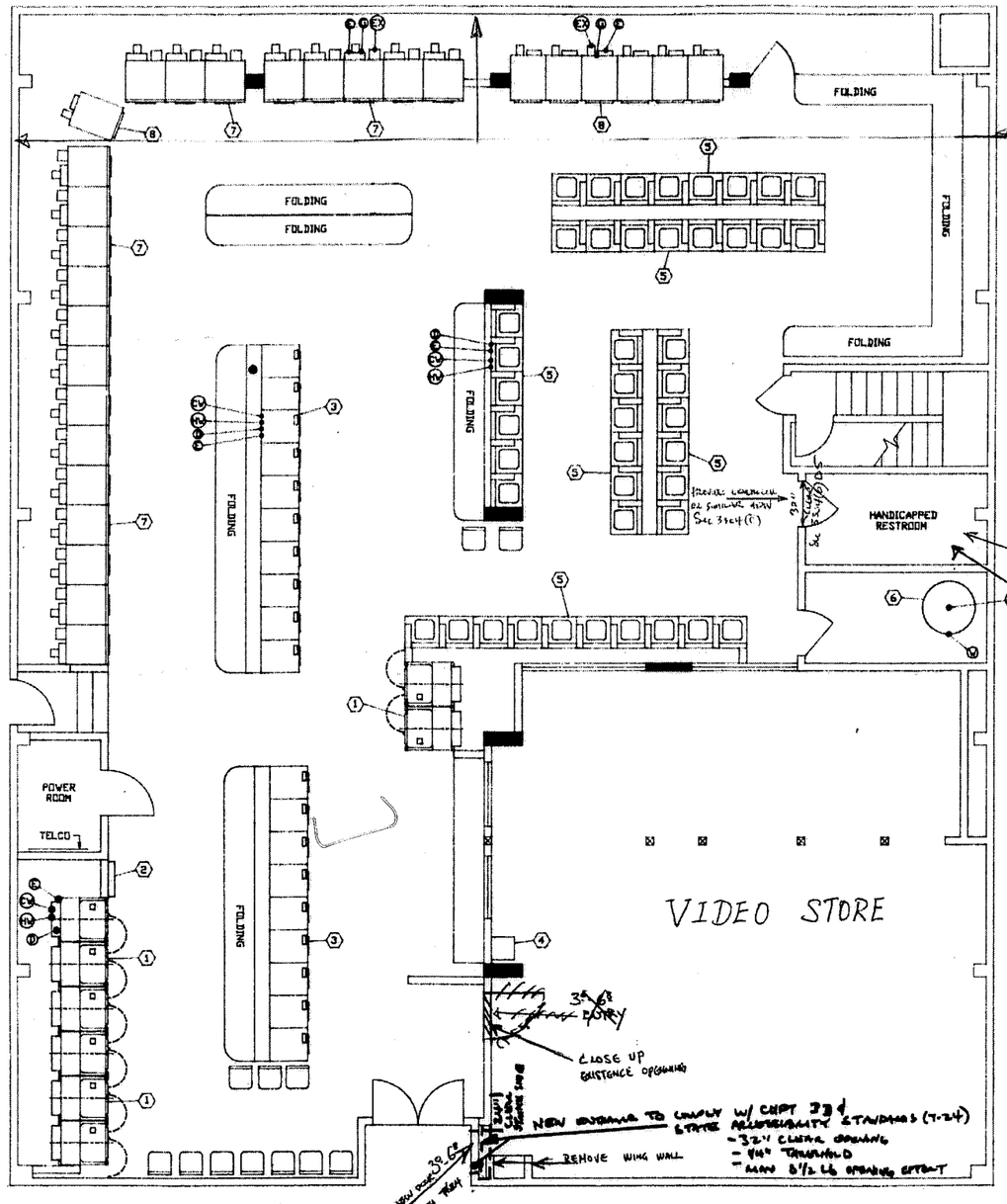
ELEVATION A-1
½"=1'-0"

ELEVATION A-2
½"=1'-0"

DWG. A

RECEIVED
FEB 06 1991
BUREAU OF BUILDING INSPECTION

910936



Provide 1 hour fire assembly to all utility shafts in accordance with Table 5A

EQUIPMENT		
NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	21	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

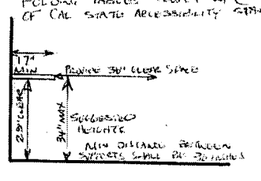
Provide a mop sink connected to the sewer system and provided with hot & cold running water through a mixing valve protected with an approved back flow prevention device

HANDICAPPED RESTROOM
to be in accordance w/ TITLE 24
AND LOCAL CODE REQUIREMENTS.

PERMIT NUMBER 9101936
REVIEWED
For Compliance with City and County Ordinances and State Codes.
The stamping of this plan or specification SHALL NOT be held to permit or to be an approval of the violation of any City and County ordinance or State law.
Approval is subject to field inspection by the Fire Department.
R. Cates 03/13/91
These plans must be kept on the premises and accessible to the inspector at all times.

60/80 = 4800 ϕ

FOLDING TABLES COMPLY W/ (FIGURE) 5B3.(c)14 OF CAL STATE ACCESSIBILITY STANDARDS T-24



CONTRACT DISTRICT INSPECTOR SIGNED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE AS A HOTEL/CLUB AS DEFINED BY THE BUILDING CODE.

APPROVED
Depart. of Public Works
MAR 25 1991
BUREAU OF BUILDING INSPECTION

REVISION RECEIVED
MAR 01 1991
BUREAU OF BUILDING INSPECTION

REVISIONS | BY

Western State Design
2561B NICKEL PLACE, HAYWARD, CA 94545 • TLX: 5106001127

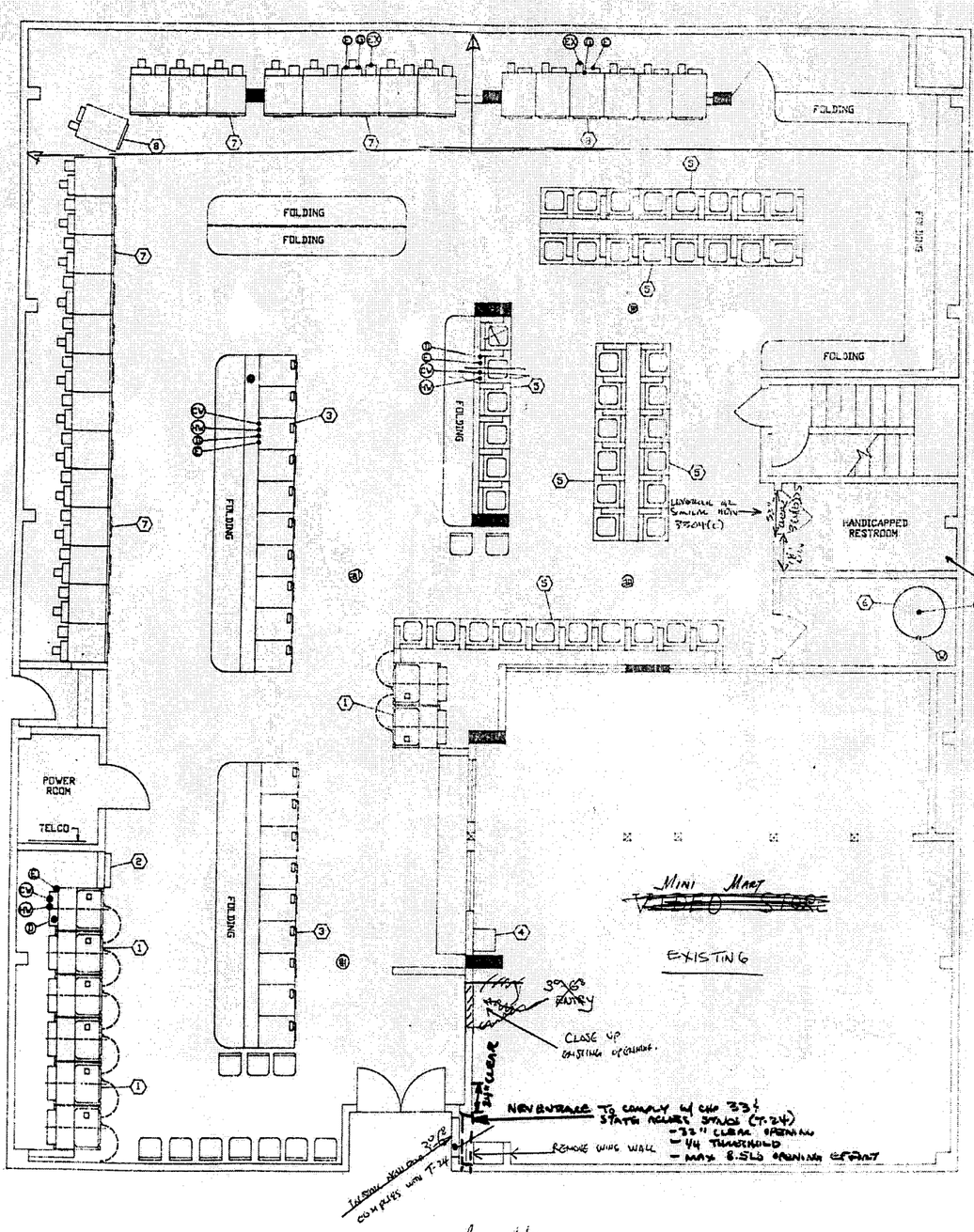
PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:

DRAWING NUMBER
1/4" = 1'
EQ-1
SHEET 1 OF 1

9101936

MOSS BASH CLUB
2901 MISSION ST

3/12/91



PROVIDE 1 HR FIRE RATING TO ALL WALLS WITHIN 20 FEET OF PROPERTY LINES TABLE 5-A

EQUIPMENT

NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPTOOL WASHER
6	1	HANSEN STORAGE TANK
7	21	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

PERMIT NUMBER 9101936

REVIEWED

For Compliance with City and County Ordinances and State Codes

The stamping of this plan and these specification SHALL NOT be held to permit or to be an approval of the violation of any City and County ordinance or State law.

Approval is subject to field inspection by the Fire Department.

R. Collard 03/19/91

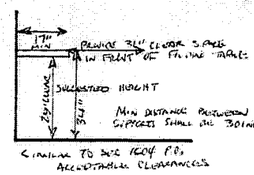
These plans must be kept on the premises and accessible to the inspector at all times.

HANDICAPPED RESTROOM
TO BE IN ACCORDANCE W/ TITLE 24
AND LOCAL CODE REQUIREMENTS

Provide a mop sink connected to the sewer system and provided with hot & cold running water through a mixing valve protected with an approved back flow prevention device

NEW 4500 ℓ TOTAL

FOLDING TABLES COMPLY W (FIG 5-5C) 522 (C)4 OF CAL STATE ACCESSIBILITY STANDARDS T-24



CONFORM TO ANSI 1986 FIG #5

RECEIVED
APR 09 1991
BUREAU OF BUILDING INSPECTION

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS FOR BASIC SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED PLANS. IN NO WAY DOES IT CONSTITUTE APPROVAL OF A CHANGE IN USE, OCCUPANCY OR OTHER CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

APPROVED
MAY 28 1991

REVISIONS BY

PROJECT NUMBER
DRAWN:
PROJECT:
DATE:
APPROVED BY:

DRAWING NUMBER
1/4" = 1'
EQ-1
SHEET 1 OF 1

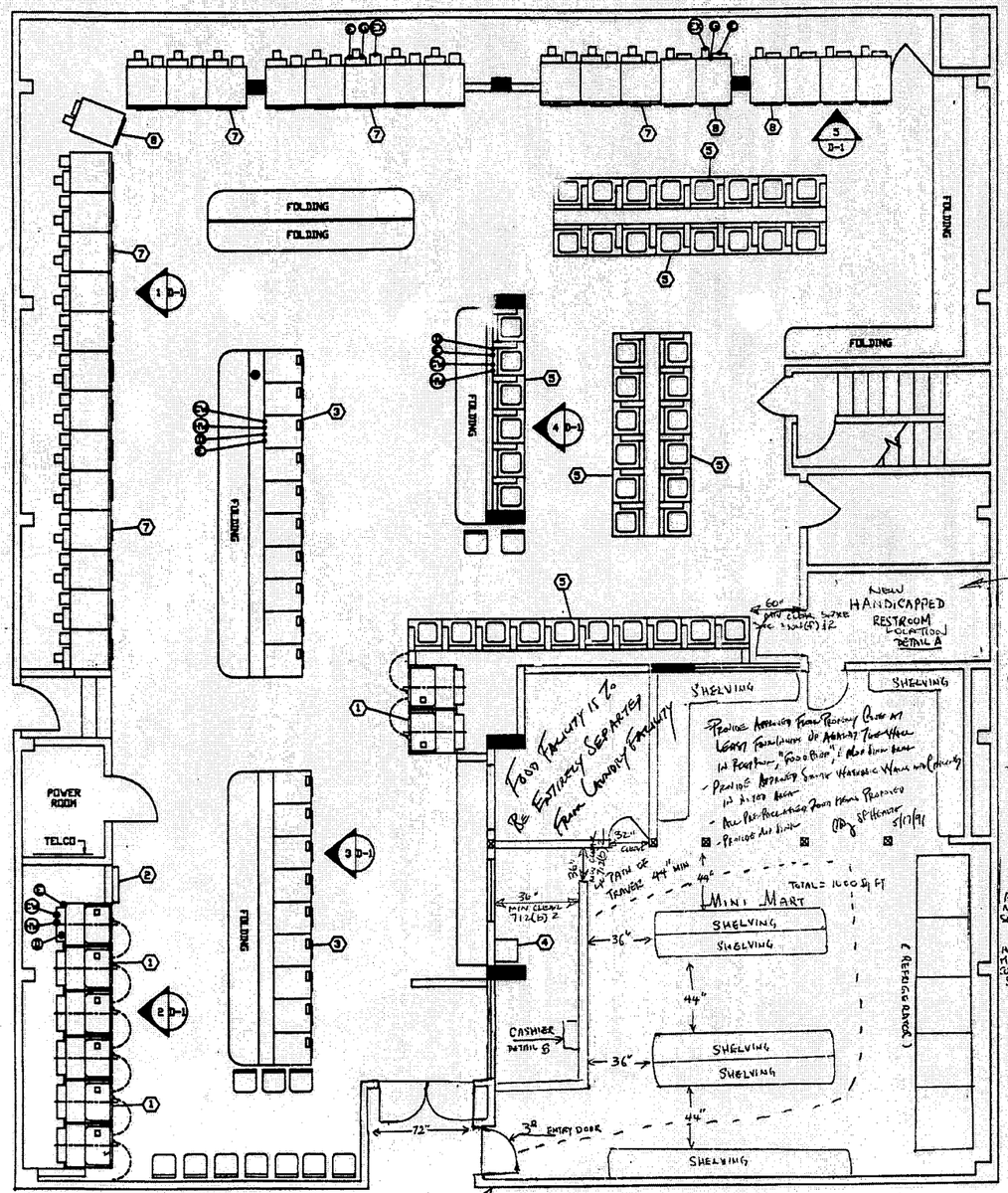
9105690

MISSION MARKET
2922 MISSION ST.

3 3 3

9105903 R-1

9105903 2



EQUIPMENT		
NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
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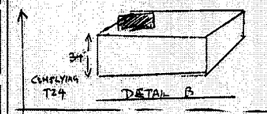
6	1	HANSEN STORAGE TANK
7	24	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

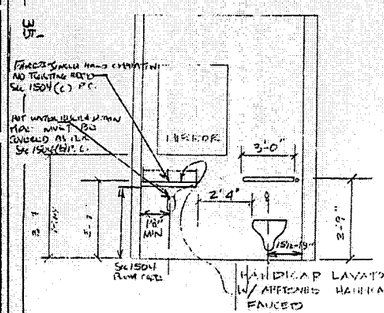
PROVIDE MECHANICAL VENTILATION
Mc Pipe Sec 705† UMC Code Sec 1104
† METAL SMOOTH BORE DUCTS
† EXHAUST DUCTED TO EXTERIOR
† BACKDRAFT PROTECTED
† 4 AIR CHANGES PER HOUR

CASHIER

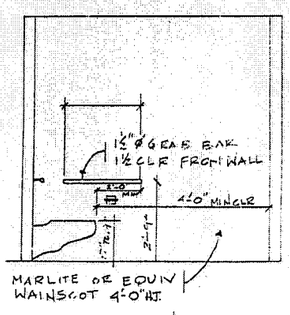


DETAIL B

BATHROOM - CONFORM W/ SEC 511.1



ELEVATION A-1
1/2" = 1'-0"



ELEVATION A-2
1/2" = 1'-0"

APPROVED
Miriam Chion 5/10/91
DEPARTMENT OF CITY PLANNING

DETAIL A

4/17/91

APPROVED
MAY 28 1991

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION BY NIGHT OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND SHALL NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK PERFORMED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

REVISIONS	BY
1	
2	
3	
4	
5	

Western State Design
2516 MICHEL PLACE, HAYWARD, CA 94545 • TEL: 510/887-1121

WASHCLUB SAN FRANCISCO
2922 MISSION

PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:

DRAWING NUMBER
WSD1049.1
SCALE: 1/4"=1'-0"
SHEET 1 OF 1

OFFICIAL COPY

REROOFING

DEPT OF BUILDING INSPECTION

APPROVED
Dept of Building Insp.
DEC 26 2000
DIRECTOR
DEPT OF BUILDING INSPECTION

APPROVED FOR ISSUANCE
DEC 26 2000

BLDG. FORM 3/8

APPLICATION NUMBER 2000/12/26/9219

OSHA APPROVAL NUMBER:

APPROVAL REQ'D ☐

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☐ OTHER AGENCIES REVIEW REQUIRED

FORM 8 ☒ OVER-THE-COUNTER ISSUANCE DP

w/o 9/20/01

0 NUMBER OF PLAN SETS

CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF BUILDING INSPECTION OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

▼ DO NOT WRITE ABOVE THIS LINE ▼

DATE FILED	FILING FEE RECEIPT NO	(1) STREET ADDRESS OF JOB	BLOCK & LOT
12/26/00		2922 MISSION ST	6529 - 28
PERMIT NO.	**ISSUED**	**(2A) ESTIMATED COST OF JOB**	**(2B) REVISED COST:**
929219	12/26/00	17,500.-	BY: DATE:

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

LEGAL DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(5A) NO. OF STORIES OF OCCUPANCY:	(6A) NO. OF BASEMENTS AND CELLARS:	(7A) PRESENT USE:	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS:
V	2	N/A	COMMERCIAL	B	0

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION (06) (10)

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY:	(6) NO. OF BASEMENTS AND CELLARS:	(7) PROPOSED USE (LEGAL USE)	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS:
V	2	N/A	COMMERCIAL	B	0

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(14) GENERAL CONTRACTOR	ADDRESS	ZIP	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
ABC ROOFING	1610 ARMSTRONG S.F.	94124	822-5003	483862	12/31/00

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	BTHO #	PHONE (FOR CONTACT BY DEPT.)
SUGARMAN	2922 MISSION ST. S.F.	CA. 94110		433-5761

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)

TEAR OFF EXISTING OLD ROOF
APPLY 30 YR COMP. SHINGLE
WITH #15 BASE FELT

ADDITIONAL INFORMATION

(17) DOES THIS ALTERATION CREATE ADDITIONAL HEIGHT OR STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DEEP OUTSIDE EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☐	FT.	YES ☐ NO ☐	SQ. FT.

(21) WILL SIDEWALK OVER SUB SIDEWALK SPACE BE REPAIRED OR ALTERED?	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	(23) ANY OTHER EXISTING BLDG ON LOT? (IF YES, SHOW ON PLOT PLAN)	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?
YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐

(25) ARCHITECT OR ENGINEER (DESIGN) (CONSTRUCTION)	ADDRESS	CALIF. CERTIFICATE NO.

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN") ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this department for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS 'YES' TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) OR (24).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT
☐ LESSEE ☐ AGENT
☒ CONTRACTOR ☐ ENGINEER

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH

9003.03 (REV 1-96)

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands or actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have coverage under (I), or (II) designated below or shall indicate item (III), or (IV), or (V), whichever is applicable. If however item (V) is checked item (IV) must be checked as well. Mark the appropriate method of compliance below:

I hereby affirm under penalty of perjury one of the following declarations:

( ) I. I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

(X) II. I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier VILLANOVA

Policy Number WC309525

( ) III. The cost of the work to be done is $100 or less.

( ) IV. I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California. I further acknowledge that I understand that in the event that I should become subject to the workers' compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the permit herein applied for shall be deemed revoked.

( ) V. I certify as the owner (or the agent for the owner) that in the performance of the work for which this permit is issued, I will employ a contractor who complies with the workers' compensation laws of California and who, prior to the commencement of any work, will file a completed copy of this form with the Central Permit Bureau.

Signature of Applicant or Agent

12/26/00
Date

OFFICIAL COPY

SAN

DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

REFER TO DEPARTMENT OF BUILDING INSPECTION

APPROVED:

CONTACT DISTRICT INSPECTOR (NAMED ON FACE OF APPLICATION) AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITH CUT SHEET & SECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED. IT MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

DP
Dan Purvis
12/26/00

BUILDING INSPECTOR, DEPT. OF BLDG. INSP.

DATE:
REASON:
NOTIFIED MR.

Any electrical or plumbing work will require appropriate sparate permits.

APPROVED:

☐ N/A

DEPARTMENT OF CITY PLANNING

DATE:
REASON:
NOTIFIED MR.

☐ APPROVED:

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:
NOTIFIED MR.

☐ APPROVED:

CIVIL ENGINEER, DEPT. OF BLDG. INSPECTION

DATE:
REASON:
NOTIFIED MR.

☐ APPROVED:

BUREAU OF ENGINEERING

DATE:
REASON:
NOTIFIED MR.

☐ APPROVED:

DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:
NOTIFIED MR.

☐

REDEVELOPMENT AGENCY

DATE:
REASON:
NOTIFIED MR.

☐ APPROVED:

POLICE DEPARTMENT

DATE:
REASON:
NOTIFIED MR.

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application and statements of intended construction, which are hereby made a part of this application.

Number of attachments ☐

OWNER'S AUTHORIZED AGENT

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

Appendix B

County Assessor's Real Property Record

TAB No. 5537 CARD 1 OF 2

REAL. PROPERTY RECORD

CITY & COUNTY OF SAN FRANCISCO

ASSESSORS OFFICE VALUATION DIVISION

SEE CARD 2 OF 2 FOR BLDG. VALUATION ON 2 LOTS

VOL 39 BLOCK 6529 LOT 2

ADDRESS 2920-22 MISSION ST.

CODE CLASS G-COMM. GARAGE

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25						1	TOTAL
ROOMS		4																														2	

RESIDENTIAL				CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM	
Dwelling D R		B R		1A	1B	2	3	4	5	Rustic		Plaster		Electric	Gas Oil
Flats										Panels		Sheetrock		Forced Air	
Apartment				FOUNDATION						Stucco		Wallboard		Steam	
Hotel				Concrete						Metal		Paneling		Radiant	
Motel				Brick						Shingles		Unfinished		Baseboard	
Rooming House				Slab						Brick				Vent & Air Cond.	
				Conc. Block						Concrete		BATH ROOM		Gravity	
NON-RESIDENTIAL				Piers						Tilt-Up		Number of Rooms			
Public Building				Misc.						Conc. Block		Tubs	Built-in	MECHANICAL	
School										Veneer		Shower		Sprinkler System	
Office				BASEMENT						ROOF		Tile		ELEVATOR	
Commercial				Unfinished	¼	½	¾	F		Comp	Flat	Separate Toilet		Passenger Capacity	
Industrial				Finished	¼	½	¾	F		Metal	Hip			Freight Capacity	
				Number Car Spaces						T&G	Gable	KITCHEN		Automatic Elevator	
										Concr.		Tile	Sink		
CLASSIFICATION										FLOORS		BUILT - INS			
Service Station				Medical						Softwood		Dwsh.	Disp.	MISCELLANEOUS	
Loft				Theatre						Hardwood		Oven	Range	Fire Escape	
Warehouse				Club						Terrazzo				Vault	
Condominium				Bank						Marble		PLUMBING		Skylights	
Greenhouse				Store						Concrete		W. C.	Lavs	Family Room	
Co-Operative				Garage						Earth		Urn	S. S.		
Shed				Church						Tile					
										Metal					

COMPUTATIONS

APPRAISER & DATE 4-10-68 M. MURPHY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
SEE CARD 1 OF 2													
Total	5135# ON LOTS 2+2A												
Normal % Good													
R. C. L. N. D.											Daniel	4/29/68	

LAND ATTRIBUTES

Square feet LOT 2.	2600
Acres	
Zoning	C-2
Square feet usable	100%
Corner	Yes ☐ No ☐
Curb, Sdwk	Yes ☐ No ☐
Level	Yes ☐ No ☐
Grade	Yes ☐ No ☐
View	Yes ☐ No ☐
Utilities	Yes ☐ No ☐
Alley	Yes ☐ No ☐

IMPROVEMENT ATTRIBUTES

Year built	1924
Effective Year	
Total Rooms	
Bedrooms	
Family Room	Yes ☐ No ☐
Total Finished Area	
Finished Basement Area	
Finished Attic Area	
Full Baths	
Half Baths	
Garage spaces	
Built-in-Kitchen	Yes ☐ No ☐
Central Heating	Yes ☐ No ☐
Condition	E ☐ G ☐ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

Single family use	☐
Multi-family use	☐
Commercial use	☐
Industrial use	☐
Zoning conform.	Yes ☐ No ☐
Desirability	Yes ☐ No ☐
Built-up	Yes ☐ No ☐
Date of Improvements	
Trend	G. ☐ F. ☐ P. ☐

APPRAISABLE CONCLUSIONS TO LOT 2

Land Value	23700
Improvement Value	12600
Total Value	36300

CONSTRUCTION RECORD				EFFEC. YEAR	APPR. YEAR	NORMAL % GOOD			
PERMIT NO.	FOR	AMT.	DATE			AGE	REM. LIFE	TABLE	%

REMARKS:

PHOTO

LAND DATA

FRONT	DEPTH	AREA	ZONING	TOPOGRAPHY			
32.5 FT. x 80	FT. = 2600 SF.	C-3	LEVEL		GRADE		%
			SOIL		VIEW		

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$	$ 012	$ 720
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:

INCOME ANALYSIS

GROSS INCOME:		
Vacancy	%	
Effective Gross Income		
Expenses		
Total Expense:		
NET INCOME:		

NET INCOME:

INCOME IMPUTABLE PERSONALTY:

LIFE	DEPR.	YIELD	TAX	RATE
YR	%	%	%	%

$ x %

INCOME IMPUTABLE TO LAND:

YIELD	TAX	RATE
%	%	%

$ x %

RESIDUAL IMPUTABLE TO BLDG:

LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.
YR	%	%	%		

Bldg. Val. $

Rounded to:

Land Value

TOTAL

Sales History:

Summary:

ESTIMATED VALUE: $ 2,500

5538

BL 6529 lot 2D

2922 Miami St

ATLAS MOTORS — GAR. + AUTO SALES.

BLOCK NO. 6529
LOT NO. 2 & 2A

BUILDING CARD
ASSESSORS OFFICE
CITY & COUNTY OF SAN FRANCISCO

1-10-61 CC.

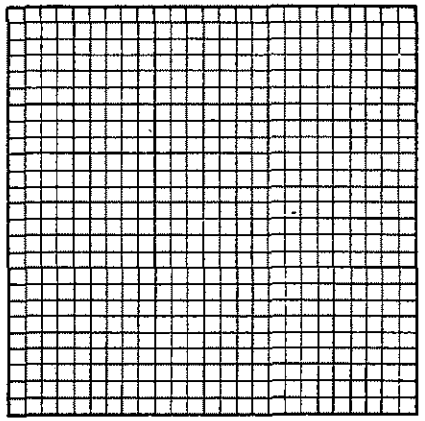
STREET & NO. 2920-22 MISSION ST. DATE 12/15 1933

STORIES	B	1	M	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	TOTAL
ROOMS		3																					3	

GENERAL CONDITION

EXCEL	GOOD		FAIR		POOR
	✓				

USE		FOUNDATION		ROOF		No.	FLOORS	ELEVATORS	
	RESIDENTIAL	✓	CONCRETE	TYPE			HARDWOOD		ELECTRIC
	DWELLING		BRICK		MANSARD		PINE		HYDRAULIC
	FLAT		PILES		GABLE		TILE		FREIGHT
	APARTMENT		MISC.	✓	FLAT		MARBLE		PASSENGER
	NON RESIDENTIAL				DORMER	3	CEMENT		AUTOMATIC
	HOTEL		BASEMENT		PLAIN		COMPOSITION		MISC.
	OFFICE BLDG.	✓ NONE	PART	FULL	MISC.		PLUMBING		
	STORE		CEMENT FLOOR				SPEC. FAIR ✓ CHEAP		FEATURES
	LOFT		UNFINISHED		MATERIAL	4	No. FIXTURES		FIRE ESCAPES
✓	GARAGE		FINISHED	✓	TAR & GRAVEL		HOT WATER		VENTILAT. SYSTEM
	WAREHOUSE		NO. CAR GARAGE		SLATE		BATHROOMS		VAC. CL. SYSTEM
	INDUSTRIAL		MISC.		ASBESTOS		No. RDOMS		SPRINKLER SYS.
	THEATRE				SHINGLE		TUB BLT. IN		INCINERATOR
	CLUB		EXTERIOR		TILE		TILE SHOWER		REFRIGERATORS.
	BANK		WALLS		METAL		TILE WALLS		WALL BEDS
	CHURCH		BRICK PRESS COMMON		MISC.	2	SEP. TOILET		BOOKCASES
	SCHOOL	✓	CONCRETE				MISC.		PORCHES
	SERVICE STA.		RUSTIC		INTERIOR TRIM				BARS
	MISC.		SHINGLE		BEST ✓ FAIR CHEAP		HEATING		SOCIAL HALL
✓	AUTO SALES	✓	STUCCO	✓	PINE		FURNACE		No. CLOSETS
	CONSTRUCTION		STONE		HARDWOOD		GAS OIL COAL		LAUNDRY ROOM
	A B C		CORRUG. IRON	✓	PLASTER		STEAM		ATTIC
	WOOD FRAME		MISC.		PLASTER BOARD		No. FIREPLACES		SUB BASEMENT
	STEEL				CANVAS		CIRC. HEATER		SPECIAL
	MILL		TRIM		PANELED		MISC.		—
	BRICK	✓	PLAIN		BEAMED CEILING	No.	OUT BUILDINGS		CONVERTED FROM SUPER! MARKET TO RETAIL GAR. 1957 — TO AUTO SALES GARAGE + OFC.
✓	REIN. CONC.		SPECIAL		UNFINISHED		GARAGE		
	MISC.		MISC.		MISC.		SHED		
							OTHER		



BUILDING VALUATION

YEAR	AMOUNT	CHANGED BY
1925	5000	M.M.
'33	4500	R.K.
61	5600	ALT

1	65	X 78	X	= 5070	GU. FT. SQ. FT. @ $ 3.00	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
TOTAL				5070		$

ALTERATIONS

YEAR	AMOUNT	DESCRIPTION
1953	500	REPAIR FRONT TR. WALL
1954	450	TERMITE, WINDOWS
1957	500	REMOVE ALL FIXT + SOME PART. WALLS. BLOCK IN. NEW CARPETS, WALLS
1960	4000	PARTITION ACROSS CENTER, PLASTER WALLS & CEILING, NEW CHANNEL GLASS FRONT

YEAR BUILT 1924

COMPILED BY T C

APPROVED BY

16000

10-23-24	Coml Centre Realty Co.	#132404	1 Sty Rl St.	$8,000
6-3-53	H. Sitzer	#156052	1 Gar.	$500
7-6-54	B.P.	D. Fire Wl	#166462	All St. $450
8-1-56	H. Sugarman	#187926	All St.	$7000
12-12-56	"	#192846	" "	$1200
6-4-57	Volvo Motors	#198255	" Com'l	$480
5-26-60	Atlas "	#233126	All Show Rm	$4000

Lot #2A
77 (L) 29900
(I) 14100
44,000

Lot #2

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
1975	29600	13900	43,500	RV
77	29600	13900	43,500	RV

Lot 2
M. V. 36300
L. 23700 Imps 12600

Lot 2A
M. V. 36700
L. 23900 Imps 12800

TAB No. 5538 CARD 2 OF 2

CITY & COUNTY OF SAN FRANCISCO

REAL PROPERTY RECORD

ASSESSORS OFFICE VALUATION DIVISION

see #5537

ON 2 LOTS.

VOL. 39 BLOCK 6529 LOT 2A

ADDRESS 2920-22 MISSION ST.

CODE CLASS G - COMM. GARAGE

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25					1	TOTAL
ROOMS		4																													4	

RESIDENTIAL			CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM		
Dwelling D R		B R	1A	1B	2	3	4	5	Rustic		Plaster	X	Electric	Gas X	Oil
Flats						X			Panels		Sheetrock		Forced Air		X
Apartment			FOUNDATION						Stucco	X	Wallboard		Steam		
Hotel			Concrete					X	Metal		Paneling	X	Radiant		
Motel			Brick						Shingles		Unfinished		Baseboard		
Rooming House			Slab						Brick				Vent & Air Cond.		
			Conc. Block						Concrete	X	BATH ROOM		Gravity		
NON-RESIDENTIAL			Piers						Tilt-Up		Number of Rooms				
Public Building			Misc.						Conc. Block		Tubs	Built-in	MECHANICAL		
School									Veneer		Shower		Sprinkler System		
Office			BASEMENT NONE						ROOF		Tile		ELEVATOR		
Commercial		X	Unfinished	1/4	1/2	3/4	F		Comp		Flat	X	Separate Toilet	2		Passenger Capacity	
Industrial			Finished	1/4	1/2	3/4	F		Metal		Hip					Freight Capacity	
			Number Car Spaces						T&G	X	Gable		KITCHEN NONE			Automatic Elevator	
									Concr.				Tile	Sink			
CLASSIFICATION									FLOORS		BUILT - INS NONE				
Service Station			Medical						Softwood		Dwsh.	Disp.	MISCELLANEOUS		
Loft			Theatre						Hardwood		Oven	Range	Fire Escape		
Warehouse			Club						Terrazzo				Vault		
Condominium			Bank						Marble		PLUMBING		Skylights		
Greenhouse			Store						Concrete		W. C.				
Co-Operative			Garage					X	Earth		Urn				
Shed			Church						Tile						
									Metal						

LAND ATTRIBUTES

Square feet LOT 2A	2600
Acres	
Zoning	C2
Square feet usable	100%
Corner	Yes ☐ No ☐
Curb, Sdwk	Yes ☐ No ☐
Level	Yes ☐ No ☐
Grade	Yes ☐ No ☐
View	Yes ☐ No ☐
Utilities	Yes ☐ No ☐
Alley	Yes ☐ No ☐

IMPROVEMENT ATTRIBUTES

Year built Est	1924
Effective Year	
Total Rooms	
Bedrooms	
Family Room	Yes ☐ No ☐
Total Finished Area	
Finished Basement Area	
Finished Attic Area	
Full Baths	
Half Baths	
Garage spaces	
[illegible]itchen	Yes ☐ No ☐
[illegible]eating	Yes ☐ No ☐
h	E ☐ G ☐ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

mily use	☐
hily use	☒
ial use	☒
l use	☐
onform.	Yes ☒ No ☐
ity	Yes ☒ No ☐
	Yes ☒ No ☐
Improvements	
	G. ☒ F. ☐ P. ☐

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
73	29400	14600	44,000	RY
77	"	"	44,000	RY

COMPUTATIONS

APPRAISER & DATE 4-10-68 M. MURRAY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	
1ST FLOOR MAIN BLDG	4810 ☐	6.25	30653						
5'X65'X7.5 HIGH	325 ☐	2.50	813						
FIN. OFFICES	(592)	4	2368	$4 over Basic Bldg cost					
MEZZ	(180)	2	360	$2 ✓	✓	✓	✓		
Total	5135		34194						
Normal % Good			80%	($13,600 IMPR. ON BLDG. SINCE 1953)					
R. C. L. N. D.			27200				Denied	4/29/68	

SUITABLE CONCLUSIONS TO LOT 2A

Land Value	23900
Improvement Value	12800
Total Value	36700

CARD 2 OF 2

CONSTRUCTION RECORD

PERMIT NO.	FOR	AMT.	DATE
122404		8.00	10-22-54
			4/3/57
			7-6-54
			8-1-56
			12-12-56
			6-4-57
			5-26-60

EFFEC. YEAR | APPR. YEAR

NORMAL % GOOD: AGE | REM. LIFE | TABLE | %

REMARKS: TAXES 1967-68 1966-67
LOT 2 $798.60 $813.40
LOT 2A 807.40 817.50
Less this year

LAND DATA

FRONT	DEPTH	AREA	ZONING	TOPOGRAPHY			
32.75 FT. x	80'	FT. = 2620 SF.	C2	LEVEL		GRADE	%
				SOIL		VIEW	

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$ 23900-	$ 912-	$ 730-
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

PHOTO

Land as Vacant
C2 5-22-63 W. MISSION 104 S. 24TH 6526-12 3350# 884
C2 7-21-64 NW 25TH 6517-12 1625# 15600 953
C2 4/4/63 W Mission bet 25+26 6529-5 3525# 26025
Sold @ $7.37 on 4/4/63 - VALUE ON SEC. 2 = 830

LEASE
LOT 2 } $550 A MO 5YRS TO 3-31-70
LOT 2A }
LOT 3 350 A MO ✓ ✓ ✓
SIGN SPACE 120 A YEAR
TAX ADJ. 377 1967

TAB NO. 5538
VOL. 39 BLOCK 6529 LOT 2A
REIN. CONC. GARAGE
2920-22 MISSION ST. BET. 25TH + 26TH NO
BLDG. COVERS LOTS 2+2A.
BUILT 1924

ON ROLLS FOR M.V. $36,700 (L $23950 LOT 2A
IMP 12,750) LOT 2A
✓ ✓ ✓ ✓ $36300 (L 22700
IMP 13600) LOT 2
M MURRAY
(R) 8-28-89

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:	LAND	BLDG AGE	BLDG	TOTAL PROPERTY LOTS 2+2A
SUBJ. 2920-22 MISSION	6529	2A	1+MEZZ.	5135		2 LOTS	5220# x $9.12 = $47600		1924 IMPR.	5135# x $5 = $25700	= $73,300

INCOME APPLICABLE TO LOTS 2-2A+3 BL. 6529

INCOME ANALYSIS

GROSS INCOME:		11297
$900 X 12	10800-	
SIGN RENT	120	
TAX ADJ.	377	
Vacancy %		
Effective Gross Income		11297
Expenses		
Total Expense:		136
NET INCOME:		11161

NET INCOME: 11161

INCOME IMPUTABLE PERSONALTY:

LIFE	DEPR.	YIELD	TAX	RATE
YR	%	%	%	%

$ x %

INCOME IMPUTABLE TO LAND:

YIELD	TAX	RATE
6 %	2.2 %	%

(23,900 + 23700) $49600 97200 x 8.2% 7970

RESIDUAL IMPUTABLE TO BLDG: 3191

LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.
33YR	3 %	6 %	2.2%	S-L	11.2

Bldg. Val. $ +
Rounded to: 28500
Land Value 97200
TOTAL LOT 2 + 2A + 3 125700 → 2 36600, 2A 37100, 3 52000

Sales History:

	1966-67	1967-68
TAXES ON LOTS 2-2A+3 BLOCK 6529		
1966-67		
LOT 2	$813.40	798.60
LOT 2A	817.50	807.40
LOT 3	1135.76	1137.40
TOTAL $ 2493-	2766.60	2743.40

COST (DEDUCT) MAIN BLDG 4810# @ 4.00 = $19250
Rear 325# 500
Office area rooftop Bldg 2000
Summary: Mezzanine ✓ ✓ 95
Since 1953 $13630 IMPR (ALLOW 60% OBSOL M+R) 5400
PRESENT BLDG VAL $27,200 $27245

LOT 2		LOT 2A	
LAND	$23,700	LAND	$ 23,900
½ OF BLDG	13600	½ OF BLDG	13600
	$37300		$37500

ESTIMATED VALUE: LOT 2 $36500 LOT 2A $36900

BLOCK NO. 6529
LOT NO. 3
STREET & NO. 2924? MISSION ST.

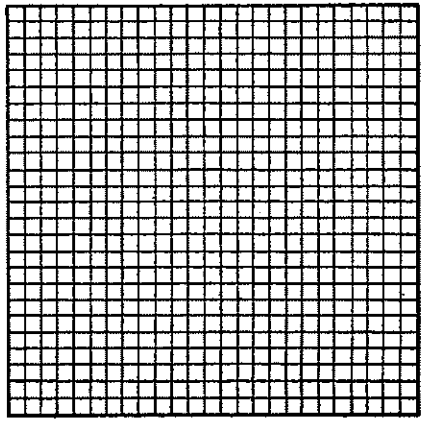
BUILDING CARD
ASSESSORS OFFICE
CITY & COUNTY OF SAN FRANCISCO

DATE 1-13 1959

STORIES	B	①	M	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	TOTAL
ROOMS		1																						1

GENERAL CONDITION: EXCEL | X GOOD | FAIR | POOR

USE	FOUNDATION	ROOF	No.	FLOORS	ELEVATORS
RESIDENTIAL	CONCRETE	TYPE		HARDWOOD	ELECTRIC
DWELLING	BRICK	MANSARD	1	PINE	HYDRAULIC
FLAT	PILES	GABLE		TILE	FREIGHT
APARTMENT	MISC.	FLAT		MARBLE	PASSENGER
NON RESIDENTIAL	X WOOD	DORMER		CEMENT	AUTOMATIC
HOTEL	BASEMENT	PLAIN		COMPOSITION	MISC.
OFFICE BLDG.	X NONE | PART | FULL	MISC.		PLUMBING	
STORE	CEMENT FLOOR	X SLOPING		SPEC. | FAIR | CHEAP	FEATURES
LOFT	UNFINISHED	MATERIAL	No	No. FIXTURES	FIRE ESCAPES
GARAGE	FINISHED	TAR & GRAVEL		HOT WATER	VENTILAT. SYSTEM
WAREHOUSE	NO. CAR GARAGE	SLATE		BATHROOMS	VAC. CL. SYSTEM
INDUSTRIAL	MISC.	X ASBESTOS	No	No. ROOMS	SPRINKLER SYS.
THEATRE		SHINGLE		TUB | BLT. IN	INCINERATOR
CLUB	EXTERIOR	TILE		TILE SHOWER	REFRIGERATORS.
BANK	WALLS	METAL		TILE WALLS	WALL BEDS
CHURCH	BRICK | PRESS | COMMON	MISC.		SEP. TOILET	BOOKCASES
SCHOOL	CONCRETE			MISC.	PORCHES
SERVICE STA.	X RUSTIC	INTERIOR TRIM			BARS
MISC.	SHINGLE	BEST X FAIR | CHEAP		HEATING	SOCIAL HALL
X USED CAR SALES DEC.	STUCCO	X PINE		No FURNACE	No. CLOSETS
CONSTRUCTION	STONE	HARDWOOD		GAS | OIL | COAL	LAUNDRY ROOM
A | B | C	CORRUG. IRON	PLASTER		STEAM	ATTIC
X WOOD FRAME	MISC.	PLASTER BOARD		No. FIREPLACES	SUB BASEMENT
STEEL		CANVAS		CIRC. HEATER	SPECIAL
MILL	TRIM	PANELED		MISC.	
BRICK	X PLAIN	BEAMED CEILING	No.	OUT BUILDINGS	
REIN. CONC.	SPECIAL	UNFINISHED		GARAGE	
MISC.	MISC.	MISC.		SHED	
				OTHER	



BUILDING VALUATION

YEAR	AMOUNT	CHANGED BY
1959	100	MOVED ON
1965	300	111

1	10	X 9	X	= 90	~~SQFT~~ SQ. FT. @ $	9.00	$ 810
Paving	54'9"	X 117'6"	X	= 6433	~~SQFT~~ SQ. FT. @ $	.20	$ 1286
		X	X	=	CU. FT. SQ. FT. @ $	.	$
		X	X	=	CU. FT. SQ. FT. @ $	.	$
		X	X	=	CU. FT. SQ. FT. @ $	.	$
TOTAL							$

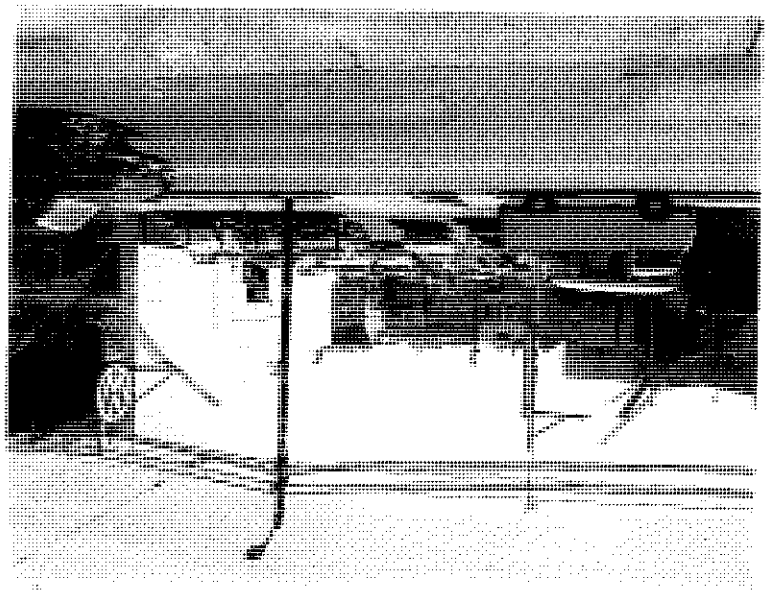
ALTERATIONS

YEAR	AMOUNT	DESCRIPTION

YEAR BUILT 1940? MOVED ON 38

COMPILED BY CARRELL

APPROVED BY



TAB No. 5538

REAL PROPERTY RECORD

CITY & COUNTY OF SAN FRANCISCO

ASSESSORS OFFICE VALUATION DIVISION

VOL 39 BLOCK 6529 LOT 3

ADDRESS 2924 MISSION ST

CODE CLASS X USED CAR LOT

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25							TOTAL
ROOMS		1																														1	

RESIDENTIAL			CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM	
Dwelling D R		B R	1A	1B	2	3	4	5	Rustic		Plaster		Electric	Gas	Oil
Flats									Panels		Sheetrock		Forced Air	
Apartment			FOUNDATION						Stucco		Wallboard		Steam	
Hotel			Concrete						Metal		Paneling		Radiant	
Motel			Brick						Shingles		Unfinished		Baseboard	
Rooming House			Slab						Brick				Vent & Air Cond.	
			Conc. Block						Concrete		BATH ROOM		Gravity	
NON-RESIDENTIAL			Piers						Tilt-Up		Number of Rooms			
Public Building			Misc.						Conc. Block		Tubs	Built-in	MECHANICAL	
School									Veneer		Shower		Sprinkler System	
Office			BASEMENT						ROOF		Tile		ELEVATOR	
Commercial			Unfinished	¼	½	¾	F		Comp	Flat	Separate Toilet		Passenger Capacity	
Industrial			Finished	¼	½	¾	F		Metal	Hip			Freight Capacity	
			Number Car Spaces						T&G	Gable	KITCHEN		Automatic Elevator	
									Concr.		Tile	Sink		
CLASSIFICATION									FLOORS		BUILT - INS			
Service Station			Medical						Softwood		Dwsh.	Disp.	MISCELLANEOUS	
Loft			Theatre						Hardwood		Oven	Range	Fire Escape	
Warehouse			Club						Terrazzo				Vault	
Condominium			Bank						Marble		PLUMBING		Skylights	
Greenhouse			Store						Concrete		W. C.	Lavs	Family Room	
Co-Operative			Garage						Earth		Urn	S. S.		
Shed			Church						Tile					
									Metal					

LAND ATTRIBUTES

Square feet	6378
Acres	
Zoning	C-2
Square feet usable	100%
Corner	Yes ☐ No ☒
Curb, Sdwk	Yes ☒ No ☐
Level	Yes ☒ No ☐
Grade	Yes ☐ No ☒
View	Yes ☐ No ☒
Utilities	Yes ☒ No ☐
Alley	Yes ☐ No ☒

IMPROVEMENT ATTRIBUTES

Year built MOVED IN 1958	1940
Effective Year	
Total Rooms	1
Bedrooms	0
Family Room	Yes ☐ No ☒
Total Finished Area	904
Finished Basement Area	0
Finished Attic Area	0
Full Baths	0
Half Baths	0
Garage spaces	
Built-in-Kitchen	Yes ☐ No ☒
Central Heating	Yes ☐ No ☒
Condition	E ☐ G ☒ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

Single family use	☐
Multi-family use	☐
Commercial use	☒
Industrial use	☐
Zoning conform.	Yes ☒ No ☐
Desirability	Yes ☒ No ☐
Built-up	Yes ☒ No ☐
Date of Improvements	
Trend	G. ☒ F. ☐ P. ☐

CONCLUSIONS

Land Value	49600
Improvement Value	2100
Total Value	51700

COMPUTATIO

APPRAISER & DATE 4-1068 M. MURPHY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
USED CAR OFFICE	904	10	900-				
ASP. PAVING	6264	.035	2192-				
CH. LINK FENCE	211 LF	1.75	369-				
SIGN STANDARD	1	@	180-				
LIGHT FIX.	1	@	50				
Total			3691				
Normal % Good			70%				
R. C. L.N. D.			2600				

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
75	49600	2100	51700	RJ
77	62000	2100	64100	RJ

CONSTRUCTION RECORD

PERMIT NO.	FOR	AMT.	DATE	EFFEC. YEAR	APPR. YEAR	NORMAL % GOOD: AGE	REM. LIFE	TABLE	%

REMARKS: TAXES 1967-68 are $23.20 less than 1966-67 on the 3 parcels Bl. 6529, Lots 2-2A+3

LAND DATA

FRONT	DEPTH	AREA	ZONING	TOPOGRAPHY			
54.15' FT. x	117.5 FT. =	6378 SF.	C-2	LEVEL		GRADE	%
				SOIL		VIEW	

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$ 49600 —	$ 778	$ 906 —
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

PHOTO

Land as vacant X

C-2 5/23/63 W. Mission 104' S. 24th 6516-18 3325 ft $30,000 = $8.54
C-2 7/21/64 NW 25th & Lilac 6517-18 16254 15,570 = 9.53
C-2 4/4/63 W. Mission Cor 25+26 6529-5 35254 26025 } 8.32
Sold @ $737 on 4/2/63 — VALUE ON DEC '64 =

TAB NO 5538
VOL. 39 BLOCK 6529 LOT 3
2924 MISSION ST., BET 25TH + 26TH ST.

IMPROVEMENTS:

6264 ft PAVED AREA @ 20¢ = $1253.00
211 L.F. Chain Link FENCE @ 1.75 = 369 —
904 ft. FRAME OFFICE 7½ CEIL.
2 WALLS MAHOG. PANEL.
2 ALUM. WINDOWS @ $800 } 720 —
SIGN STANDARD 90 —
ELECT. STANDARD 40 —
$2630

+ ROLL LAND 49600
MKT. VAL. $52200

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:
2924 MISSION	6529				30500 10/10/66		

INCOME ANALYSIS

GROSS INCOME: ON LOT 3		4200
Vacancy 0 %	PARKING LOT WITH SMALL IMPR	
Effective Gross Income		
Expenses		
Total Expense:		
NET INCOME:		

NET INCOME: 4200

INCOME IMPUTABLE PERSONALTY:

LIFE	DEPR.	YIELD	TAX	RATE
YR	%	%	%	%

$ x %

INCOME IMPUTABLE TO LAND:

YIELD	TAX	RATE
6 %	2.2%	%

$49600 x 8.2 % = 4067 —

RESIDUAL IMPUTABLE TO BLDG:

LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.
YR	%	%	%		

Bldg. Val. $
Rounded to:
Land Value
TOTAL

Sales History: ON ROLLS FOR $51700 (49600 IMP 2100)

COST APPR
Imp. $2600
Land (ROLL) 49600
$52,200 Sight Val
MKT: VACANT LAND $53,000

Summary:

INCOME — SEE CARD 2-OF 2 6529-21
(R) 8-28-69

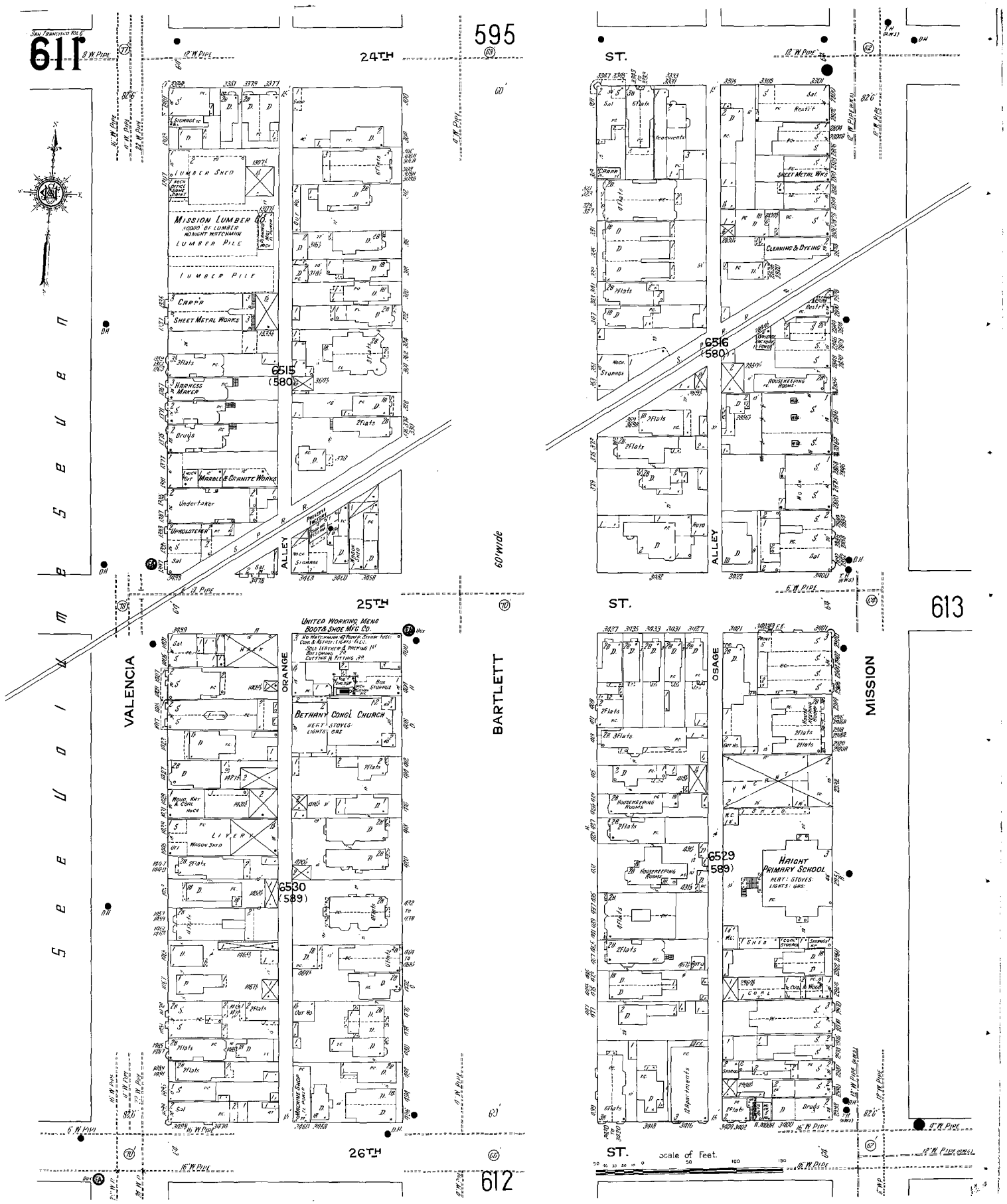
ESTIMATED VALUE: $52,000 —

Appendix C

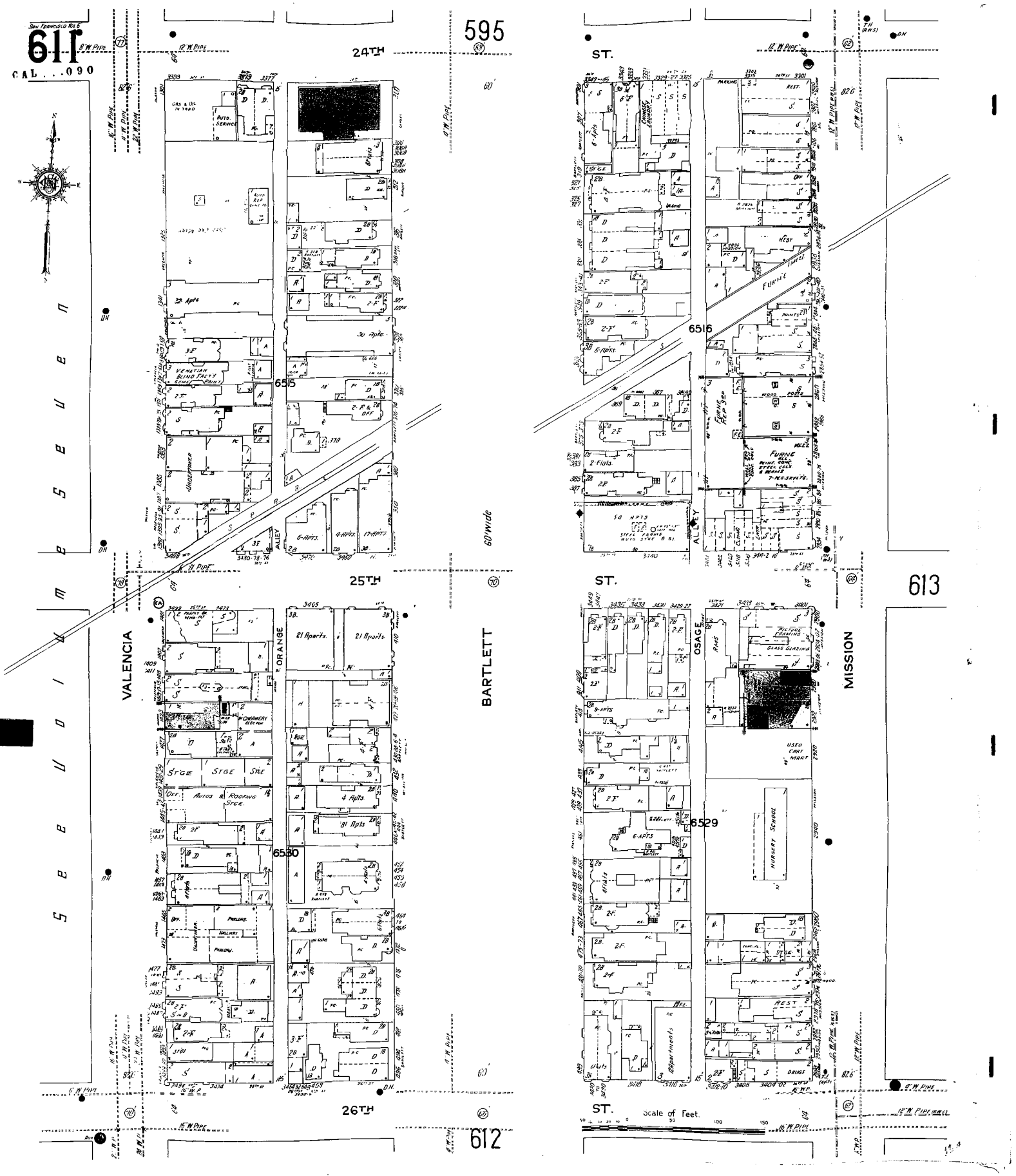
Sanborn Fire Insurance Maps


627
626
1905
24TH
ST.
580
ALLEY
60 ft wide.
636
25TH
ST.
64 ft wide.
501
VALENCIA
ORANGE
BARTLETT
OSAGE
MISSION
589
BETHANY CONGL. CHURCH.
HUGHES PRIMARY SCHOOL
Steele Volume Five.

1914


611
595
24TH
25TH
26TH
612
613
ST.
VALENCIA
ORANGE
BARTLETT
ALLEY
OSAGE
MISSION
60' wide
MISSION LUMBER
LUMBER PILE
CARPS
SHEET METAL WORKS
HARNESS MAKER
Drugs
MARBLE & GRANITE WORKS
Undertaker
UPHOLSTERER
UNITED WORKING MENS BOOT & SHOE MFG CO.
BETHANY CONGL CHURCH
HEATT STOVES: LIGHTS GAS
HAIGHT PRIMARY SCHOOL
HEAT: STOVES: LIGHTS: GAS:
CLEANING & DYEING
6515 (580)
6516 (580)
6529 (589)
6530 (589)
Scale of Feet.

1950


611
595
613
612
24TH
25TH
26TH
ST.
VALENCIA
ORANGE
BARTLETT
OSAGE
MISSION
ALLEY
6515
6516
6529
6530
60' wide
Scale of Feet.

1990s

595

613

612

24TH ST.

25TH ST.

26TH ST.

VALENCIA

BARTLETT

ORANGE

OSAGE

MISSION

SEVENTEENTH

6515

6516

6529

6530

PARK'G. P. BST PLAZA ON RF.

BETHEL TEMPLE (C O N C.)

CLASS RMS. (C. B.)

PARK'G - C.

PARK'G

MISSION BRANCH PUBLIC LIBRARY

STORE RM. 6-APTS.

30 Apts.

4-APTS.

3-R.

6-APTS.

4-APTS.

17-APTS.

B.A.R.T. ENTR.

(CONC. STAIRS DOWN)

21ST & MISSION PLAZA

PARK'G

4-C 13-R.

6-R.

4-R.

2-F.

2-Flats.

54 APTS.

STEEL FRAME AUTO. STGE. B. B.I.

HOTEL REST.

ALLEY

60' wide

21 Apts.

4 Apts.

18-APTS.

8-APTS.

10-APTS.

C. (CONC.)

ONE-C.

NURSERY SCHOOL

REST.

PAINTERS STGE.

Scale of Feet.

Attachment E

San Francisco Planning Department
Historic Resource Evaluation Response
2918-2922 Mission Street

May 31, 2018

SAN FRANCISCO
PLANNING DEPARTMENT

Historic Resource Evaluation Response

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date	May 30, 2018
Case No.:	2014.0376APL
Project Address:	**2918-2922 Mission Street**
Zoning:	Mission Street Neighborhood Commercial Transit (NCT) District 65-B/55-X and 65-B/55-X Height and Bulk District
Block/Lot:	6529/002 and 002A
Staff Contact:	Julie Moore (Environmental Planner) (415) 575-8733 julie.moore@sfgov.org Michelle Taylor (Preservation Planner) (415) 575-9197 michelle.taylor@sfgov.org

PART I: HISTORIC RESOURCE EVALUATION

Buildings and Property Description

2918-2922 Mission Street is located on the west side of Mission Street between 25th and 26th Streets in the Mission neighborhood. The property is located within the Mission Street Neighborhood Commercial Transit (NCT) District) Zoning District and a 65-B/55-X and 65-B/55-X Height and Bulk District.

2918-2922 Mission Street is a one story with mezzanine commercial building in a simplified Gothic Revival style constructed c.1924 by an unknown builder and architect. The subject building occupies two lots (6529/002 & 002A) and a parking lot associated with the building occupies a third lot (6529/003) to the south of the building. The building's primary (east) elevation is clad in smooth stucco and features a parapet with decorative gothic style frieze. The front elevation is dominated by aluminum frame full-height storefront windows, some with horizontal dividing muntins, above a concrete bulkhead. A cloth awning installed above the storefront windows runs the full length of the primary elevation. A recessed entry at the center of the building includes a storefront door to the extant laundromat and a storefront door to a vacant commercial retail space. The south elevation, adjacent to the parking lot, is visible from Mission Street and features a painted board-form concrete wall with a painted wall sign for the laundromat and a single personnel door.

The interior of the 2918-2922 Mission Street building is comprised of two large, open commercial spaces with a vacant retail space on the south half of the building and a laundromat on the north half. A set of stairs in the north half of the building provides access to a mezzanine level located at the rear of the building. Full-height partitions along the south and west perimeter walls of the laundromat provide narrow maintenance halls behind long banks of washing and drying machines. In the center of the space is an additional double bank of machines that runs nearly the full length of the room. Both ground floor commercial spaces are largely free from ornamentation or defining features. The finishes in the spaces include contemporary tile flooring (laundromat), vinyl flooring (vacant retail space), painted gypsum board and painted steel columns and beams.

Pre-Existing Historic Rating / Survey

The subject property, 2918-2922 Mission Street, was previously evaluated in the South Mission Historic Resource Survey adopted by the Historic Preservation Commission on November 17, 2011, and given a National Register Status Code of 6Z (Found ineligible for NR, CR or Local designation through survey evaluation). The building is considered a "Category C" property (No Historic Resource Present/Not Age Eligible) for the purposes of the Planning Department's California Environmental Quality Act (CEQA) review procedures. The Department determined that re-evaluation of the property was warranted given new information about community-based organizations that occupied the subject building in the 1970's and 1980's.

Neighborhood Context and Description

2918-2922 Mission Street is located in the Mission District neighborhood, an area with borders generally considered to be Division Street to the north, Cesar Chavez to the south, Guerrero to the west and Potrero Avenue to the east. The neighborhood is mixed residential/commercial/industrial with major commercial corridors located along Mission and 24th Streets.

The destruction of the 1906 earthquake and fire destroyed many of the homes and businesses in the Mission District, particularly the inner Mission; however, in less than a decade much of the district was rebuilt and the neighborhood's commercial and residential enclaves thrived. In the years following, the Mission District maintained its reputation as an affordable neighborhood, attracting a growing population of middle and working class families.

Following World War II, changes to national and local approaches to urban planning resulted in what many saw as destructive development policies such as "urban renewal". In the Mission District, these policy changes coincided with a growing Spanish-speaking population in the Mission District that included residents of Mexican descent along with recent immigrants from Central America.[1] By the 1960's, threats of urban renewal in the Mission District pushed residents of all classes, races and political leanings to organize as a unified voice to halt such development. This foray into local activism ultimately led to the establishment of several community-based organizations in the 1960's and 1970's, many of which served and represented the neighborhood's thriving Latino population.

Today, the Mission District neighborhood contains a range of residential and commercial building types, including single-family residences, multi-family residential structures, mixed-use buildings with retail on the ground floor with residential flats above, small scale commercial buildings and institutional buildings. The buildings are designed in a variety of styles, including Victorian, Edwardian, Modernistic, Period Revival and contemporary styles which reflect the various stages of development within the neighborhood.

The subject propert is located at the south end of the Mission District on Mission Street, a strong commercial corridor that serves the surrounding mixed residential and commercial neighborhood. The neighboring building stock include a mix of generally low-scale commercial, institutional and residential buildings. A contemporary bank building constructed in 1988 sits directly adjacent to the building to the north. To the south is a parking lot associated with the subject building and then a single story housing a childcare center (built c.1949) operated by the San Francisco Unified School District. Directly across the

[1] Ibid, 3-4.

street from 2918-2922 Mission Street is a two-story, stucco clad building that houses the Instituto Familiar de la Raza, Inc. (built 1907) and a single story grocery store (built 1924).

It should be noted that the immediate blocks surrounding the subject property were surveyed in the South Mission Historic Resource Survey (adopted 2011). The subject building is not located adjacent to any known historic resources (Category A properties) and the South Mission Historic Resource Survey did not identify any potential historic district or important context on this portion of Mission Street.

CEQA Historical Resource(s) Evaluation

Step A: Significance

Under CEQA section 21084.1, a property qualifies as a historic resource if it is "listed in, or determined to be eligible for listing in, the California Register of Historical Resources." The fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources or not included in a local register of historical resources, shall not preclude a lead agency from determining whether the resource may qualify as a historical resource under CEQA.

Individual		Historic District/Context	
Property is individually eligible for inclusion in a California Register under one or more of the following Criteria:		Property is eligible for inclusion in a California Register Historic District/Context under one or more of the following Criteria:	
Criterion 1 - Event:	☒ Yes ☐ No	Criterion 1 - Event:	☐ Yes ☒ No
Criterion 2 - Persons:	☐ Yes ☒ No	Criterion 2 - Persons:	☐ Yes ☒ No
Criterion 3 - Architecture:	☐ Yes ☒ No	Criterion 3 - Architecture:	☐ Yes ☒ No
Criterion 4 - Info. Potential:	☐ Yes ☒ No	Criterion 4 - Info. Potential:	☐ Yes ☒ No
Period of Significance: 1973-1985		Period of Significance: ☐ Contributor ☐ Non-Contributor	

To assist in the evaluation of the properties associated with the proposed project, the Department requested that a qualified historic resource consultant prepare an historic resource evaluation report according to an approved scope of work

- ICF, *2918-2922 Mission Street, San Francisco, CA, Historic Resource Evaluation – Part 1* (May 2018) (ICF Part 1 report)

Below is a brief description of the historical significance per the criteria for inclusion on the California Registers for 2918-2922 Mission Street. This summary is based upon the ICF Part 1 report. Staff generally concurs with the findings of this report and refers the reader to it for a more thorough evaluation of significance.

The subject building located at 2918-2922 Mission Street has been identified as being individually eligible for listing in the California Register of Historical Resources under Criterion 1 (Events); however, the building lacks integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. These findings are discussed below.

Furthermore, staff finds that the subject building is not located adjacent to any known historic resources (Category A properties) and does not appear to be located in or eligible to contribute to a potential historic district.

Criterion 1: Property is associated with events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States.
Staff concurs with the ICF finding that the subject property appears eligible for listing on the California Register under Criterion 1. To be eligible under the event Criterion, the building cannot merely be associated with historic events or trends but must have a specific association to be considered significant. 2918-2922 Mission Street is a locally significant property as defined in the California Office of Historic Preservation's *Latinos in Twentieth Century California: National Register of Historic Places Context Statement,* under the "Headquarters and Offices of Prominent Organizations" "associated with struggles for inclusion".[2] As a shared workspace of several organizations, the subject property is representative of community-based activism and service in the Mission District. The period of significance for the subject building encompasses the years that the subject organizations occupied the building, 1973-1985.

From 1973 to 1985, several community-based organizations (Mission Hiring Hall Inc., Mission Housing Development Corporation, Mission Models Neighborhood Corporation, Mission Childcare Consortium Inc., and Mission Community Legal Defense Fund) occupied the subject building and provided services, such as legal guidance, childcare, job placement, and housing/tenant assistance, to Mission District residents. Born out of the Mission Coalition Organization, a locally organized and federally funded Model Cities program with a history of neighborhood-based activism, the subject organizations represented and served the Mission District's Latino population, providing services in Spanish and English, while also assisting residents overcome racial barriers and discrimination. The subject property was also the former site of *Latinoamerica*, a celebrated mural by local Latina artists group, Mujeres Muralistas. The mural represented the vibrant Mission community and further underscored the tie of the organizations housed at 2918-2922 Mission Street to the community.

See ICF report for additional historic context.

Criterion 2: Property is associated with the lives of persons important in our local, regional or national past.
Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 2. Although the work of the organizations based at 2918-2922 Mission Street is significant under Criterion 1, it is the work of many individuals collectively that is recognized, rather than any individual person(s) associated with one or all of the organizations. It does not appear that any one person's actions would rise to the level of importance that the subject property would be significant by association. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 2.

See ICF report for additional historic context.

Criterion 3: Property embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of a master, or possesses high artistic values.
Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 3. Additionally, the subject building was previously surveyed in

[2] California Office of Historic Preservation. *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*. Sacramento: California State Parks, 2015, page 139.

the South Mission Historic Resource Survey (adopted 2011) and was not determined to be a eligible under Criterion 3 at that time.

Architecturally, 2918-2922 Mission Street features a simple design that has undergone several interior and exterior alterations since construction. The building does not present distinctive characteristics of a particular style, period, or method of construction. The subject building is not associated with a particular builder or architect. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 3.

See ICF report for additional historic context.

Criterion 4: Property yields, or may be likely to yield, information important in prehistory or history.[3]
Based upon a review of information in the Departments records, the subject property is not significant under Criterion 4 since this significance criterion typically applies to rare construction types when involving the built environment. The subject property is not an example of a rare construction type.

Step B: Integrity
To be a resource for the purposes of CEQA, a property must not only be shown to be significant under the California Register of Historical Resources criteria, but it also must have integrity. Integrity is defined as "the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's period of significance." Historic integrity enables a property to illustrate significant aspects of its past. All seven qualities do not need to be present as long the overall sense of past time and place is evident.

The subject property has retained or lacks integrity from the period of significance noted in Step A:

Location:	☒ Retains	☐ Lacks	**Setting:**	☒ Retains	☐ Lacks
Association:	☐ Retains	☒ Lacks	**Feeling:**	☐ Retains	☒ Lacks
Design:	☐ Retains	☒ Lacks	**Materials:**	☐ Retains	☒ Lacks
Workmanship:	☐ Retains	☒ Lacks			

The Department concurs with ICF's analysis that the building no longer retains sufficient integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. The location and setting of the subject property have retained integrity; however, significant interior and exterior alterations to the subject property that occurred after the Period of Significance (1973-1985) have resulted in a lack of Association, Feeling, Design, Workmanship and Materials.

In 1973, the community organizations that occupied the subject building added new finishes and constructed several new interior partitions for office space. In 1991, most of these partitions and finishes were removed to create large, open interior spaces for a laundromat and retail use. Additional changes for the new uses included new mechanical systems and infrastructure to support banks of laundry machines, construction of new partitions for maintenance halls, and all new finishes. Exterior changes to the building after 1985 included the addition of mullions to the doors and windows, the installation of a cloth awning along the length of the front façade, and painting over of the *Latinoamerica* mural on the south elevation.

[3] Assessment of archeological sensitivity is undertaken through the Department's Preliminary Archeological Review process.

The removal of the finishes and interior division of space that occurred after 1985 has resulted in a loss of the original meeting spaces and offices of the community-based organizations that occupied the building from 1973 to 1985. These alterations, along with changes to the exterior, have resulted in a lack of integrity in workmanship, materials, and design, and have rendered the property unable to convey integrity of association and feeling as an administrative hub for several community-based organizations.

See ICF report for additional context.

Step C: Character Defining Features

If the subject property has been determined to have significance and retains integrity, please list the character-defining features of the building(s) and/or property. A property must retain the essential physical features that enable it to convey its historic identity in order to avoid significant adverse impacts to the resource. These essential features are those that define both why a property is significant and when it was significant, and without which a property can no longer be identified as being associated with its significance.

Because 2918-2922 Mission Street, although significant under Criterion 1, was determined to lack integrity of association, feeling, design, workmanship and materials necessary to identify it as eligible for the California Register of Historical Resources, this analysis was not conducted.

CEQA Historic Resource Determination

☐ Historical Resource Present
- ☐ Individually-eligible Resource
- ☐ Contributor to an eligible Historic District
- ☐ Non-contributor to an eligible Historic District

☒ No Historical Resource Present

PART I: PRINCIPAL PRESERVATION PLANNER REVIEW

Signature: _____ Date: 5/31/18

M. Pilar LaValley, *Acting ~~Principal~~ Preservation Planner*

---

cc: Virnaliza Byrd, Environmental Division/ Historic Resource Impact Review File
Environmental Planner, Julie Moore

Attachment F

Fehr & Peers
Transportation Analysis Memorandum
June 5, 2018

FEHR PEERS

MEMORANDUM

Date: June 5, 2018
To: Manoj Madhavan, San Francisco Planning Department
From: Jesse Cohn & Eric Womeldorff, Fehr & Peers
Subject: 2918 Mission Transportation Analysis

SF18-0978

Introduction

On November 30, 2017, the San Francisco Planning Commission approved the Community Plan Evaluation for the proposed development at 2918 Mission Street (Proposed Project). An appeal was filed by Calle 24 Latino Cultural District Council on January 1, 2018, based on concerns that the Eastern Neighborhoods Area Plan and subsequent 2008 EIR analysis are outdated, and that their determination of limited impacts to transit, traffic, and circulation is no longer accurate.

This memo summarizes new data collection in the Mission District, including vehicle volumes at key intersections in the neighborhood, and transit reliability as a result of new development. These observations reveal the following key findings:

- Intersection volumes at key locations in the Mission District do not exceed forecasts from the Eastern Neighborhoods Area Plan EIR, and in some cases are lower than the 2000 baseline.
- Transit speeds have improved along Mission Street in the past 10 years.

Project Description

The Proposed Project Site, 2918 Mission Street, is located on the west side of Mission Street between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building (a laundromat) and an associated surface parking lot. In total, the site is approximately 11,653 square feet. With the exception of two spaces that are rented to the adjacent bank, all spaces in the surface parking lot are for customers of the laundromat (and there is a sign posting this parking restriction). Laundromat staff watch for people using the parking lot and not visiting the laundromat, and warn them if observed.

The Proposed Project would include the demolition of the existing building and new construction of an eight-story, 67,314 square foot mixed-use building with 75 dwelling units and 6,724 square feet of ground floor retail. The Proposed Project would not include any off-street vehicle parking, but would include 76 Class I bicycle parking spaces and 14 Class 2 bicycle parking spaces. The dwelling unit mix includes 18 studios, 27 one-bedroom units, and 30 two-bedroom units. The Proposed Project would include 9,046 square feet of usable open space.

Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid (both 14 Muni lines run in their own exclusive travel lane), 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile.

Intersection Volumes

The Eastern Neighborhoods EIR analyzed several intersections within the Mission District. Fehr & Peers worked with the Planning Department to select three of these intersections and conduct one-day PM peak hour turning movement counts in April 2018: Potrero Street/23rd Street, Mission Street/24th Street, and South Van Ness Avenue/26th Street. These counts were then compared to the Eastern Neighborhoods EIR expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 to 2018. In addition, traffic counts were compared to observed traffic volumes collected in 2015 included in the 1515 South Van Ness Avenue Transportation Impact Study (TIS).

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2018 relative to the 2025 projections), and around 10 percent complete[1] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission.

Table 1 shows a summary of observed and estimated traffic volumes from the Eastern Neighborhoods EIR for the intersections analyzed. On average, observed traffic volumes in 2018 were around 25 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[2]. At two of the three intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The observed traffic counts include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

Table 1. Comparison of Observed and Estimated Volumes (Eastern Neighborhoods EIR)

Intersection	2000 Baseline Volume	2025 Option C Projected Volume	2018 Projected Volume[1]	2018 Observed Volume	Difference (2018 Observed – 2018 Projected)	% Diff.
Potrero / 23rd	2,663	2,837	2,680	2,546	-134	-5%
Mission / 24th	1,615	1,935	1,647	1,142	-505	-44%

1. 2018 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

Source: Fehr & Peers, 2018; Eastern Neighborhoods TIS, 2008

Table 2 shows a summary of observed traffic volumes from the 1515 South Van Ness TIS compared with these 2018 traffic counts for the intersections analyzed. On average, observed traffic volumes in 2018 were around 8 percent lower than the observed volumes in the 1515 South Van Ness TIS. At Mission Street/24th Street, total traffic volume decreased from the 2015 observed volumes. At 26th Street and South Van Ness, there was an increase in traffic volume traveling northbound and

[1] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

[2] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations with the installation of bus-only lanes in 2015.

Table 2. Comparison of Observed Volumes (1515 South Van Ness TIS)

Intersection	2015 Observed Volume	2018 Observed Volume	Net Difference (2018 Observed – 2015 Observed)	% Difference
Mission / 24th	1,476	1,142	-334	-29%
S. Van Ness / 26th	1,534	1,759	225	13%

Source: Fehr & Peers, 2018; 1515 South Van Ness TIS, 2017

Transit Effects

Three bus routes run along Mission Street past the Proposed Project Site: 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Increased development and density throughout the Mission District has resulted in an increase in demand for transit in the neighborhood, and the 2918 Mission Street appeal cites concerns about transit reliability. In addition, the increased prevalence of on-demand transportation, such as Uber and Lyft, has resulted in an increase in passenger loading. When curb space is unavailable, loading and unloading vehicles may stand in the transit-only lane or travel lane, potentially delaying transit vehicles.

Table 3 shows transit speeds between 2007 and 2017, along Mission Street between 14th Street and Cesar Chavez. Transit travel speeds have generally increased. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the AM peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the PM peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the AM peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the PM peak period. It should be noted that transit-only lanes were implemented on Mission Street during this time (in 2015), which has contributed to the increase in speed noted between 2015 and 2017.

Table 3. Transit Travel Speeds Along Mission Street (14th Street to Cesar Chavez)

Time Period	AM Peak Period		PM Peak Period	
Direction	**Southbound**	**Northbound**	**Southbound**	**Northbound**
2007	7.8	N/A	5.4	7.1
2009	8.4	N/A	6.6	7.1
2011	8.8	8.5	6.9	7
2013	8.6	8.3	6.6	6.8
2015	8.9	8.3	6.7	6.8
2017	9.3	8.1	7.3	7.9
% Change (2007-2017)	19%	-5%	35%	11%

Source: SFCTA Congestion Management Program, 2018

Attachment G

RWDI

Shadow Analysis

2918 Mission Street

February 2, 2018

600 Southgate Drive
Guelph ON Canada
N1G 4P6

Tel: +1.519.823.1311
Fax: +1.519.823.1316
E-mail: solutions@rwdi.com

MEMORANDUM

DATE:	2018-02-07	**RWDI Reference No.:** 1604031
TO:	Robert Tillman	**EMAIL:** rrti@pacbell.net
FROM:	Ryan Danks	**EMAIL:** ryan.danks@rwdi.com
RE:	**Shadow Analysis** **2918 Mission Street** **San Francisco, CA**	

Dear Mr. Tillman,

As requested, we have conducted an analysis to understand the potential for shadowing from the proposed 2918 Mission Street development on two nearby schoolyards. The methodology we followed is the same as what is required for shadow studies on public spaces in San Francisco.

With respect to the Zaida T. Rodriguez Child Development Center (2950 Mission Street) we make the following observations:

- The proposed building is predicted to cast a small amount of new shadow onto the northern-most area of the playground during the morning and evening from April through August.
- No new shadows from the proposed building are predicted to fall anywhere on the playground between 8:59 am and 4:44 pm at any point in the year.
- The predicted morning shadows range in duration from 1 to 92 minutes and the evening shadows last between 1 and 102 minutes.
- If we ignore impacts outside of the school year (June 5 – Aug 19, per the SFUSD 2018/2019 calendar), the longest new morning shadow lasts 85 minutes and the longest new evening shadow lasts 99 minutes

With respect to the Zaida T. Rodriguez Early Education School (421 Bartlett Street) we make the following observations:

- The proposed building is predicted to cast new shadows onto this space throughout the morning all year.
- No new shadows from the proposed building are predicted to occur after 11:51 am on any day of the year.
- The new shadows range in duration from 143 minutes to 270 minutes and if impacts outside the school year are ignored, the maximum duration reduces to 266 minutes.

Separate to this email we have included point-in-time shadow plots illustrating the location of the new shadow cast by the proposed building over the course of the summer and winter solstices and the vernal and autumnal equinoxes to provide additional context.

We would be happy to discuss our analysis and its findings further if desired.

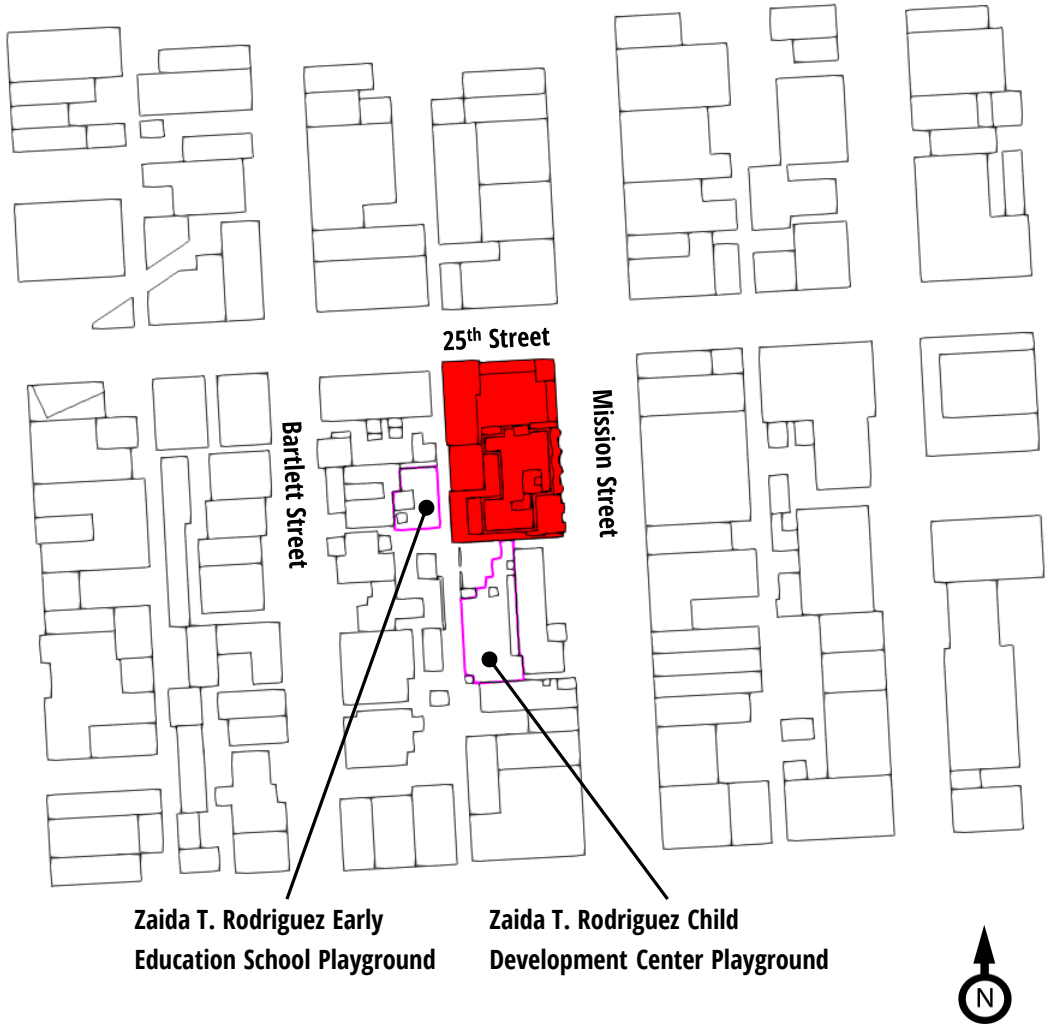
Yours truly,

RWDI

Ryan Danks, B.A.Sc., P.Eng.
Senior Engineer

Frank Kriksic, BES, CET, LEED AP, C.Dir
Senior Project Manager / Principal

STUDY AREAS



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February 7, 2018

MARCH 21

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February 7, 2018

MARCH 21

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February 7, 2018

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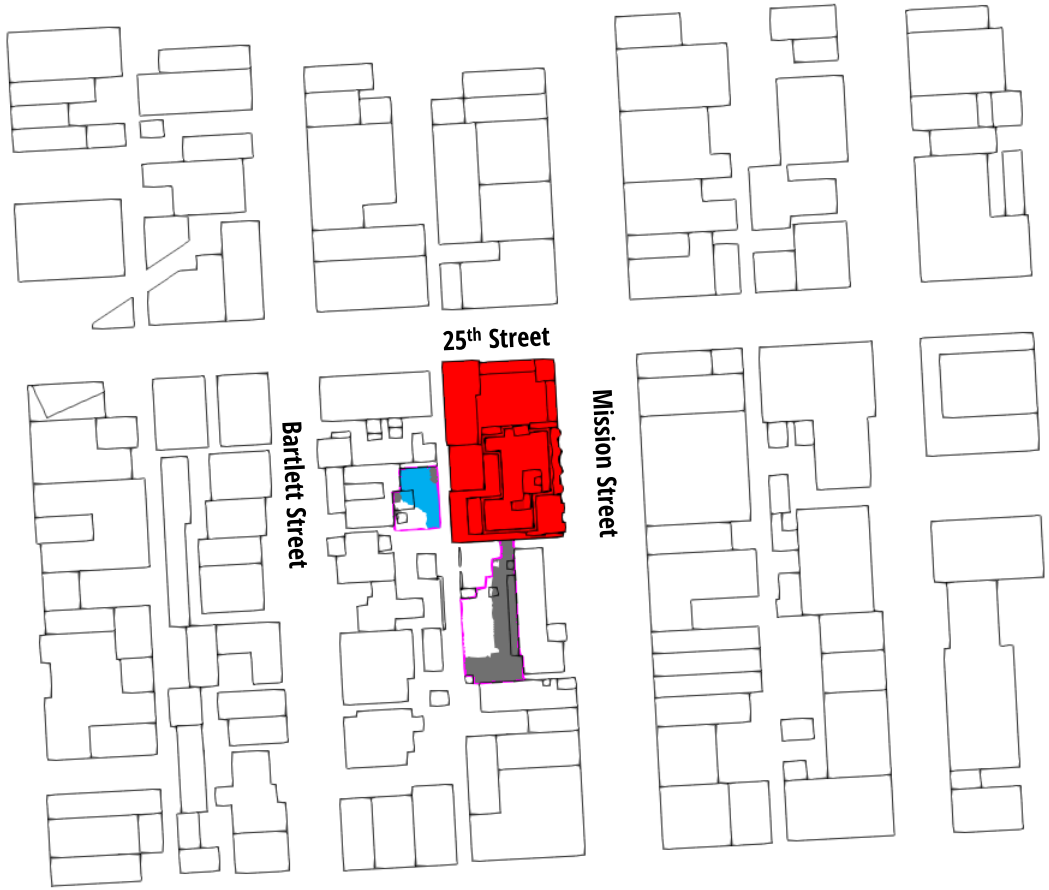

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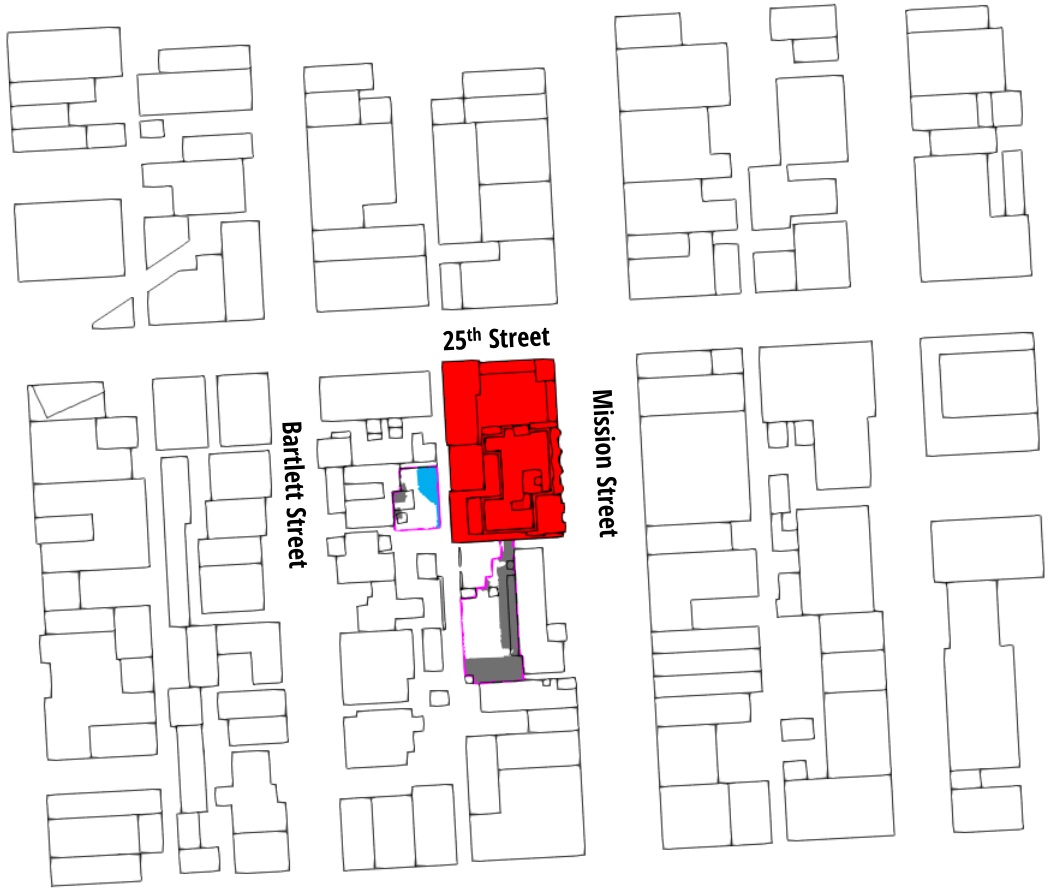

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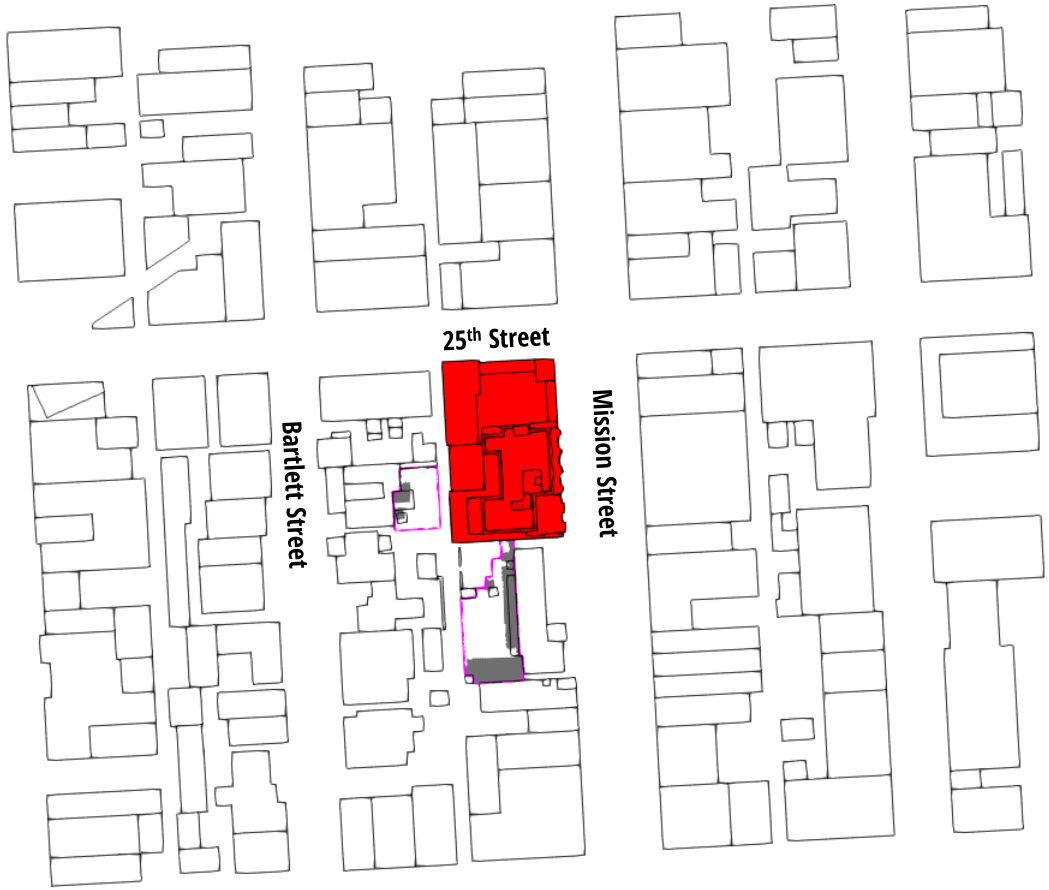

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February 7, 2018

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February 7, 2018

MARCH 21

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RWDI Project # 1604031
February 7, 2018

JUNE 21

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RWDI Project # 1604031
February 7, 2018

JUNE 21

7:00 am PDT

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February 7, 2018

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February 7, 2018

JUNE 21

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February 7, 2018

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February 7, 2018

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February 7, 2018

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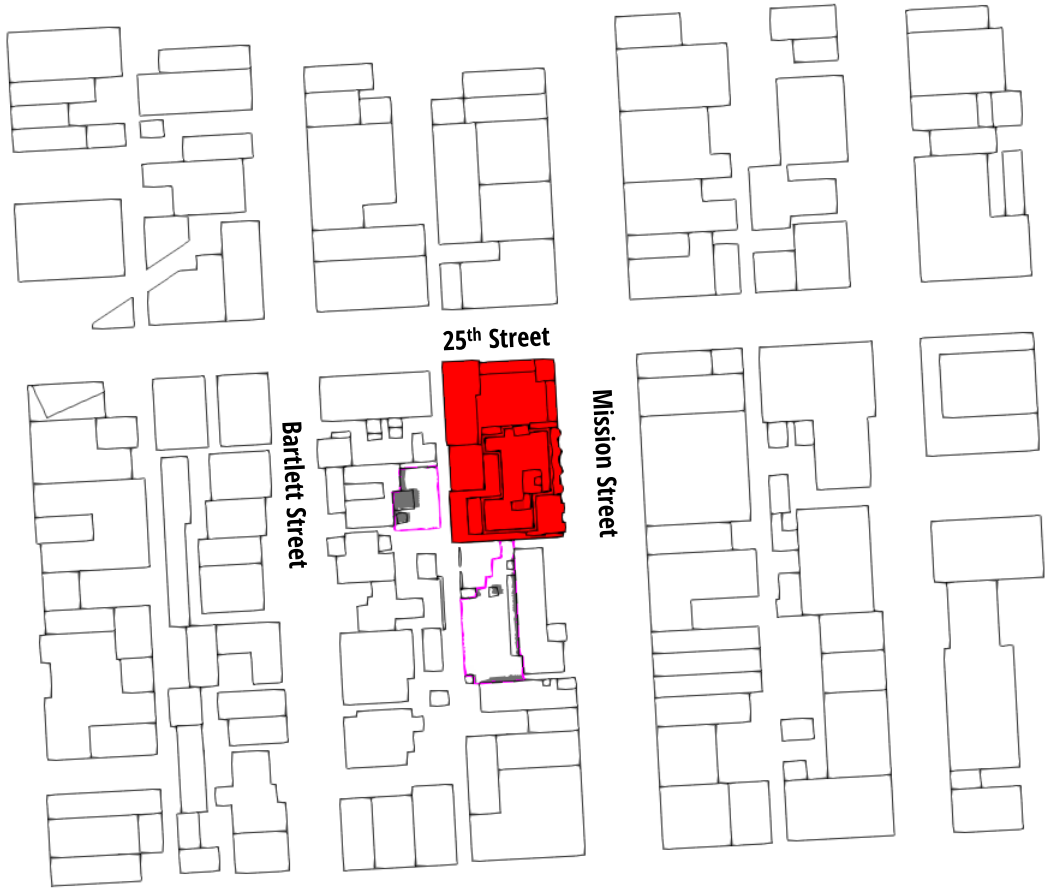

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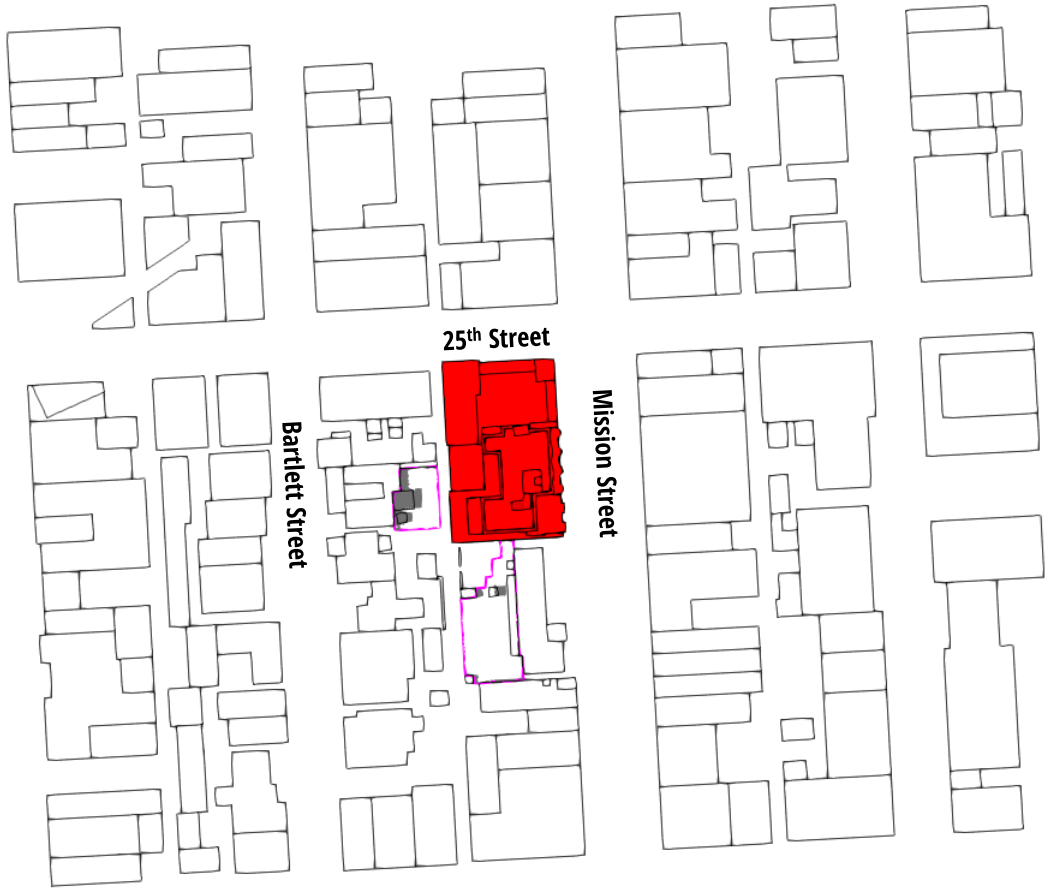

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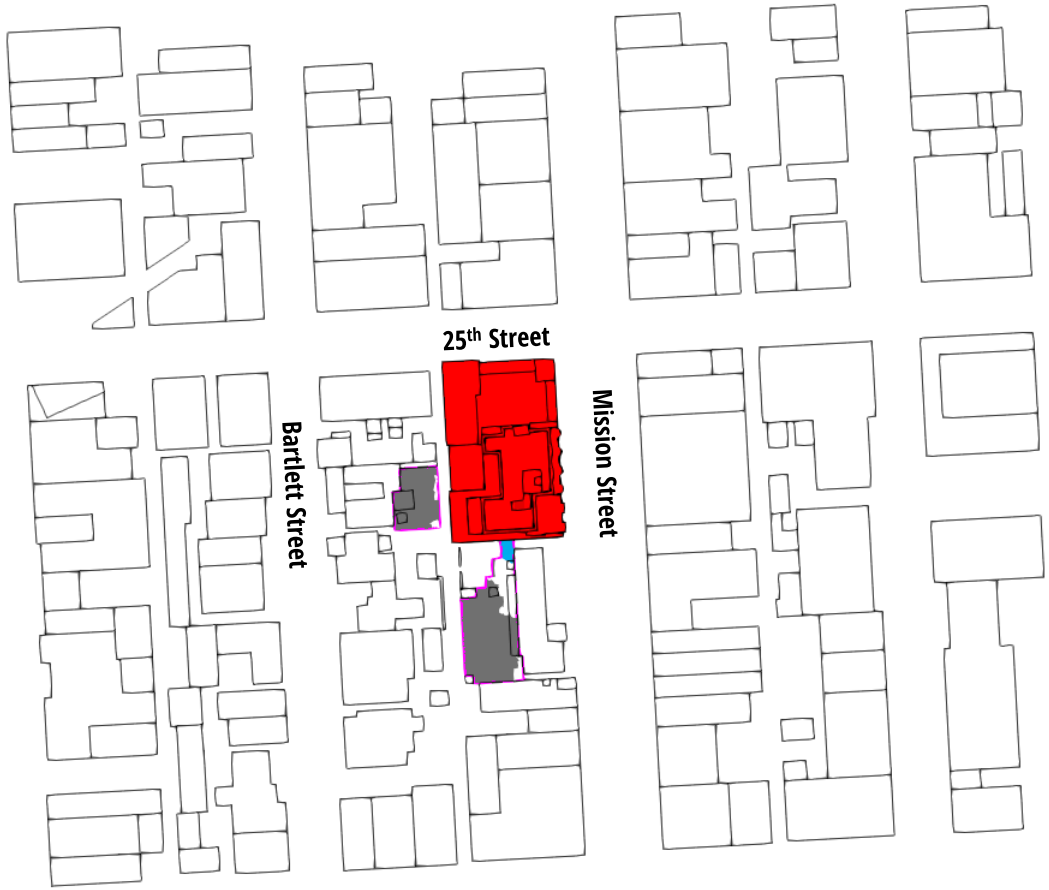

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February 7, 2018

SEPTEMBER 21

7:57 am PDT - (Sunrise +1 hour)

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February 7, 2018

SEPTEMBER 21

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February 7, 2018

SEPTEMBER 21

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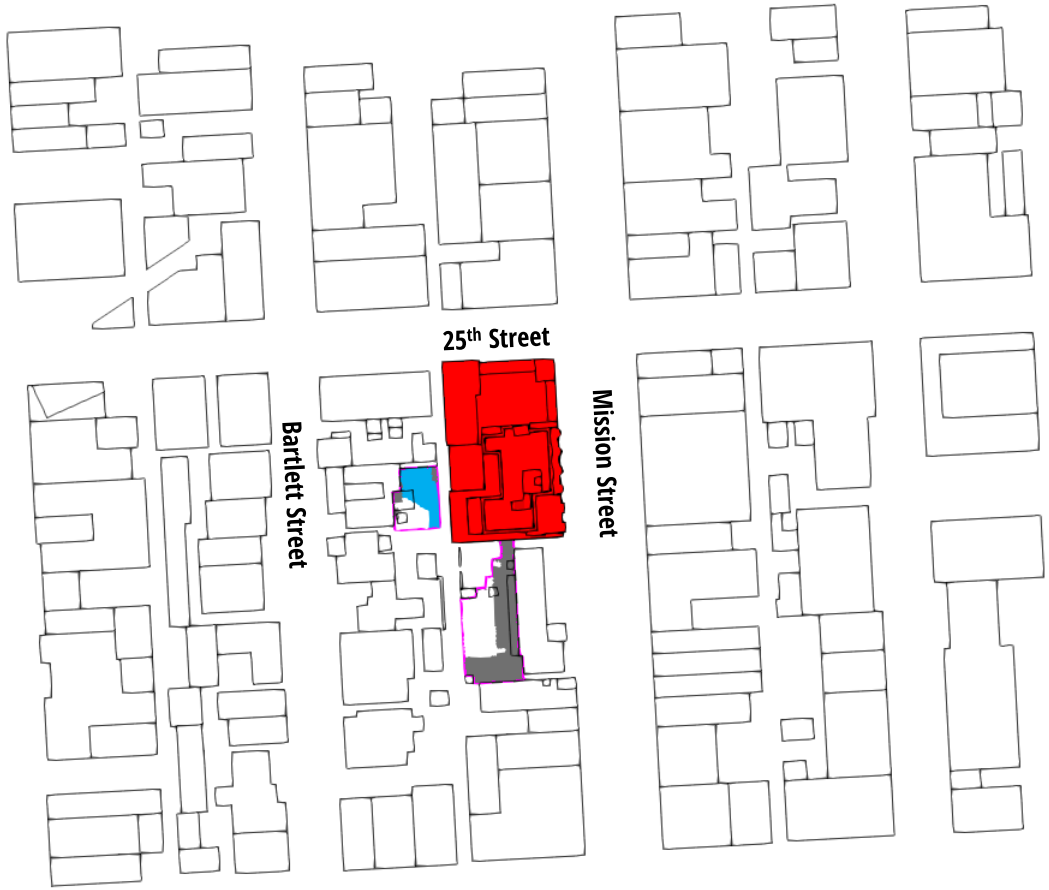
February 7, 2018

SEPTEMBER 21



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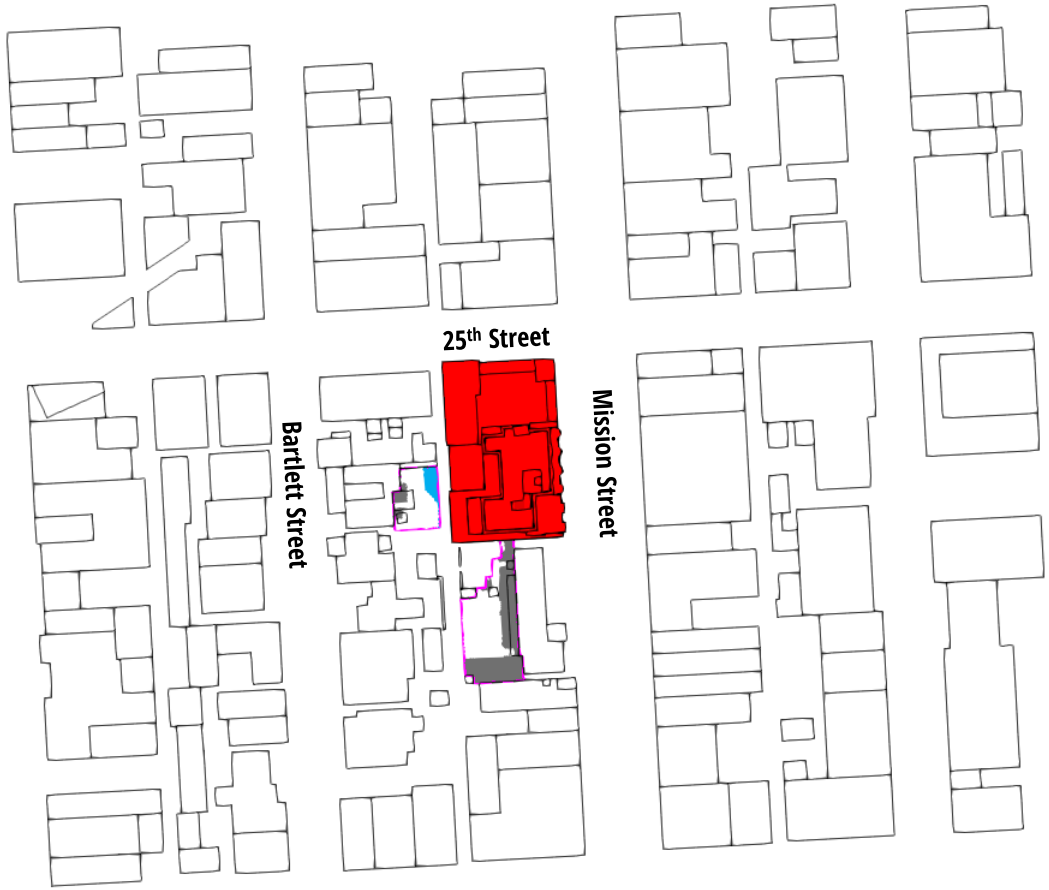

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February 7, 2018

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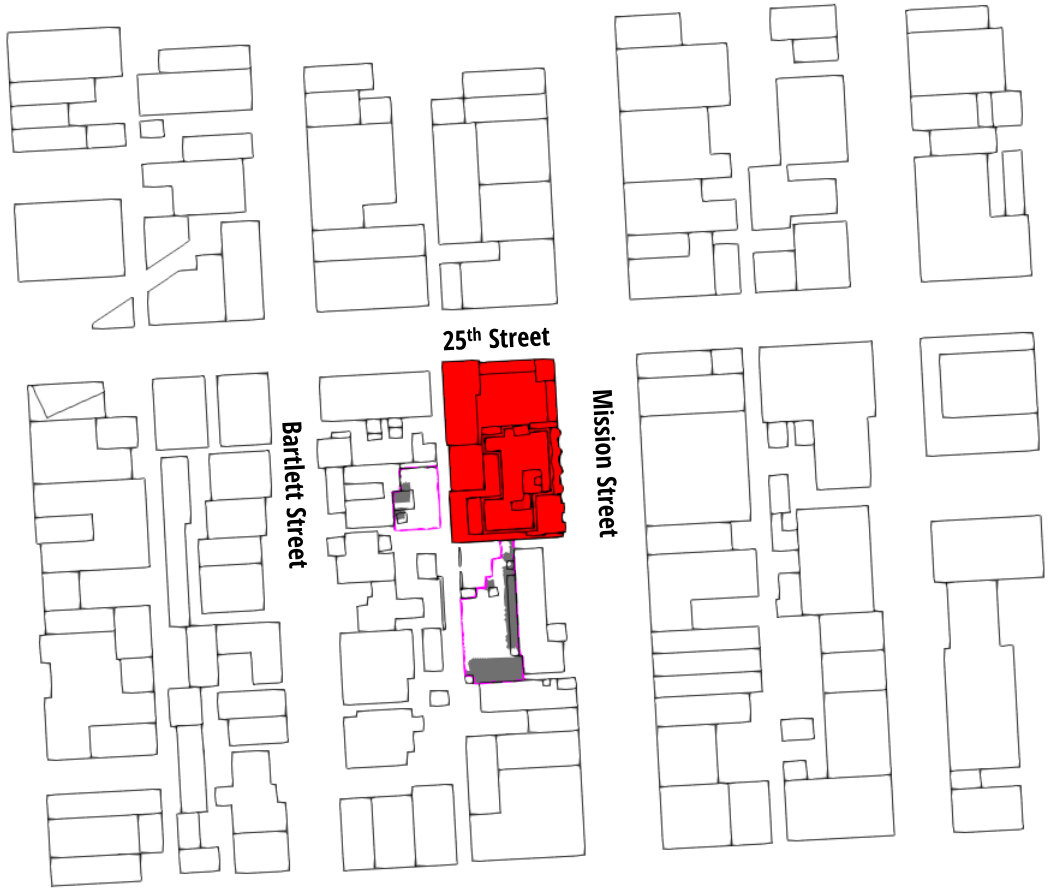

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February 7, 2018

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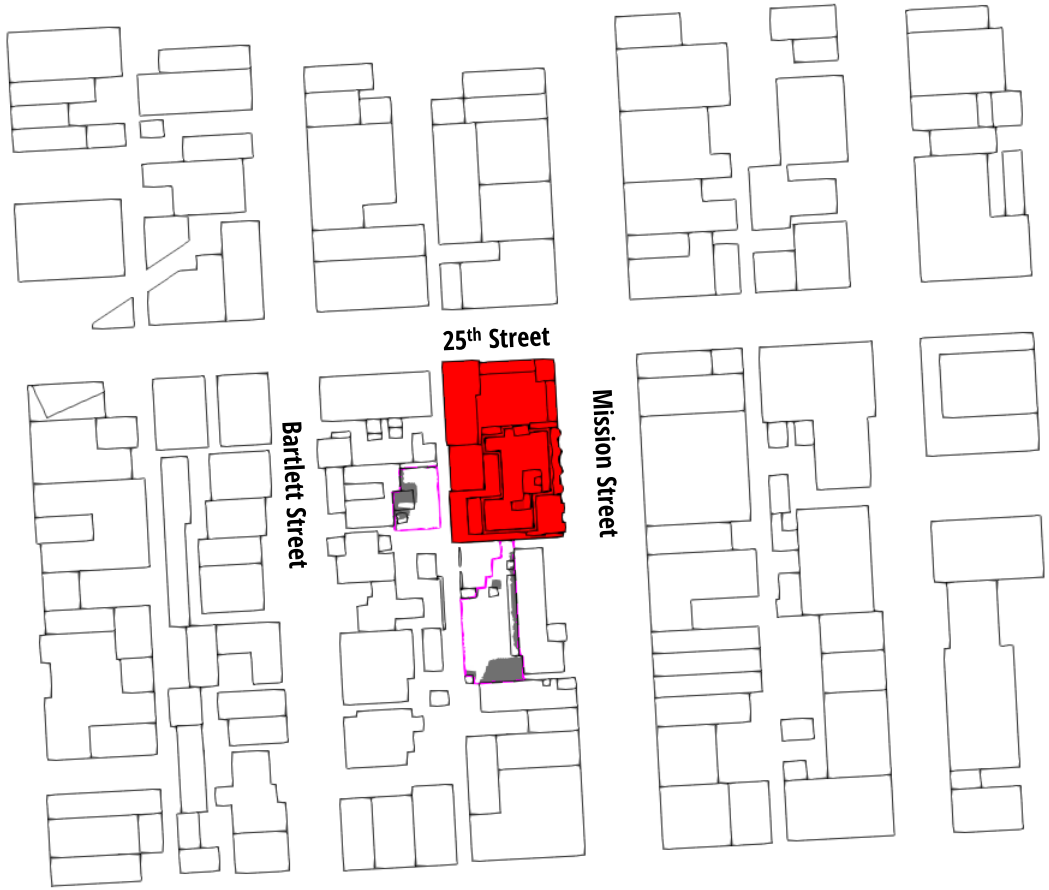

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February 7, 2018

SEPTEMBER 21

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4:00 pm PDT

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February 7, 2018

SEPTEMBER 21

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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

6:08 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

8:22 am PST - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

9:00 am PST

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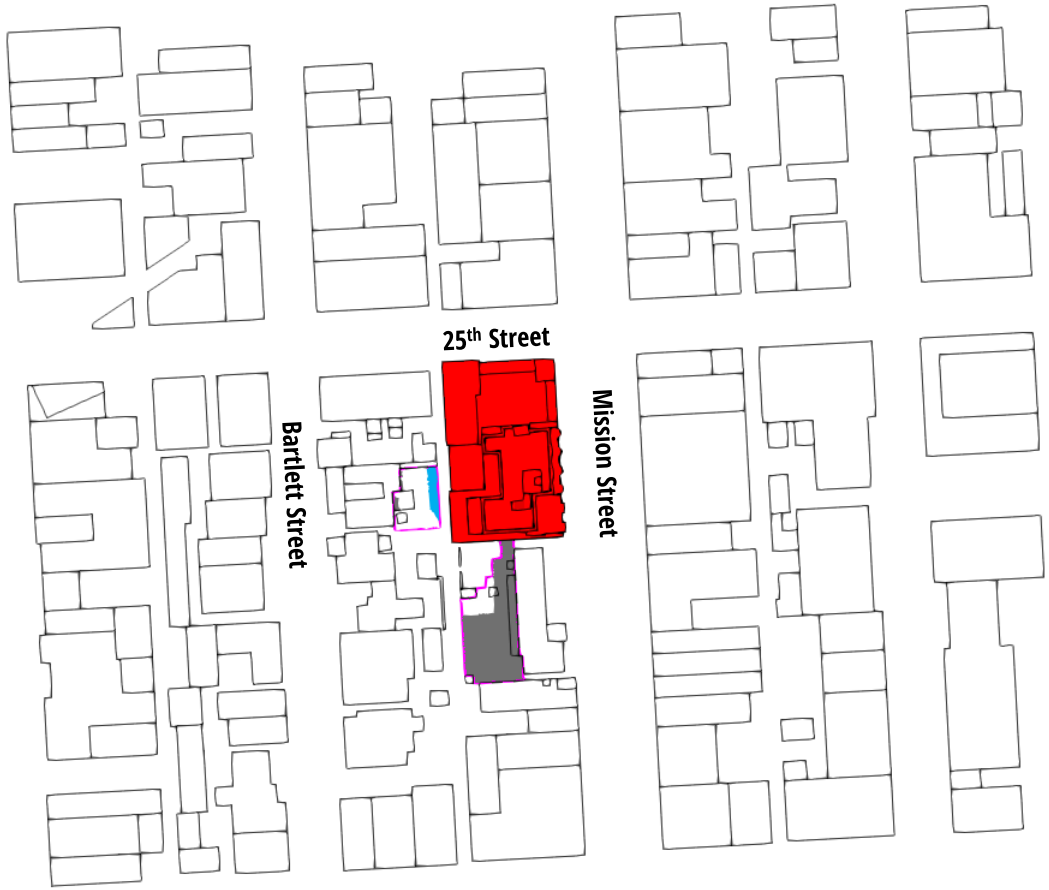
February 7, 2018

DECEMBER 21



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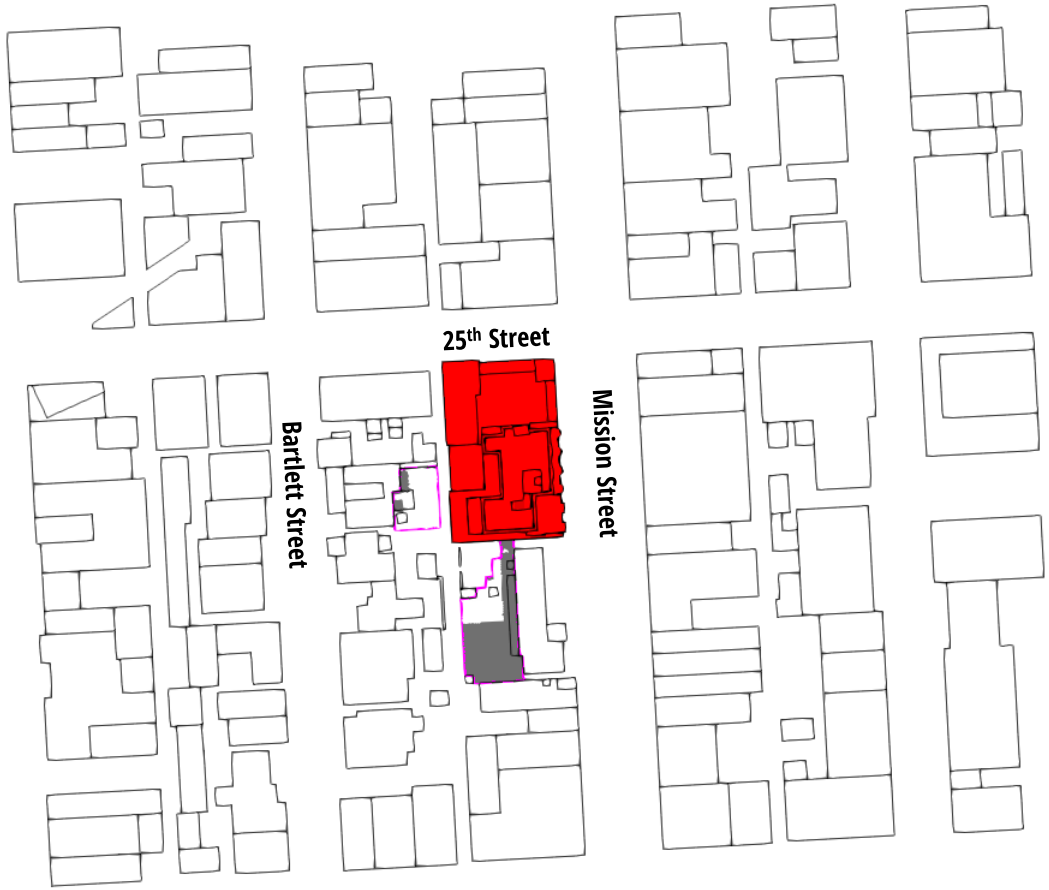

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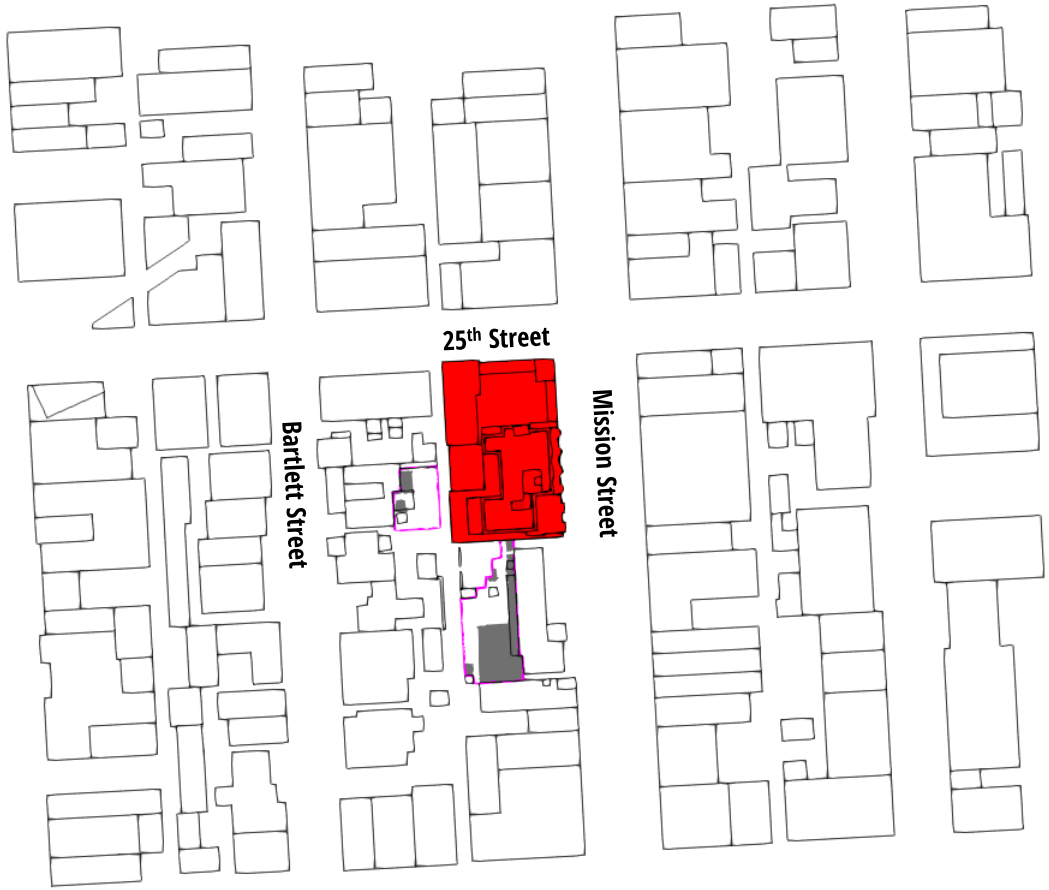

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February 7, 2018

DECEMBER 21

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February 7, 2018

DECEMBER 21

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February 7, 2018

DECEMBER 21

3:00 pm PST

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

3:55 pm PST - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

Attachment H

ALH Urban & Regional Economics

Socioeconomic Effects of 2918 Mission Street Market Rate Development

June 2018

Socioeconomic Effects of 2918 Mission Street Market-Rate Development

Prepared for:

The City and County of San Francisco
Planning Department

Prepared by:

ALH | ECON
ALH Urban & Regional Economics

June 2018

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2239 Oregon Street
Berkeley, CA 94705
510.704.1599
aherman@alhecon.com

June 14, 2018

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development Associated with 2918 Mission Street Project, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Mission District, specifically at 2918 Mission Street. The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to the entitlement process for the 2918 Mission Street project.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,

Amy L. Herman
Principal

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I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

RRTI, Inc. is proposing development of a 75-unit multifamily apartment project with ground floor retail space at 2918 Mission Street, the site of a current laundromat. The Calle 24 Latino Cultural District Council (appellant) is appealing decisions of the Planning Commission made on November 230, 2017 regarding the proposed project. Among the many reasons cited for the appeal, the appellant believes that the CEQA findings did not consider potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, which is a defined sub-area within San Francisco's Mission District.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues, especially regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

- analysis of residential pipeline (e.g., the project and cumulative projects) impacts on commercial gentrification;
- an overview of pricing trends in San Francisco's rental housing market; and
- review of literature on the relationship between housing production and housing costs as well as gentrification and residential displacement.

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRs for well over ten years and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort. For the purpose of some of the analysis, two areas of interest associated with the 2918 Mission Street project were defined. These include a one-half mile radius around the site, in order to capture the most likely area for pedestrian-oriented activity and neighborhood retail demand, and an additional one-quarter mile radius area, whose new residents could also provide some additional demand for commercial space near the 2918 Mission Street project site.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with pipeline residential projects within three-quarter miles of the planned 2918 Mission Street project finds that the amount of neighborhood-oriented retail demand generated by new residents is unlikely to result in

commercial market shifts, such as the displacement of existing commercial establishments. Pipeline residential projects include the following: projects that have filed applications, but are still under review; projects that have received Planning/DBI entitlements but have not yet broken ground; and projects that are under construction.

The amount of demand for neighborhood-oriented retail generated by residents of the Pipeline projects within the three-quarter mile radius - equivalent to 30,300 square feet of new retail space - is close to the amount of net retail space planned in those projects (38,528 square feet). As a point of comparison, the Mission District is estimated to have 3.0 million square feet of retail space, and the one-half mile area around 2918 Mission Street has 1.4 million square feet of retail space. It is therefore not a likely result that commercial gentrification would result from pressure exerted by current Pipeline projects on the existing retail base in the one-half mile radius around 2918 Mission Street. Thus, there is no basis to support the claim that existing commercial establishments will be displaced as a result of increased demand for retail from new residents moving into the Pipeline projects in the areas surrounding the 2918 Mission Street project.

Retail supply and demand analysis for the Mission as a whole and the one-half mile radius around the 2918 Mission Steet project demonstrates that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents. ***This is especially pronounced for the Mission District as a whole.*** This indicates three issues: (1) regional socioeconomic change and broad trends in the retail industry are greater influences on these commercial uses than is the composition of the immediate population of the neighborhood; (2) new residential development in the areas play a relatively insignificant role in influencing the overall commercial make-up of the districts, as the commercial bases are supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development given the scale of the existing stock relative to new development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20+ years. From 1996 to 2016, average rents at larger complexes increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco began to slow citywide, with some sources reporting a modest rental decline. This slowdown in rental rate growth continued through 2017 and into 2018. At the neighborhood level, the results have been more variable depending upon availability and relative rent levels. Historic market trends suggest that increases in rents will continue to occur, albeit modestly in the near-term. However, 71% of San Francisco's market-rate rentals are rent-controlled, with the residents insulated from short-term annual increases that occur.[1]

ALH Economics reviewed case study as well as academic and related literature to probe whether market-rate apartment production at and around 2918 Mission Street will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress increases in home prices and rents in existing buildings. Failure to increase housing stock to accommodate demand resulting from job growth and a generally increasing population will result in greater competition for existing housing, with higher income households outbidding lower income households and otherwise exerting upward price pressure on existing housing. Further, the studies find that both market-rate and affordable housing

[1] This percentage is pursuant to City of San Francisco Planning Department research currently in progress.

development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in very small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the highly localized level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic and associated literature does not support the concern that gentrification associated with new market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIRs prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development at or around 2918 Mission Street will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL DISPLACEMENT

ISSUE OVERVIEW AND LITERATURE REVIEW

The appellant is concerned about the ***commercial*** displacement impacts of new residential development in the Mission District and at 2918 Mission Street, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies.

The academic community is increasingly exploring issues and questions associated with commercial gentrification and displacement. Even in the past 1.5 years academic literature has surfaced with increasing frequency exploring different aspects of commercial gentrification, such as its relationship to transit-oriented development or changes in consumer demand. Yet, in the words of Karen Chapple, a key academic from UC Berkeley, and associated researchers and colleagues at UCLA, "commercial gentrification …. is largely understudied."[2] This statement pertains to a September 2017 Chapple et.al. study probing the linkages between transit-oriented development and commercial gentrification, that includes a literature review of other studies that probe and discuss different aspects of commercial gentrification, including causation and effects.

Some, but not all, of the studies referenced in the Chapple September 2017 paper directly or indirectly address the impact of changing neighborhood demographics on commercial gentrification. Some of these include other studies authored by Chapple, et. al., among other authors. The cited findings most germane to residential development or changing demographic impacts on commercial development are mixed, with one summary statement in the Chapple paper as follows: "it is difficult to unpack the mechanism by which commercial gentrification relates to residential gentrification (if it does at all)."[3] Yet another summary statement in this paper, based upon Chapple et. al.'s findings from case studies in Oakland and Los Angeles, California, is: "Proximity to a transit station is likely not associated with commercial gentrification. More important factors that ***may*** (emphasis added) relate to commercial gentrification are the demographic characteristics of a neighborhood, particularly the percent of non-Hispanic black, foreign-born, and renter residents, as well as overall population density. In some contexts, residential gentrification ***may*** (emphasis added) lead to commercial gentrification."[4]

In a 2016 paper published in "Cityscape," R. Meltzer, Assistant Professor at the New School, discusses how the process of commercial gentrification can occur through changes in consumer demand.[5] In this paper, Meltzer theorizes that changes in the consumer base brought about by residential gentrification may lead to changes in both the business environment and local patrons. Meltzer

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[2] Karen Chapple & Anastasia Loukaitou-Sideris, et. al., "Transit-Oriented Development & Commercial Gentrification: Exploring the Linkages," September 2017, page 8.
See https://www.urbandisplacement.org/sites/default/files/images/commercialgentrificationreport_9-7-17.pdf
[3] Ibid.
[4] Ibid., page 4.
[5] Meltzer, R. (2016). Gentrification and small business: Threat or opportunity? *Cityscape*, 18(3), 57-85. https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/article3.html

additionally discusses how increasing property values may halt new business startups and put existing operations out of businesses if revenue gains do not keep pace with appreciation. This pressure, however, can take a long time to occur, since commercial leases are structured on a more long-term basis than residential leases, with less potential for near-term appreciation than residential leases. Also in this paper, Meltzer further demonstrates through analysis of New York City business micro-data that chain stores are more likely to replace displaced businesses in gentrifying neighborhoods than in other neighborhoods not experiencing gentrification. While this finding in New York City may or may not be transferrable to other communities, the Mission District and other San Francisco neighborhoods are well-protected from this potential displacement trend as a result of San Francisco's extensive controls on formula retail. These controls effectively prohibit many chain store operations; thus San Francisco's policy tools minimize the threat of this type of commercial displacement in San Francisco.

While the Mission District and San Francisco are well protected from the threat of chain stores displacing existing commercial businesses, K. Chapple and R. Jacobus in 2009 wrote a paper discussing how retail reinvestment might lead to neighborhood revitalization.[6] In this paper, Chapple and Jacobus showed that changes in the demographic composition of San Francisco Bay Area residential neighborhoods resulted in significant shifts in the mix of commercial establishments, with some establishments providing products and services less tailored to neighborhood demand. However, they also indicate this process could result in stiffer competition, resulting in lower prices for consumers, which could comprise a positive outcome for neighborhood residents. Thus, Chapple and Jacobus found that commercial changes resulting from gentrification, and potentially leading to displacement, can also be characterized as neighborhood or retail revitalization.

Some research studies have findings regarding the type of businesses that are more susceptible to commercial displacement. One such study was prepared by R. Meltzer and S. Capperis in 2016 and published in "Urban Studies."[7] In this study, Meltzer and Capperis created a business typology using four categories of businesses, including necessary, discretionary, frequent, and infrequent. In their typology, necessary establishments are businesses that fulfill every day, immediate needs of residents, such as grocery stores and hardware stores. Discretionary establishments provide more luxury or recreational goods that enhance quality of life. Frequent stores provide goods or services that are frequently consumed and/or perishable, for which short travel times are essential to their appeal, and include establishments like banks, laundromats, and pharmacies, while infrequent establishments attract demand from outside the local neighborhood, providing goods such as furniture, clothing, and recreational goods.

The summary findings of this Meltzer and Capperis paper indicate that frequent and necessary establishments contribute to a neighborhood's well-being by serving a broad market that cuts across income classes, while infrequent and discretionary goods offer "local luxuries" catering to only one, high income group. The findings indicated that frequent and necessary establishments had higher retention rates than discretionary and infrequent ones, suggesting they are "less susceptible to shocks and changes in consumer demand."[8] As stated by Chapple et. al., "the implications of these

[6] Chapple, K., & Jacobus, R. (2009). Retail Trade as a Route to Neighborhood Revitalization. In M.A. Turner, H. Wial, & H. Wolman (Eds.), *Urban and Regional Policy and its Effects* (Vol. II, pp. 19-68). Washington, D.C.: Brookings Institutions Press.
http://www.rjacobus.com/resources/archives/Retail%20Trade%20Proof.pdf

[7] Meltzer, R., & Capperis, S. (2016). Neighbourhood differences in retail turnover: Evidence from New York. *Urban Studies*, 0042098016661268. https://doi.org/10.1177/0042098016661268

[8] Chapple and Jacobus, page 10.

distinctions is that decreasing shares of frequent and necessary establishments or increasing shares of discretionary and infrequent establishments could indicate commercial gentrification."[9]

In their 2017 paper, Chapple et. al. state that only a few studies have explored the impacts of commercial gentrification, producing mixed results. For example, with regard to a paper published by R. Meltzer and J. Schuetz in 2012,[10] a paper written by L. Freeman and F. Braconi in 2004,[11] and other previously referenced works, they state:

- "In a study of neighborhood retail change in residentially-gentrifying neighborhoods of New York City, Meltzer and Schuetz (2012) found that retail access improved at a notably higher rate in low-value neighborhoods that 'experienced upgrading or gentrification', as 'low-income neighborhoods have lower densities of both establishments and employment, smaller average establishment size, and less diverse retail composition' and 'fewer chain stores and restaurants, somewhat contrary to conventional wisdom'".[12]

- "Interviewing residents of changing New York neighborhoods, Freeman and Braconi (2004) found that most lauded the return of supermarkets and drugstores, rather than lamenting the invasion of restaurants and expensive boutiques. The authors argued that if this does not lead to widespread displacement, gentrification can help to 'increase socioeconomic, racial, and ethnic integration' in both resident and commercial areas."[13]

- "Some argue that under certain conditions, commercial changes associated with gentrification may benefit local businesses. If transit investments, for example, result in increased pedestrian traffic from transit riders and station-are development, this could lead to more patrons for nearby businesses, higher sales, and more employees in commercial districts."[14]

- "Commercial districts may also benefit from forces associated with residential gentrification. As a neighborhood's consumer income and population density increase, business sales may also increase because of more customers and/or more disposable incomes (Meltzer, 2016). However, even if changes to a local consumer base result in neighborhood economic development, the benefits for businesses could be outweighed by the rising rents and operating costs. In addition, different tastes and a different socio-demographic composition of a new consumer base could result in stagnant or falling sales for certain existing businesses (Ibid.)."[15]

Despite the research findings identified and summarized in the Chapple et. al. September 2017 study, in somewhat of a summary statement of the state of the current literature and their own findings regarding the TOD and commercial gentrification linkage, Chapple et. al. state "The relationship

[9] Ibid.
[10] Meltzer, R. & Schuetz, J. (2012) Bodegas or Bagel Shops? Neighborhood Differences in Retail and Household Services. Economic Development Quarterly, 26(1), 73-94. https://doi.org/10.1177/089124211430328
[11] Freeman, L., & Braconi, F. (2004). Gentrification and Displacement New York City in the 1990s. *Journal of the American Planning Association, 70*(1), 39-52. https://doi.org/10.1080/01944360408976337
[12] Chapple and Jacobus, page 10.
[13] Ibid.
[14] Ibid.
[15] Ibid.

between residential and commercial gentrification also needs further exploration. The results of this study are rather mixed, and it is not clear when and where one type of gentrification follows the other, or which comes first. We suspect that there may not be a universal pattern, and this relationship may change from one neighborhood to the other."[16] For example, in discussing their qualitative case study research in Oakland, Chapple et. al. indicate that survey responses from some businesses "suggest that rent increases - more than changing consumer preferences - may be a factor driving displacement of businesses."[17] Yet in their literature review summary, they indicate "In short, the academic literature has only just begun to explore commercial gentrification. Much about the phenomenon is not yet fully understood, including what kind of effects commercial gentrification can be expected to have to area employees, consumers, and residents."[18]

ALH Economics reached out to Rachel Meltzer of the New School to discuss some of her research findings and overall oeuvre with regard to commercial displacement and gentrification. The primary purpose of this outreach was to discuss Meltzer findings reported on by ALH Economics in a prior report prepared for the San Francisco Planning Department associated with another residential project appeal in the Mission District. In that report, ALH Economics extrapolated a finding from Meltzer's above-referenced 2016 study, based on case study analysis in three New York neighborhoods, and applied the finding directly to the Mission District. This finding pertained to a conclusion presented by Meltzer, stating that "[t]he fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[19] ALH Economics then directly applied this statement to the Mission District (specifically the LCD sub-area), stating that it was reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification.

In discussion with Meltzer, ALH Economics now recognizes that the reported finding comprised an average effect, and that Meltzer's findings vary by neighborhood. Thus, it may not be reasonable to apply an aggregated finding to a specific neighborhood not included as part of Meltzer's study. Meltzer indicated that neighborhood-based findings are more idiosyncratic and qualitatively nuanced than the citywide average effect, and she suggested an individual case study in her analysis might be a better match to the Mission District than the aggregated New York City effect. This case study is the Sunset Park neighborhood in southwest Brooklyn, which has a predominant Hispanic and Asian population base and is a commercial shopping destination. However, the Sunset Park neighborhood has other characteristics that are not well-matched with the conditions in the Mission District, such as large swaths of land zoned for manufacturing, and the attraction of big chain stores to this manufacturing section, such as Home Depot and Costco. Thus, ALH Economics believes the findings specific to the Sunset Park neighborhood are not apt for the Mission District.

ALH Economics engaged in a generalized discussion with Meltzer, covering a range of topics relevant to her research on commercial displacement and gentrification. Some of what was discussed included San Francisco's formula retail store controls, which are not present in the communities Meltzer studies, and how these controls would likely mitigate against the worst displacement effects she sees in some of her research. The discussion also included a brief reference to a study prepared by Meltzer on gentrification's impacts on local employment and its nuanced findings, including questioning if there

[16] Ibid, page 5.
[17] Ibid., page 74.
[18] Ibid, page 15.
[19] Meltzer, 2016, page 80.

is an upside to the introduction of new businesses, bringing employment opportunities not already present in a neighborhood. Melzer indicated this study also probed the nature of a "local" job, and if there are circumstances where there was a bump up in local jobs, the type of businesses that tended to hire more locally, and if they were good paying and representative of upward mobility. The discussion with Meltzer did not end with any specific conclusions reached regarding commercial gentrification and displacement, and applicability to the Mission District. However, the conversation highlighted that there are many nuanced questions and findings that continue to provide strong fodder for continuing research on the topics.

IMPLICATIONS OF LITERATURE REVIEW

The Mission District, including areas near 2918 Mission Street, is a varied commercial shopping district, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other restaurants catering to a variety of personal incomes as well as bars, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Other commercial tenants in the general area, several blocks from the 2918 Mission Street development site, such as along Valencia Street, where there is a wider array of commercial operations, including more upscale eateries, boutiques, food purveyors, and accessory stores.

Valencia Street exemplifies the type of commercial gentrification discussed in some of the research papers summarized above, comprising a commercial area that has experienced significant change in past decades, including retail upscaling. In a previous Mission District residential project appeal, the appellants claimed that new residential development in the Mission District would result in the type of gentrification that occurred on Valencia Street. As demonstrated by research conducted by the City of San Francisco Planning Department, , however, the change in the Valencia Street Corridor occurred ***in the absence*** of intense new residential development, which suggests that other factors aside from residential development and the influx of a changing population base may be more directly associated with commercial gentrification in this area. The example of Valencia Street is relevant because of its proximity to the project and location within the Mission District. This most comparable and potent nearby example of commercial gentrification happened without and prior to significant new market-rate residential construction in the corridor. In fact, some of the most significant and transformative recent new housing construction on Valencia Street was Valencia Gardens (bet 14th and 15th), a very large 100% BMR project, which replaced the distressed and blighted older public housing development on that site. Thus, based on the Valencia Street evidence presented and the above academic literature summary, there is not clear evidence that new residential development in and of itself will cause gentrification of commercial space, including in the areas around the 2918 Mission Street project.

To further probe this analytically, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects within one-half mile of 2918 Mission Street, as well as an additional one-quarter mile radius, whose residents could potentially generate retail and services demand near 2918 Mission Street. The analysis estimates the amount of space likely to be supported by the Pipeline households and assesses if this could result in a change of the composition of the commercial base within one-half mile of 2918 Mission Street. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes a wide variety of other restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores,

laundromats, a variety of other neighborhood-oriented businesses, some more upscale food and retail establishments, and a limited number of commercial vacancies.

To summarize the following findings, the analysis finds that the amount of neighborhood-oriented retail demand generated by the identified Pipeline projects is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, ALH Economics concludes that existing commercial establishment displacement is unlikely to occur as a result of the residential development Pipeline in or near 2918 Mission Street.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for the fourth quarter of 2017[20] was examined to identify proposed residential projects near 2918 Mission Street. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Projects that are under construction

The Pipeline projects reflected in the analysis include projects of 7 or more net dwelling units. This threshold was selected because, as of the date of the Pipeline report, it matched the San Francisco Planning Department's definition of moderate to large projects, which require a preliminary project assessment (PPA).[21]

Projects near 2918 Mission Street were identified based on a radius of one-half mile from the site, while other projects near but outside this area were identified within an additional one-quarter mile radius. These geographies were selected because of their walkability, with sites within one-half mile of 2918 Mission Street deemed very walkable for general shopping purposes, while the walkability of sites in the additional area could partially overlap with this primary one-half mile radius area. There may be yet other projects close to these areas, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to 2918 Mission Street. The projects, their net unit counts, and net new retail square footage are listed in Table 1 on the following page. The Pipeline project locations are mapped in Map 1, which indicates size range of project by location relative to the 2918 Mission Street project site. Summaries of the net unit counts and retail square footages are presented below in Table 2.

[20]See https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq for the database.
[21] The PPA requirement was modified on April 13, 2018 to apply to projects of 10 or more dwelling units.

Table 1
Pipeline Projects Net New Units (1)
Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
By Location, Approvals Status, Type of Housing Units, and Net New Retail

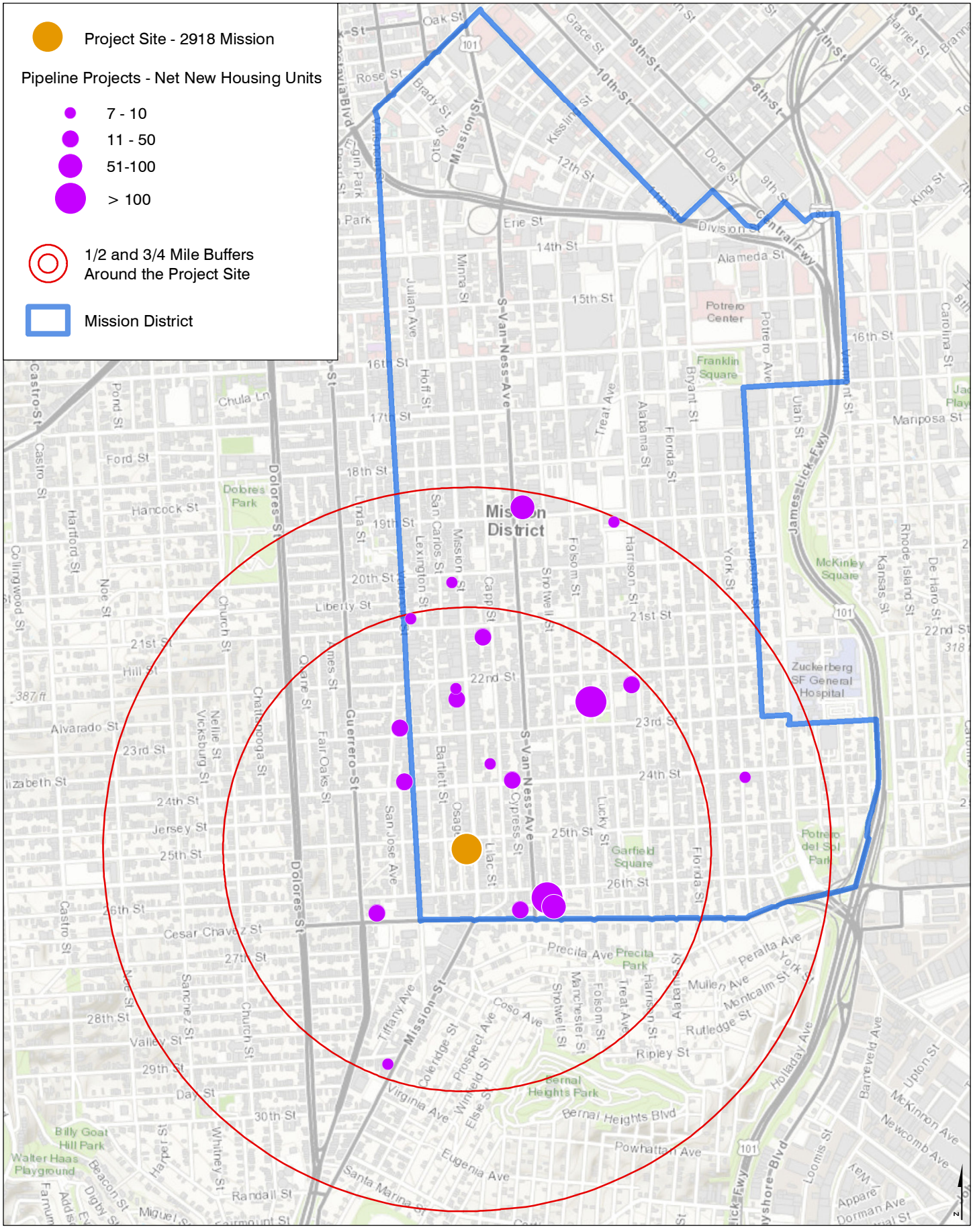
Project Location and Status	Total Net Units	Market Rate	Affordable Housing Units (2) Rental	Owner	Total	Affordability Target	Net New Retail Sq. Ft.
One-Half Mile Radius Projects							
Entitled							
1515 SOUTH VAN NESS AV	157	138	19	0	19	90% AMI;	1,451
2675 FOLSOM ST	117	98	19	0	19	90% AMI;	0
1296 SHOTWELL ST	94	0	94	0	94	30% AMI; 60% AMI;	0
1198 VALENCIA ST	49	43	0	6	6	90% AMI;	5,050
3620 CESAR CHAVEZ ST	24	24	0	0	0		672
2600 HARRISON ST	20	20	0	0	0		0
Sub Total Projects	*461*	*323*	*132*	*6*	*138*		*7,173*
Non-entitled							
2918 MISSION ST (3)	75	67	8	0	8	50% AMI; 55% AMI	6,651
3314 CESAR CHAVEZ ST	50	50	0	0	0		1,740
1278 - 1298 VALENCIA ST	35	35	0	0	0		0
3230 & 3236 24TH ST	21	21	0	0	0		4,150
606 CAPP ST	20	20	0	0	0		0
2632 MISSION ST	16	16	0	0	0		7,766
2610 MISSION ST	8	8	0	0	0		0
3310 MISSION ST	8	8	0	0	0		0
856 CAPP ST	8	8	0	0	0		0
981 - 987 VALENCIA ST	8	8	0	0	0		0
Sub Total Projects	*249*	*241*	*8*	*0*	*8*		*20,307*
Total One-Half Mile Radius	**710**	**564**	**140**	**6**	**146**		**27,480**
Projects Within Additional One-Quarter Mile Radius (4)							
Entitled	No projects meet the minimum threshold of 7 net units						
Non-entitled							
793 SOUTH VAN NESS AV	73	62	NA	NA	11	NA	4,577
2300 HARRISON ST	9	9	0	0	0		2,950
2410 MISSION ST	8	8	0	0	0		0
2799 24TH ST	7	7	0	0	0		-269
Sub Total Projects	*97*	*86*	*0*	*0*	*11*		*7,258*
Total Pipeline	**807**	**650**	**140**	**6**	**157**		**34,738**

Sources: San Francisco Development Pipeline, 2017, Q4; City and County of San Francisco Planning Department; RRT Partners LLC; and ALH Urban & Regional Economics.

(1) This pipeline includes projects of 7 or more net dwelling units. This threshold was selected because it matches the San Francisco Planning Department's definition of moderate to large projects at the time the pipeline was assembled, which require a preliminary project assessment (PPA). That threshold was subsequently changed to 10 in April 2018.
(2) All available information from the San Francisco Development Pipeline is provided. Unless otherwise noted, the analysis assumes the tenure of all units is rental.
(3) Project information provided ty RRT Partners LLC.
(4) The geography reflected by these projects is another 1/4 mile radius beyond the 1/2 mile radius around 2918 Mission Street. Thus, this area extends out up to 3/4 miles from 2918 Mission Street.

Map 1

SAN FRANCISCO
PLANNING DEPARTMENT



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Information extracted from the Development Pipeline indicates a total of 807 net new housing units. This includes 650 market rate units, comprising 564 in the one-half mile radius and 86 in the additional one-quarter mile radius. The Pipeline projects additionally include 146 affordable housing units in the one-half mile radius and 11 in the one-quarter mile radius, totaling 157 units overall. These comprise 21% of all units in the one-half mile radius and 11% of units in the additional one-quarter mile radius, for a cumulative total of 19% of all units. Most of the affordable housing units are rental, but a small number are owner units. In total, there are 710 units planned in the one-half mile radius and 97 units planned in the additional one-quarter mile radius.

Table 2
Summary of Pipeline Projects Net New Units and Net New Retail Sq. Ft.

		Units by Type		
Project Location and Status	Total Net Units	Market Rate	Affordable	Net New Retail Sq. Ft.
One-Half Mile Radius Projects				
Entitled	461	323	138	7173
Non-entitled	249	241	8	20,307
Total	710	564	146	27,480
Projects Within Additional One-Quarter Mile Radius (4)				
Entitled	0	0	0	0
Non-entitled	97	86	11	7,258
Total	97	86	11	7,258
Total Pipeline	807	650	157	34,738

Source: See Table 1.

In addition, these projects include 27,480 net new square feet of retail space in the one-half mile radius and another 7,258 square feet in the additional one-quarter mile radius. This is a total of 34,738 square feet of net new retail space.

This residential pipeline reflects potential interest in new housing production in the Mission District. However, because of the nature of development and the development process in San Francisco, the pipeline units may not all be developed. Moreover, the timing of development is uncertain, such that only a portion of the Pipeline units that are built will be delivered to the market in any given year.

For context, based upon the City's Housing Inventory reports, a total of 2,379 net new housing units were built in the Mission between 2001 and 2017. This is equivalent to an average of 140 units per year,[22] and boosted the Mission District's housing units by 9.9% over 2010.[23] In comparison, the City as a whole gained 41,935 net new housing units between 2001 and 2017,[24] comprising a total boost of 11.4%.[25] These figures indicate that new housing development in the Mission since 2010 slightly

[22] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: http://sf-planning.org/citywide-policy-reports-and-publications.
[23] Per the City's Housing Inventory for 2010 the Mission District had an estimated 24,001 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.
[24] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: http://sf-planning.org/citywide-policy-reports-and-publications.
[25] Per the City's Housing Inventory for 2010 the City had an estimated 368,346 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.

lagged the City of San Francisco as a whole. However, these rates of development likely did not keep pace with housing demand, resulting in strong rental rate surges annually since 2010, softening only recently beginning in 2016 (see next report section on rent trends).

PIPELINE RETAIL DEMAND

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a generalized neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and percent of household income spent on housing. For the affordable units, incomes are based on the maximum income per the % of AMI expectations per project.

Since the Pipeline projects are planned and not in lease up phase, project rents for the market-rate units are not available. In addition, unit counts by number of bedrooms are also not available. Therefore, as this is a generalized analysis, one overall average market-rate rental rate is assumed for the Pipeline projects. This rate is $4,500, which is the median asking rent for San Francisco rental units in April 2018 as compiled by Zillow.[26]

Exhibit 1 presents the monthly rent assumptions for all the planned Pipeline market-rate apartments. The average household income for the market-rate rental units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of $162,000 for the market-rate units. In San Francisco, the rent burden is often much greater, but the analysis conservatively assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. For the market-rate owner units, for the lack of any further unit information, the analysis includes a generic assumption of $430,000 annual household income, based upon a March 2018 median San Francisco home sale price of $1.3 million as noted by Zillow[27] and the assumption that annual household income is one-third the housing price.

For the affordable units, the analysis assumes the maximum household income by percent of AMI, and where unit information is lacking, assumes an average three-person household. These assumptions are explained in the footnotes to Exhibit 1, and result in average annual household income estimates ranging from $48,800 for the 2918 Mission Street project to $95,000 for two other projects.

The amount households spend on retail goods varies by household income. Date published by the U.S. Bureau of Labor Statistics, 2016 Consumer Expenditures Survey, provides information regarding household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to ALH Economics estimates of the percentage of income spent on retail goods based on the type of

[26] See https://www.zillow.com/research/data/, accessed June 6, 2018.
[27] Ibid.

retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the $40,000 to $49,999 annual income range, with an average household income of $44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results are 25% of income for the market rate units and 31% to 39% for the affordable units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates, Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent by type of housing unit. The findings are summarized below in Table 3.

Table 3
Summary of Pipeline Projects Net New Units Household Spending on Retail

Project Location	Number of Households	Total Annual Retail Demand
One-Half Mile Radius Projects	682	$27,914,800
Projects Within Additional One-Quarter Mile Radius	93	$3,688,600
Total Pipeline	775	$31,603,400

Source: See Exhibit 1.

The annual per household retail spending figures range from a low of $19,200 for some of the households in the affordable rental units to $45,000 for the market-rate ownership units. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.[28] Therefore, given the occupancy assumptions, the total demand comprises $27.9 million for the households in the one-half mile radius Pipeline units and $3.7 million for the households in the additional one-quarter mile radius Pipeline households. The grand total is $31.6 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the type of retail demand one would most expect these households to exhibit for area retail.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2016 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.6% on home furnishings & appliances to a high of 17.2% on food & beverage stores (e.g., grocery stores). Other key categories include 12.0% on general merchandise (e.g., department and discount stores), 14.6% on food services & drinking places (e.g., restaurants and bars), and 13.1% on other retail, which includes drug stores, electronics,

[28] Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties was 95.3%, which rounds to 95%. This is the most recent standardized information available on rental vacancy rate in San Francisco.

health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods.

By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 4, below.

Table 4. Assumed Percentage of Pipeline Residents Spending at Neighborhood-Oriented Outlets

Retail Cateogry	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	15%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	20%
General Merchandise Stores	20%
Food Services & Drinking Places	75%
Other Retail Group (6)	20%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, the increasing incidence of online shopping, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 33% of retail spending by Pipeline households comprises neighborhood-oriented spending. This percentage is largely influenced by the high proportion of food and beverage sales and food services and drinking place sales anticipated to comprise neighborhood-oriented purchases.

The aggregated retail demand estimates for the one-half mile radius and additional one-quarter mile radius pipeline households were converted to supportable square feet based upon the following:

- industry average assumptions regarding store sales performance;
- an adjustment to allow for a modest vacancy rate; and
- an allocation of additional space for services, such as banks, personal, and business services.

The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2018 sales estimates. The resulting sales per square foot figures, summarized from data presented in Exhibit 4, range from a low of $310 per square foot for general merchandise stores to a high of $671 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. For service-oriented retail, the analysis assumes neighborhood-oriented

demand comprises 75% of total service demand. This assumption recognizes the strong neighborhood orientation of these services.

The Pipeline projects include those located in the one-half mile radius and those located in the additional one-quarter mile radius. Much of the neighborhood-oriented demand generated by households within the one-half mile radius could be directed at commercial operations located in that area, but some could also be directed to commercial operations within walking distance of the area or beyond, and thus outside the one-half mile radius. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households in the additional one-quarter mile radius could be directed to commercial operations in the one-half mile radius. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the one-half mile radius, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline households is likely to be directed to businesses located in the one-half mile radius, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

One-half Mile Radius Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the one-half mile radius indicate estimated support for 25,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the 2918 Mission Street Project is only 2,500 square feet (see Exhibit 6). This means the remaining, other Pipeline one-half mile radius projects are estimated to generate demand for 23,200 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the one-half mile radius, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the one-half mile radius, thus not all the 25,500 square feet of demand may be directed at one-half mile radius establishments.

Additional One-Quarter Mile Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the Pipeline projects within an additional one-quarter mile of 2918 Mission Street will generate estimated support for 3,400 square feet of neighborhood-serving retail and commercial space (see Exhibit 7). This includes projects within one-half and three-quarter miles of 2918 Mission Street, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the additional one-quarter mile radius projects, with only a portion likely directed toward one-quarter mile radius operations. Thus, only a portion of the 3,400 square feet of demand could comprise demand for retail and services located in the one-half mile radius area.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline projects within the three-quarter mile radius of 2918 Mission Street is presented in Exhibit 8 and summarized below in Table 5. The figures total 20,448 square feet of retail space, 8450 square feet of service space (e.g., service retail, such as finance, personal, and business services), resulting in a rounded total of 28,900 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 3,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located

in the one-half mile radius area. Moreover, a large portion of this demand comprises grocery store demand, which could help support the new Grocery Outlet store within the one-half mile area at 1245 South Van Ness, the location of the former DeLano's Market closed since 2010, as well as other existing small markets in the area.

Table 5. Pipeline Projects Neighborhood-Oriented Retail Demand
One-Half Mile and Three-Quarter Miles Radius Around 2918 Mission St.
Commercial Square Feet of Demand

	Square Feet Supported		
Retail Category	One-Half Mile	Add'l 1/4 Mile	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	729	96	825
Building Materials and Garden Equip.	616	81	697
Food and Beverage Stores	6,012	794	6,807
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	887	117	1,004
General Merchandise Stores	2,269	300	2,569
Food Services and Drinking Places	5,839	772	6,611
Other Retail Group	1,709	226	1,935
Subtotal	18,061	2,387	20,448
Additional Service Increment	7,464	986	8,450
Total	25,526	3,373	28,899
Total Rounded to Nearest 100	**25,500**	**3,400**	**28,900**
Net New Retail Planned	**27,480**	**7,258**	**34,738**

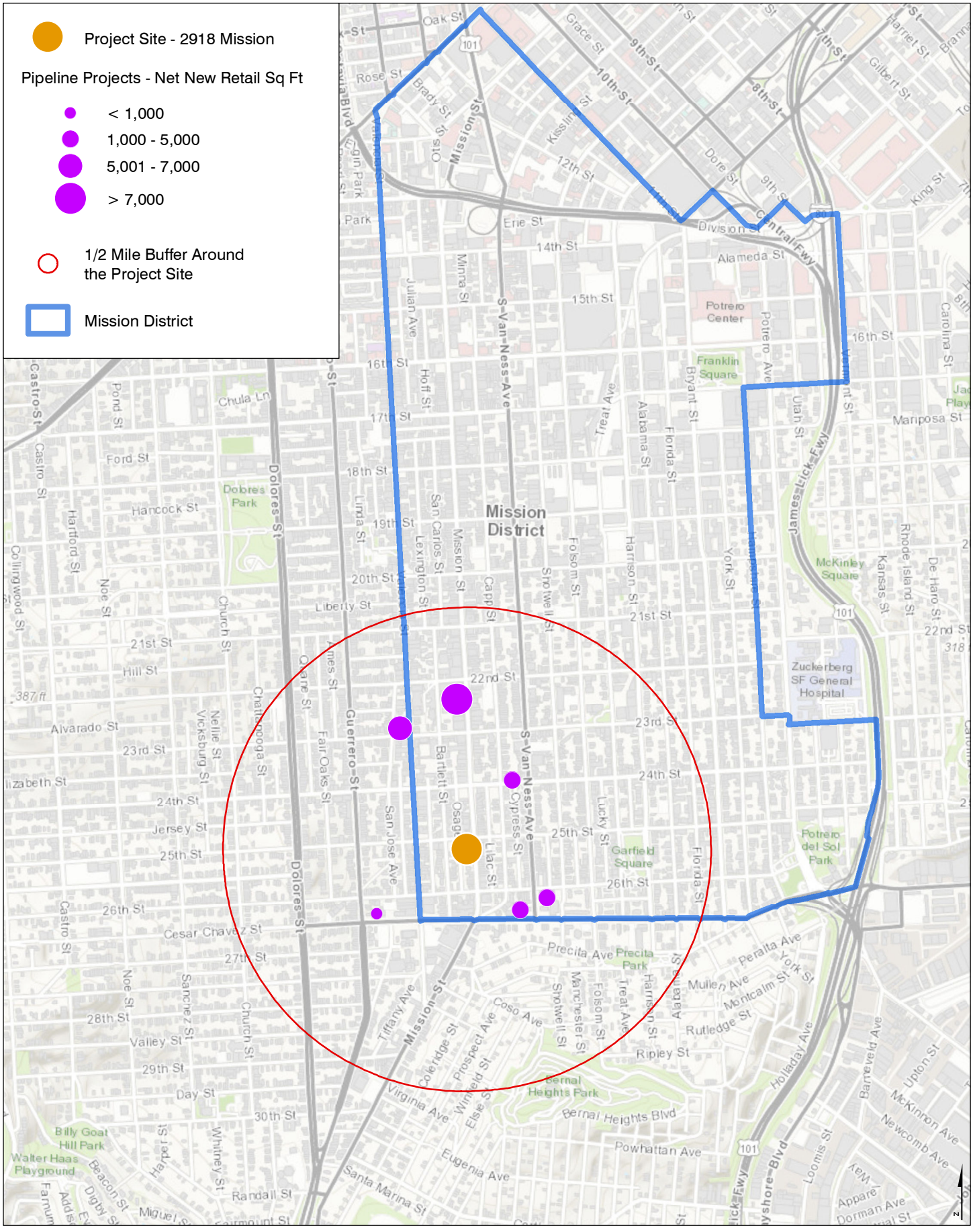
Sources: Exhibits 5, 7, and 8; and Table 1.

The summary in Table 5 also includes the net new retail space planned in the Pipeline projects in each radius area and total. As noted earlier, this totals 27,480 square feet in the one-half mile area and 7,258 square feet in the additional one-quarter mile area, for a combined total of 34,738 square feet. The geographic distribution of the net new retail space is presented in Map 2, depicting the location of the net new retail space by general size range.

As these figures indicate, there is close to equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in the combined areas. Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in these study areas. Thus, ***it is not a likely result that new residential developments in the one-half mile radius around the 2918 Mission Street project would exert pressure on the existing retail base that would lead to displacement of existing tenants.*** This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes displacement of existing tenants from the neighborhood's commercial space.

Map 2

SAN FRANCISCO
PLANNING DEPARTMENT



0 0.25 0.5 1 Mile

Printed: 7 June, 2018

Moreover, even without the net new addition of retail space in the Pipeline projects, the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the one-half mile area. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the one-half mile radius has approximately 1.4 million square feet of retail space.[29] If 75% of the one-half mile radius demand and 33% of the additional one-quarter mile radius demand were specifically directed to one-half mile radius establishments, this would equate to just about 20,200 square feet of space, or 1.5% of the existing commercial base in the one-half mile radius. This is a small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, as the Pipeline projects will be increasing the retail base, there is no risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the one-half mile radius around the 2918 Mission Street project, or the additional one-quarter mile radius area.***

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the one-half mile radius area as well as the Mission District. As noted above, the one-half mile area is estimated to have 1.4 million square feet of retail space. The Mission District has 3.0 million square feet of retail space.[30] ***Demand analysis for existing households in the Mission indicates that the Mission District is clearly characterized by retail attraction, meaning it attracts more retail sales, or demand, than is supportable by its population base.*** A similar finding could be made for the one-half mile radius area, although not as markedly as for the Mission District. These findings are demonstrated by the analysis in Exhibits 9 through 12, with Exhibit 9 presenting the household counts and weighted average household incomes for area households in 2016.[31] These household counts and average household incomes are 15,659 and $110,317 in the Mission, respectively, and 11,275 and $136,422 in the one-half mile radius, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the Pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 11 and 12 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 6, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.2 million square feet, with about 480,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for one-half mile radius households are 920,000 square feet of total demand, including about 350,000 square feet of neighborhood-oriented demand.

These demand estimates indicate that the supply of retail in the Mission as a whole outstrips locally-generated demand. In the Mission, the total retail supply is 2.4 times the amount of retail supportable by its residents, and 6.3 times the neighborhood-oriented demand generated by residents. In the one-half mile radius the total supply exceeds the amount supportable by residents, but to a lesser extent

[29]See https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q for the database.

[30] See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q.

[31] The household count and income figures for the one-half mile radius are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the one-half mile radius. These shares were estimated by ALH Economics based upon ArcGis analysis of the one-half mile area superimposed over area census tracts.

than the Mission District as a whole. Nevertheless, the one-half mile area total retail supply is 1.5 times the amount of retail supportable by its residents, and 3.8 times the neighborhood-oriented demand, suggesting this area as well is also characterized by retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail, especially in the Mission District.

Table 6. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

		Square Feet Supported		Supply Multiplier (1)	
Area	Retail Inventory	Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,246,300	479,500	2.4	6.3
One-Half Mile Radius	1,362,900	920,900	354,300	1.5	3.8

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 11 and 12; and ALH Urban & Regional Economics.

(1) This metric comprises retail inventory divided by total square feet of retail supported, or demand. If the metric is $\geq$ 1.0 then there is a surplus of retail space relative to local demand, thus requiring demand from outside the area to support the retail inventory.

Table 7 presents another way of looking at the supply of retail in the Mission District compared to its resident base and the impact of the Pipeline households. This table identifies the number of Pipeline households, number of Mission District households, and calculates the approximate number of households needed to support the Mission District retail base. This number, which ranges from 37,979 to 98,715, comprises the number of households needed to support the retail if the Mission District captured 100% of all retail demand (37,979 households) or just 100% of the neighborhood-retail portion of demand (98,715). The high estimate of 98,715 households assumes capture of all neighborhood-serving retail. Thus, if some households make neighborhood goods purchases outside the Mission District, this figure would be even higher, which is likely the case.

Table 7. Mission District Retail Support Resident Household Deficits

Characteristic	Figure		
Number of Pipeline Households	775		
Mission District Households	15,659		
Households Needed to Support Mission District Retail (1)	37,979	-	98,715
Mission District Household Deficit to Support Retail	22,320	-	83,056
Pipeline Households as a Percent of Deficit	3.5%	-	0.9%

Sources: Table 3; Exhibit 10; Table 6; and ALH Urban & Regional Economics.

(1) Comprises the number of Mission District households multiplied by 2.4 and 6.3, which are the supply multipliers in Table 6, indicating that the Mission District's retail supply is estimated to be 2.4 times the amount of retail supportable by residents, at 100% of retail spending potential, and 6.3 times the amount of neighborhood-oriented retail supportable by residents.

Given the estimated number of existing Mission District households and the number needed to support the Mission District retail base, the figures in Table 7 indicate that an additional 22,320 to 83,056 households support the Mission District retail base beyond the existing residents. The 775

potential Pipeline households would comprise only 0.9% to 3.5% this amount, indicating that the new Pipeline households will have a very insignificant impact on the Mission District retail base.

The figures in Table 7 are generalized figures, based upon generalized sales assumptions. To the extent sales in the Mission District vary from the assumed levels, then the estimated household counts required to support the retail base will differ. However, the analysis amply demonstrates that the Mission District is clearly a regional shopping destination, as is the one-half mile radius area. Broad citywide and regional socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the Mission District exceeds the demand from existing residents and is largely supported by persons living beyond the area, new residential development within the Mission does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units at 2918 Mission Street and surrounding areas will be delivered.

San Francisco Apartment Rent Trends

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines. But overall, the overall trend is one of rising rents.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), tracked these trends generally for the San Francisco apartment market for a 20-year period. RealAnswers, however, only included "investment grade" properties with 50 or more units, which, as of December 2016,[32] was 24,066 units, or about 11% of San Francisco's 2016 renter-occupied housing units.[33] This is only a portion of San Francisco's rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco's rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco's large number of rental units that are subject to rent control.

Exhibit 13 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco's rents increased at an average annual rate of 5.5%. In absolute terms, this represented a near tripling of rents, from an average of $1,235 in 1996 to $3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.[34] Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some periods of strong rental rate growth (1996-1997, 1999-2000, 2010-2014), as well as a few periods marked by declining rents (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

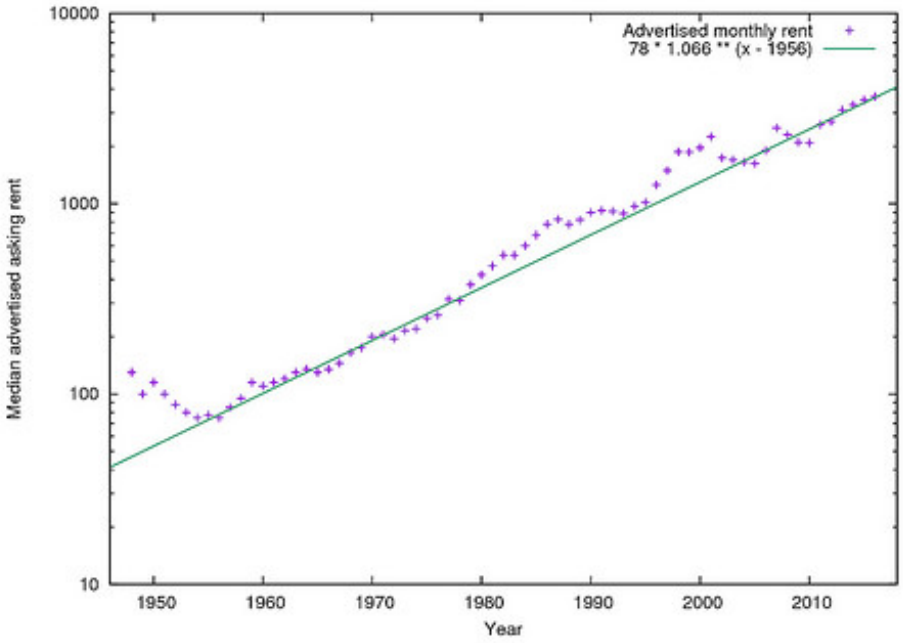
In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual

[32] RealAnswers ceased operation after this date, thus more current information based on these properties is not available.

[33] Pursuant to the U.S. Census for 2016. See: https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

[34] Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers. November 15, 2016.

rent increase of 6.6% (not adjusted for inflation). [35] While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.



Sources: Zillow.com; and ALH Urban & Regional Economics.

As shown by the RealAnswers data in Exhibit 13, San Francisco rents experienced a significant change in 2016, when the rate of recent rent increases for investment grade units slowed down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This slowdown in the rental market for the represented investment grade rental units is mirrored in other rental real estate sources, including Zillow, a national real estate and rental marketplace firm that tracks over 450 markets. The graph presented on the following page presents month-over-month rate changes in San Francisco median market rents from January 2014 to March 2018, thus demonstrating the trend beyond 2016. The data presented by Zillow indicate that median rental rates actually decreased overall in 2016. However, in contrast to RealAnswers, Zillow does not track or sample the same units over time. Instead, Zillow reports apartment listings by unit type, and thus comprises a different random set of units every month. As such, the Zillow trend may be less robust than the earlier RealAnswers trend.

As shown by the above graph, median rental rate growth in San Francisco citywide turned negative in January 2016 and continued to be negative throughout the year and into early 2017. Since then, monthly rent growth has been weak – either slightly positive or negative - and has not yet returned to the levels experienced in 2014 and 2015.

[35] https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html

San Francisco Metropolitan Area and National Trends

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reports a slowdown in rent increases in the San Francisco metropolitan area, as shown in Table 8 below.

Table 8. Yardi Matrix
Apartment Rent Growth Statistics

	Year over Year Growth (April)		Projected Growth Year End
Year	San Francisco MSA	United States	San Francisco MSA
2015	12.5%	4.3%	11.1%
2016	6.5%	6.0%	10.5%
2017	-0.1%	2.0%	3.8%
2018	1.7%	2.4%	2.8%

Sources: "Matrix Monthly, Rent Survey April 2015" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2016" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2017" by Yardi Matrix; "Yardi Matrix Multifamily Monthly, April 2018" by Yardi Matrix; and ALH Urban & Regional Economics.

As Table 8 indicates, year-over-year rent growth in the San Francisco MSA (or metro area),[36] which was 12.5% for the year ended April 2015, had declined to 6.5% by April 2016, and was -0.1% as of April 2017. Very modest rent growth has returned in the past year through April 2018, reported at 1.7%.

Nationally, the year-over-year trend in rent growth indicates a different pattern, with 4.3% rental rate growth in 2015, followed by increased rent growth of 6.0% in 2016. Similar to the San Francisco MSA, the rate of rent growth declined in 2017, but was nonetheless positive at 2.0% versus slightly negative in San Francisco. While rent growth both in the San Francisco metro area and overall nationwide were slowing down, the slowdown was more pronounced in San Francisco. As of April 2018, U.S. rent growth continues at a modest pace of 2.4%, moderately higher than that in the San Francisco metro area.

Table 8 also presents Yardi's forecast of rent growth for the calendar year for the San Francisco metro area. As shown, this growth forecast declined from 11.1% in 2015 to 2.8% in 2018. Out of the 30 larger metro areas with 2018 calendar year rent forecasts in the Yardi Matrix Multifamily Monthly April 2018 report, San Francisco ranks 17th, with Sacramento being the top market at a 7.2% projected rent growth for 2018, followed by Phoenix at 5.0%. Washington DC is the lowest at 1.3%.

Neighborhood Trends

Looking at the neighborhood level, Zumper found that, out of the 43 San Francisco neighborhoods included in its report, 25 experienced a rent decrease in median one-bedroom rents from March 2017 to March 2018.[37] One neighborhood was flat (West of Twins Peaks), while the remaining 17

[36] Defined as the Standard Metropolitan Statistical Area, which includes San Mateo, Marin, Alameda, and Contra Costa counties.)

[37] https://www.zumper.com/blog/2018/03/see-which-sf-neighborhoods-had-the-fastest-growing-rents-this-past-year/

had a rent increase. In most of these neighborhoods, the rate of increase was less than 5.0%, but five areas did experience an increase in excess of 5.0% (Presidio Heights/Laurel Heights, Lower Haight, Tenderloin, Bayview, and Lower Pacific Heights). The Mission experienced an increase of 1.47% in its median one-bedroom rent. The overall increase citywide in one-bedroom rents is 4%, which follows an overall rent decline in 2016.

In terms of monthly rent amounts reported by Zumper, the Mission, with a median one-bedroom rent of $3,450, ties with Russian Hill for the 10th most expensive neighborhood in San Francisco. The median one-bedroom rent in the Mission is slightly higher than that for San Francisco overall at $3,400 as reported in the Zumper National Rent Report: April 2018. This report also provides data on the median rent for a two-bedroom unit in San Francisco at $4,510. Although this report indicates that year-over-year rent increases citywide were in the low single digits (2.4% and 1.8%, respectively), San Francisco remains the most-expensive rental market in the U.S.[38]

Based on evidence reviewed, rental rate growth in San Francisco has tapered off since the end of 2015, with either flat or declining rents, depending upon the source and its methodology. In most neighborhoods, such as the Mission District, rent increases have moderated. Although increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, the San Francisco market remains in a slower period of rent increases. As noted above, however, City of San Francisco Planning Department analysis indicates that 71% of San Francisco's market-rate rentals are subject to rent control, thus many San Franciscan's are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production at 2918 Mission Street and the surrounding area will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, six papers (including document links) stand out regarding their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.
http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).
http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

[38] https://www.zumper.com/blog/2018/03/zumper-national-rent-report-april-2018/

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.
http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

6. Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, "Developing a New Methodology for Analyzing Potential Displacement," Prepared for the California Air Resources Board and the California Environmental Protection Agency, by the University of California, Berkeley and the University of California, Los Angeles, April 26, 2017.
http://www.urbandisplacement.org/sites/default/files/images/arb_tod_report_13-310.pdf

The findings from the six studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress upward pressure on existing home prices and rents. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level. They further indicate that the extensive gentrification observed in Bay Area transit-served neighborhoods over the past 15+ years, including the Mission, was not caused by new development, as relatively limited development occurred during this time period in these neighborhoods.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline relevant to the 2918 Mission Street project. The key findings of each study are highlighted.

California Legislative Analyst's Office (LAO)

March 2015 Study. The LAO's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the

national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

> "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."[39]

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

> "after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."[40]

Thus, the LAO study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of the 2015 study, LAO's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by the LAO:

> "Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.
>
> Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that

[39] Mac Taylor, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.
[40] Ibid, page 12.

> construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."[41]

In this paper, the LAO presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs; and
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households.

Further, the LAO cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. The LAO additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, the LAO ***paper concludes that more private development is associated with less displacement***.[42] The LAO cites that the analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, the study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, the findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).[43] The LAO theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.[44] In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, the LAO also found displacement was more than twice as likely than in low-income census tracts with high construction levels.[45] This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

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[41] Mac Taylor, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.
[42] The LAO defines a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see LAO, 2016, page 13).
[43] Ibid, page 9.
[44] Ibid.
[45] Ibid, page 10.

City and County of San Francisco, Office of Economic Analysis

In 2015, at the request of the Board of Supervisors, the Office of Economic Analysis (OEA) prepared a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

> "lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city's ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium." [46]

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

> "market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable."[47]

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.[48] Finally, the study stated:

> "We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. On the contrary, both in the Mission and across the city, new market rate housing tends to depress, not raise, the value of existing properties." [49]

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that ***new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period***.[50]

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[46] City and County of San Francisco, Office of the Controller-Office of Economic analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," September 10, 2015, page 1.
[47] Ibid, page 28.
[48] Ibid.
[49] Ibid.
[50] Ibid page 26.

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk and Chapple, from the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by the LAO in "Perspectives on Helping Low-Income Californians Afford Housing" (February 2016), wherein the LAO study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of the LAO's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if the LAO's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."[51] They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that "***neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.***"[52] They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"[53] and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.[54]

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

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[51] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.
[52] Ibid, page 7.
[53] Ibid, page 10.
[54] Ibid, page 1.

> "Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."[55]

Monkkonen states that "constraining the supply of housing increases rents."[56] He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise by inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."[57] He further cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."[58] Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that ***increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement.***

Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, University of California, Berkeley and the University of California, Los Angeles, April 26, 2017

This paper is a very extensive and comprehensive review of theory and research regarding the relationship between fixed-rail transit neighborhoods and displacement, using case studies in Los Angeles and the San Francisco Bay Area to examine patterns of neighborhood change in relation to transit proximity. The impetus behind this study is to assess the impact of pursuing more compact, transit-oriented development as a key strategy to achieve greenhouse gas reductions through regional sustainable communities strategies (SCS), in compliance with State of California climate change legislation. As noted in the study's Executive Summary, "Concern has been raised that such

[55] Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.
[56] Ibid, page 5.
[57] Ibid page 6.
[58] Ibid.

development and investment patterns may result in heightened property values and the displacement of low income households."[59]

A key objective of the study was to examine "the relationship between fixed-rail transit neighborhoods and displacement in California by modeling past patterns of neighborhood change in relation to transit proximity."[60] The report also sought to analyze the relationship between displacement and travel behavior. The many types of variables included in the study's quantitative and qualitative case study analysis included neighborhood-level data, address-level data, and parcel-level data. The neighborhood-level analysis included variables such as demographic, housing, and socioeconomic characteristics; movement in/out of neighborhood; and public housing unit counts and Section 8 voucher recipients (all neighborhood-level datasets). The address-level analysis included variables such as number of housing units constructed; number of jobs, establishments, and business sales; number of evictions by type; and presence of a rail station. The parcel-level analysis included numerous variables probing changes associated with a plot of land, such as transaction history, land-use changes, new residential structure construction, major renovations, and conversions of apartments to condominiums. These data, along with other data constructs, were inputs to the investigators' development of proxies to assess different types of displacement (e.g., economic, physical, and exclusionary). The study years represented by the data reflected 2000 to 2013.

A heavy focus of the study was to assess vehicle miles traveled (VMT) among different groups relative to their transit proximity. But in addition, its findings have bearing on the knowledge base associated with residential gentrification and displacement. Aside from the findings associated with VMT, some of the case study findings associated with examining gentrification and displacement in fixed-rail transit neighborhoods included the following:

- "Gentrification in Los Angeles and the Bay Area transit neighborhoods cannot be attributed to new residential development, as the vast majority of transit neighborhoods in both Los Angeles and the Bay Area experienced relatively little residential development from 2000 to 2013. In the Bay Area, over half of market rate residential development occurred in tracts that did not gentrify."[61]

The preceding is a very high-level summary of just one small aspect of a detailed and well-researched study. It is, however, one of the findings most relevant to the issue being addressed by this literature review regarding the relationship between home construction, increasing rents, and displacement.

Case Study Analysis and Findings

This section includes case study analysis and findings that explores the relationship between housing production and market-rate housing costs. The focus of this section is analysis specific to San Francisco, but also includes several additional case studies associated with other areas where rising residential prices relative to housing production has also been explored, either in depth or on a more qualitative basis.

San Francisco. To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify

[59] Karen Chapple, Paul Waddell and Daniel Chatman, with Miriam Zuk, "Developing a New Methodology for Analyzing Potential Displacement," April 26, 2107, page vi.
[60] Ibid.
[61] Ibid, page 91.

readily available data points local to San Francisco and the Mission District. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as $0 - $499, $500-$999, $1,000-$1,499, $1,500- $1,999, and $2,000+. The rent range band tops out at $2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the $2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count, and this resource ceased operation after 2016. Other sources also provide a time series of data, but do not track the same set of housing units over time, and thus provide informative, but potentially less reliable findings.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco and the census tracts defining the Mission District, pursuant to the American Community Survey (ACS). Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as Zillow and RealAnswers, with the latter tracking prices and price changes for a 20-year period, but ending in 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco and the Mission District. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District suggesting that housing production has an impact on apartment rents, either increases in rent or rent suppression.*** This finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. For example, Zillow now tracks median rents in San Francisco and several neighborhoods for all rental units as well as units by type (i.e., number of bedrooms). While these data are useful, they are somewhat limited because the sample units comprise a random set of units being marketed at the time of Zillow's survey, and do not comprise a consistent stock of units being sampled over time. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases. For just the Mission District, an estimate published in June 2015 suggested that approximately 68% of units in the Mission census tracts are potentially rent-controlled.[62]

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco and the Mission District is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

Other Cities. Many other cities throughout the United States grapple with understanding where displacement is occurring in their city and how gentrification impacts displacement, and explore approaches to mitigate displacement. An oft-cited means of reducing displacement is the creation or preservation of affordable housing, priced to protect the most vulnerable residents. These considerations are often combined with concerns about promoting economic mobility for all, as displacement is deemed less likely to occur if household income grows along with the neighborhood's rising values.

Less common in the reports and studies prepared by or about other cities are findings or strategies regarding how new housing development impacts displacement, or rental rates of existing housing units, which is a core consideration at issue in San Francisco and the Mission District specifically. ALH Economics conducted a search to identify case study examples of cities, journalists, or urbanists that

[62] Sydney Cespedes, Mitchell Crispell, Christina Blackston, Jonathan Plowman, and Edward Graves, "Community Organizing and Resistance in SF's Mission District, Center for Community Innovation, June 2015, page 6.

broadened their examination or discussions to include the dimensions of new housing development and pricing relative to gentrification, including how to balance revitalization, which is perceived to be positive for communities, with reducing displacement risks. Following are summaries of some of the materials found to most directly include incorporation of new market-rate housing development along with affordable housing development in their analysis and findings.

Seattle. A January 2018 Seattle Times article reported findings that the Seattle region comprising King and Snohomish counties experienced a 48% increase in rents over the previous five years, with Seattle leading the nation in rent hikes in 2016 and early 2017.[63] While the annual rent still increased modestly from a year earlier (4.5%), the quarterly average rental rate dropped significantly for the first time this decade, comprising a 2.9% decline in December 2017 compared with the prior quarter. During the same period, the region's vacancy rate grew 0.8%, reaching 5.4% in December 2017, comprising the highest vacancy rate since 2010. Vacancy rates were reported to be higher among the existing apartment stock in neighborhoods experiencing new apartment development. In parallel, the biggest rent decreases were mostly in the popular Seattle neighborhoods experiencing the greatest new construction, with rents dropping more than 6% from the prior quarter in many neighborhoods.

While the surge in rental rates was attributed to strong job and population growth, The Seattle Times article attributed the changing rental market dynamics to the strong growth in rental unit supply, with many new projects under construction and supply growing faster than demand. As a result, some new apartments are remaining vacant. While some longer-term rental rate growth is anticipated for this market, several market analysts anticipate growth will be similar to the rate of inflation, rather than any accelerated market growth. Thus, rental rates in Seattle are anticipated to moderate pursuant to the achievement of relative market equilibrium between supply and demand.

This trend in Seattle suggests that rental unit pricing is influenced negatively by new rental unit construction, i.e., as new production occurs, pricing increases become more moderate or drop, suggesting that new development helps dampen pricing increases and does not result in increased rents elsewhere.

Prior to this recent market trend in Seattle, Sightline.org published a paper in 2016 by Dan Bertolet that focused on Seattle housing market dynamics and displacement.[64] The paper's purpose was to lay out evidence on displacement in Seattle and assess strategies for community protection from displacement. The author's premise is that "the root cause of displacement is a shortage of homes, and the only real solution is to build lots more housing of all types, to bolster those efforts with public support for those most vulnerable, and to precisely target preservation efforts in places justified by the protection of cultural communities or the opening of economic opportunities." One focus of Bertolet's paper is the distinction between "physical displacement" and "economic displacement," with the former associated with old buildings making way for new ones, and the latter occurring when rising rents force tenants to move elsewhere. The author then indicates the two forms of displacement could precipitate "cultural displacement," when people move because neighbors and culturally related businesses have left the area.

A good portion of Bertolet's efforts was associated with the demolition of low-cost housing as new housing development opportunities arise in Seattle. As this is not a key issue relative to concerns about

[63] Mike Rosenberg, Seattle Times (seattletimes.com), "Seattle-area rents drop significantly for first time this decade as new apartments sit empty,", January 12, 2018, Updated January 13, 2018.
[64] Dan Bertolet, Sightline.org, "Displacement: The Gnawing Injustice at the Heart of Housing Crises, What can we actually do about it?,", August 10, 2016.

displacement in San Francisco and the Mission District, the following focuses on other aspects of the Bertolet's research and findings more associated with economic displacement, although some of the paper's conclusions and findings are based upon comingling consideration of both types of displacement.

Bertolet makes many statements associated with the impact of housing production on displacement and rent trends. Among these are the following:

- "Legal restrictions on housing construction create a situation in which the need for homes increasingly outstrips the supply of homes available to rent or purchase. And this enforced housing shortage creates a preservation paradox: conservation of existing inexpensive private-market housing …. Does not reduce displacement. It only rearranges where the displacement happens – and can even increase its occurrence."
- "In a bidding war for scarce homes… the only way everyone can come out with a place to live is if there are enough new dwellings added for everyone who is bidding…. Ultimately, no action is more effective at curtailing displacement across an entire city than creating more housing choices for the diverse families and individuals who need them."
- "In terms of net housing gained versus housing lost, redevelopment is a big win for reversing Seattle's housing shortage and relieving upward pressure on prices caused by unmet demand. More homes to accommodate more families at lower prices is a simple formula for less displacement overall."

After examining data regarding new home development by zone in Seattle, such as commercial zone, neighborhood commercial + midrise zone, etc., versus homes lost to demolition, Bertolet concludes that the data indicate that to minimize overall displacement, Seattle should allow as many kinds of new housing at as high a density as possible given site characteristics. He further indicates that halting development to save existing housing may provide a short-lived benefit for some, but only at the expense of many more times families who will see their rents rise faster. While the context for this comment pertains to preserving homes versus demolition for higher density housing opportunities, this finding could equally pertain to a scenario of restricting versus allowing new residential development.

Bertolet's paper continues with additional discussion regarding rental housing price dynamics, the preservation of affordable housing, the process by which filtering reduces economic displacement both in the short-term and the long-term, the benefits of building more subsidized affordable housing, and the need for consideration of other approaches beyond new housing development to equitably address displacement pressures in some culturally sensitive communities. Specifically, Bertolet states that "Tackling displacement requires a "both/and" approach; build lots and lots of new housing, and provide support for communities most vulnerable to change." Thus, Bertolet recognizes that culturally sensitive communities have unique needs, but that new housing development is critical to the minimization of economic displacement.

Bertolet's paper was written during a period characterized by strong growth in Seattle's rental rates. However, Bertolet's position that net new housing development could relieve upward pressure on prices appears to be borne out by the trends reviewed in the January 2018 Seattle Times article, i.e., declining rental rates coinciding with dramatic increases in new housing supply and associated forecasted modest rental rate growth consistent with inflation.

Denver. In May 2016, Denver's Office of Economic Development (OED) engaged in a study titled "Gentrification Study: Mitigating Involuntary Displacement." This was a far-reaching and multi-faceted

study, that conducted a review of what strategies and tools can be employed to reduce displacement. As part of the study, Denver's OED looked at other cities around the U.S. to see how communities are balancing the benefits of thoughtful development in a way that helps protect the most vulnerable residents and promotes economic mobility for all. Pursuant to the review conducted by Denver's OED of conditions in Denver and practices in other cities such as Portland, Sacramento, Seattle, Los Angeles, and others, the study highlights the following ideas for Denver:

- ***Affordable Housing*** – Increases in rental and for-sale housing prices outpaced income growth in many households, thus making public investment critical to increase Denver's supply of affordable housing across a wide spectrum of income levels;
- ***Middle-Skill Jobs*** – Displacement is less likely if household income grows along with the neighborhood's rising values, thus career-directed workforce training is key to helping people get the credentials they need to meet employers' needs;
- **Support Small Business** – Nurturing aspiring and existing small business owners is a powerful economic tool for sustaining healthy, diverse urban neighborhoods;
- ***Focus on Vulnerable Neighborhoods*** – Armed with the ability to predict where displacement threatens in the new future, both public and private investment can drive future decisions to preserve and protect unique neighborhoods while fueling the development they need to build opportunity, income and jobs.[65]

Denver's OED study puts forth several recommendations, forming a platform for action. These include:[66]

- ***There is no single solution*** – Gentrification is most often the result of complex market forces, and there is no quick fix for a city to benefit from neighborhood revitalization while completely avoiding the involuntary displacement that gentrification can bring;
- ***Investment in affordable housing continues to be a critical need*** – This includes creating a funding source, preserving affordable housing, land banking, and fiscal policy and grants to protect existing homeowners; and
- ***Access to broader economic opportunity needs to be considered within every public investment*** – Including provide technical support to neighborhood businesses, tie business incentives to targeted community engagement, expand awareness and exposure to career-path options, support entrepreneurship, and preserve industrial space for targeted uses with the potential to create middle-skills jobs.

As is clear from these summary points, one major thrust of Denver's approach is to support economic growth, of individuals as well as businesses, as a means of combating displacement. A very succinct statement in the full report addresses this by saying "Investing aggressively in affordable housing is critical, but housing-based strategies must also be paired with strategies to build existing residents' economic capacity. With the right strategies and supports, neighborhood reinvestment offers the potential to create new economic opportunity for existing residents. ***Keeping investment out of some***

[65] Extracted from the Denver Office of Economic Development summary brochure "Gentrification Study: Balancing revitalization, reducing displacement. See https://www.denvergov.org/content/dam/denvergov/Portals/690/Reports%20and%20Studies/GENT%20STUDY%20051816.pdf for full study.

[66] Ibid.

neighborhoods to avoid gentrification while the rest of the city prospers is not a positive strategy for the long-term success of neighborhood residents."[67]

This statement is supported by the study's summary of two Brookings Institution studies, one titled "The Anti-Poverty Case for Smart Gentrification" from 2015 and the other titled "Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices" from 2001. Of these studies, the full Denver report says "Both Brookings studies underline that a policy approach that seeks to simply stop or slow investment will not provide the greatest benefit to a city's lower-income residents. Rather, policymakers should undertake strategies that allow residents to stay in place as investments in their communities create new economic opportunity. This report recommends strategies to both create greater access to affordable housing in gentrifying neighborhoods, and to create entry points for residents to benefit from new investments in their communities."[68]

While the thrust of the Denver study is more on how creating opportunities for economic growth can help mitigate displacement, rather than the impact of how other trends such as the development of market-rate housing can help preserve lower cost housing opportunities, this study does suggest that halting development in general is not a productive strategy and does not aid in reducing or minimizing residential displacement. The following section further explores the relationship between gentrification and displacement as addressed in the academic and associated literature.

Dissenting Opinion. The notion that the provision of new housing will help damp down increases in housing costs is not universally accepted. One such example of this dissenting opinion is made clear in a January 2018 article in Britain's daily newspaper "The Guardian" by Ann Pettifor, a Director of Policy Research in Macroeconomics (PRIME), a network of economists concerned with Keynesian monetary theory and policies. This article, printed in a newspaper and not reviewed or vetted as occurs with academic journal studies, is heavily grounded in discussion about London's real estate market, especially for houses, and thus is not easily transferrable to a U.S. market like San Francisco. However, the major thrust of Pettifor's argument is that throughout the UK, increases in housing supply, and a contraction of demand due to a decline in the number of households, has not dampened prices.

To support this statement, Pettifor presents a few scant figures regarding the number of households in the UK, and the number of dwellings. The only housing cost information presented includes an 11% increase in home prices in Ireland in 2006, when more than 90,000 homes were built in a country with 4 million people.[69] Thus, Pettifor's discussion is more qualitative than it is quantitative, wherein she states that the key to making housing more affordable in the UK is not to build more, but to stop the flow of cash flooding into expensive areas. She believes that building more without doing this will not reduce prices, and that the market will simply absorb more cash.

The crux of Pettifor's argument is that speculation in the London property market is fueling stratospheric house price rises, not a shortage of supply, and that this has been exacerbated by government subsidies, tax breaks, and global and non-resident buyers funneling cash into London property.[70] To stop the flow of cash, Pettifor recommends implementing a tax on property speculation

[67] "Gentrification Study: Mitigating Involuntary Displacement," Denver Office of Economic Development, May 2016, page 7.
[68] Ibid, page 14.
[69] "Why building more homes will not solve Britain's housing crisis," The Guardian, January 27, 2018, by Ann Pettifor.
[70] Ibid.

and taxing speculative capital flows in and out of Britain, which would create a managed fall in property prices. Pettifor believes the resulting bubble deflation will achieve a more affordable housing market, and that the money getting channeled toward speculative property investment could instead be used to drive investment in capital and social infrastructure to generate growth in productive, skilled, better-paid employment.

Aside from the fact that Pettifor provides no analytical support for her opinions, she promulgates a stance that would require a change in national taxation policy that in her opinion would also cause a largescale decline in property values. Without more substantial information and data, it is not possible for a reader of Pettifor's article to understand how she reached her conclusions. Moreover, the approach she recommends involving a national taxation policy change is not an approach that can be implemented at the local level in the United States, where concerns about the impact of affordable housing supply and market-rate pricing are most acute. Further, the implementation of a policy that would guarantee wholesale property value reduction, such as promoted by Pettifor, does not address the connection between construction costs and pricing, which is not addressed herein but which also factors into the context of pricing for new housing development.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification, as how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development, and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development ***cause*** gentrification and displacement?

ALH Economics identified 12 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with ***public policy tools*** available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development at 2918 Mission Street, and the Mission District in general, will cause displacement ***is not supported by the evidence in the academic***

literature. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. Generally speaking, CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." Most specifically, the CEQA Guidelines state that:

> "[e]conomic or social effects of a project shall not be treated as significant effects on the environment."[71] CEQA defines the "[e]nvironment" as "*physical* conditions,"[72] and impacts analyzed under CEQA must be "related to a physical change."[73]

Under the CEQA guidelines, however, ***physical changes*** to the environment caused by a project's economic or social effects are secondary impacts that should be included in an EIR's impact analysis ***if they are significant***.[74] There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.[75]

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.[76]

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

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[71] CEQA Guidelines, § 15131, subd. (a)
[72] Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.
[73] Guidelines, §15358(b).
[74] CEQA Guidelines §15064(e)
[75] The primary case is Bakersfield Citizens for Local Control v City of Bakersfield (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include Anderson First Coalition v City of Anderson (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and Gilroy Citizens for Responsible Planning v City of Gilroy (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.
[76] This case is Gray v County of Madera (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.[77] Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.[78]

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development at 2918 Mission Street and its surrounding areas (e.g., the one-half miles and additional one-quarter mile radii) will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

[77] Representative cases include Preserve Poway v. City of Poway (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not "include such psychological, social, or economic impacts on community character;" and Cathay Mortuary, Inc. v. San Francisco Planning Com. (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not "related to any environmental issue."

[78] See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study "economic displacement"; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; Group 4 Architecture, Research + Planning, Inc.; East Bay Community Energy Authority; Claremont Colleges; and Kimco.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and

economic impact analysis, commercial market analysis, economic development and redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's

Home Improvement Warehouse, or Target store. The studies have also been conducted for large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, opened October 2017, with 365 Market opening December 2017
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opened April 2017
- Fresno, Park Crossing (formerly Fresno 40), totaling 209,650 square feet, July 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, opened April 2017
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center; phased project opening beginning September 2017
- Sacramento, Downtown Commons, mixed-use entertainment complex with 682,500 square feet of retail space adjoining new Golden 1 Center for the Sacramento Kings; initial tenant 2016, additional tenants beginning November 2017
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007

- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Sonora, Sonora Crossroads, Walmart Discount Store expansion to a Superstore, net increase of 30,000 square feet, groundbreaking May 2017
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006
- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Ukiah, Costco, 148,000-square-foot warehouse membership store, groundbreaking September 2017, completion anticipated Spring 2018
- Warriors Arena, San Francisco, groundbreaking January 2017

Projects in Progress/Engaged in the Public Process

- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center. FEIR completed January 2016 and Certified September 2017
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex. Final EIR completed 2017. Specific Plan Approved January 2018. Groundbreaking anticipated 2019/2020.
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

*Amy L Herman Resume Insert

ALH | ECON

ALH Urban & Regional Economics

PROFESSIONAL PROFILE

AMY L. HERMAN
PRINCIPAL

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SELECT OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- China Harbor Engineering Company
- Claremont University Consortium
- City of Dublin
- Dudek
- Environmental Science Associates
- Equity One
- First Carbon Solutions
- Gresham Savage Nolan & Tilden
- Howard Hughes Corporation
- Kimco Realty
- City of Los Banos
- LSA Associates
- Michael Brandman Associates
- City of Pleasanton
- The Primary School
- Remy Moose Manley
- Signature Flight Support
- Sunset Development Co.
- Sycamore Real Estate Investments LLC
- Syufy Enterprises
- City of Tracy

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time, she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

Alameda County. Prime consultant managing a complex team preparing a Local Development Business Plan for the soon-to-be launched East Bay Community Energy Community Choice Aggregation program for Alameda County. ALH Economics components include economic impact and financial analysis of the local development program components.

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

FISCAL IMPACT ANALYSIS

Stanford Research Park. Analyzed historic and current fiscal contributions generated by the Stanford Research Park real estate base and businesses to the City of Palo Alto, Santa Clara County, and the Palo Alto Unified School District.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Ronald McDonald House. Prepared fiscal impact analysis of expansion plans to more than double the existing facility to better serve families seeking treatment at Lucille Packard Children's Hospital.

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed-use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts. Prepared as a subconsultant to the District's water resource planning firm.

DEVELOPMENT FEASIBILITY

Alameda County. Managed numerous assignments helping Alameda County achieve its economic development goals for the County's unincorporated areas through surplus site disposition assistance, including market analysis and financial due diligence.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

Union City Property Owner. Provided an independent analysis regarding the reasonableness of the City of Union City continuing to reserve a key development area for office and/or R&D development in the context of the General Plan Update.

DCT Management LLC. Performed economic analysis on a proposed change to the Newark Zoning Ordinance regarding permitted industrial uses. The analysis demonstrated the market, fiscal, and economic impacts that could result from the proposed zoning ordinance change.

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles.

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
Total Estimated Income and Spending on Retail from 2918 Mission Street and Pipeline Households
2018 Dollars

Residential Land Use	Average Monthly Rent Assumption	Estimated Average Household Income (1)	Number of Households (2)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (5)
Project (2918 Mission Street) (6)						
2918 Mission - Market Rate	$4,500	$162,000	64	25%	$41,100	$2,618,200
2918 Mission - Affordable Rental	NA	$48,800 (7)	8	39%	$19,200	$153,800
Subtotal			*72*			$2,772,000
Other One-Half Mile Projects						
Entitled Market Rate Rental (8)	$4,500	$162,000	266	25%	$41,100	$10,941,600
Entitled Affordable Rental	NA	$74,600 (9)	132	33%	$24,900	$3,288,100
Entitled Market Rate Owner	NA	$430,000 (10)	41	22%	$45,000 (11)	$3,933,100
Entitled Affordable Owner	NA	$95,900 (12)	6	31%	$30,100	$180,600
Not Entitled Market Rate Rental (8)	$4,500	$162,000	165	25%	$41,100	$6,799,400
Not Entitled Affordable Rental (13)	NA	NA	0	NA	NA	NA
Subtotal			*610*			$25,142,800
Total One-Half Mile Radius					*$96,300*	$27,914,800
Projects Within Additional One-Quarter Mile Radius						
Not Entitled Market Rate (8)	$4,500	$162,000	82	25%	$41,100	$3,360,600
Not Entitled Affordable Rental	NA	$95,000 (14)	11	31%	$29,800	$328,000
Subtotal			93			$3,688,600
Total (15)		**--**	**775**	**--**	**--**	**$31,603,400**

Sources: Vanguard Properties; 2018 Maximum Income by Household Size, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; 2018 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; Zillow; and ALH Urban & Regional Economics.

(1) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
(2) Assumed to comprise occuppied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Comprises the product of estimated annual household income times percent income spent on retail.
(5) Comprises number of households times percent income spent on retail. Figures rounded to the nearest $1,000.
(6) The market rate unit rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the 2918 Mission Street market-rate unit monthly rents. The affordable unit rents are based on the maximum rents per AMI income level by unit type. The unit mix comprises 2 studio units, 3 one-bedroom units, and 3 two-bedroom units.
(7) The affordable units at 2918 Mission Street are assumed to include 2 studio units affordable at 50% of AMI, 3 one-bedroom units affordable at 50% of AMI, 2 two-bedroom unit affordable at 50% of AMI, and 1 two-bedroom unit affordable at 55% of AMI. Household sizes are assumed at 1 for studio units, 2 for one-bedroom units, and 3 for two-bedroom units (i.e., number of bedrooms plus one except for the studio units). Using these assumptions, and the 2018 Maximum Income by Household Size, the average weighted household income is $48,800.
(8) Market rate rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the average new rental unit, regardless of unit type.
(9) The San Francisco Development Pipeline includes three projects with affordable units, two at 90% of AMI and one at 30% and 60% of AMI. The majority of the units are in the project with the lower AMI. ALH Urban & Regional Economics calculated an approximate weighted average AMI across all the units, based upon the limited information available. The conclusion is unit affordability at 70% of AMI, with the household size average 3 persons.
(10) This is a generic assumption prepared by ALH Urban & Regional Economics, based on the household income equal to one-third housing cost and a March 2018 median home sale price in San Francisco of $1.3 million per Zillow.
(11) Per the formula, this figure would calculate as $96,300. Conservatively, ALH Urban & Regional Economics reduced this estimate to $45,000, to allow for a higher spending proportion of income spent for other purposes, such as housing costs.
(12) Assumes 90% of AMI for a 3-person household. The San Francisco Development Pipeline indicates the 90% threshold. The household size assumption was prepared by ALH Urban & Regional Economics.
(13) The units at 2918 Mission Street are the only "not entitled" affordable units in this area.
(14) The affordability level of these units is not specified in the San Francisco Development Pipeline. For analytical purposes they are assumed to be affordable to 90% of AMI, which is consistent with the majority of other area projects with affordable levels. The income level included here corresponds with a 3-person households.
(15) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2016

Characteristic	All Consumer Units	Household Income Range							
		$15,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 and more
Average HH Income	$74,664	$22,167	$34,703	$44,589	$59,369	$83,595	$120,512	$170,704	$345,002
Amount Spent on Retail (2)	$21,411	$12,614	$16,512	$17,949	$20,648	$25,238	$31,377	$39,324	$47,687
Percent Spent on Retail (3)	29%	57%	48%	40%	35%	30%	26%	23%	14%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2016, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2016
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total	Percent Assumed Neighborhood-Oriented (2)
Motor Vehicle & Parts Dealers	$84,225,652	$84,225,652	15.7%	0%
Home Furnishings & Appliances	$29,910,071	$29,910,071	5.6%	15%
Building Materials & Garden Equipment	$35,238,333	$35,238,333	6.6%	10%
Food & Beverage Stores	$27,678,056	$92,260,187 (3)	17.2%	80%
Gasoline Stations	$43,273,082	$43,273,082	8.0%	0%
Clothing & Clothing Accessories	$39,698,156	$39,698,156	7.4%	20%
General Merchandise Stores	$48,255,569	$64,340,759 (4)	12.0%	20%
Food Services & Drinking Places	$78,494,623	$78,494,623	14.6%	75%
Other Retail Group (6)	$55,940,351	$70,414,309 (5)	13.1%	20%
Total (7)	**$442,713,894**	**$537,855,172**	**100%**	**NA**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2016; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and Sedway Consulting.

(1) Taxable sales are pursuant to reporting by the BOE.

(2) Assumption prepared by ALH Urban & Regional Economics.

(3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.

(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2015 represented approximately 12.74% of all Other Retail Group sales. Sedway Consulting applied that percentage and then adjusted upward for non-taxable sales.

(6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2018 Projected (1)

	2010		2011		2012		2013		Average
Store or Category (2)	**In 2010$'s**	**In 2018$'s**	**In 2011$'s**	**In 2018$'s**	**In 2012$'s**	**In 2018$'s**	**In 2013$'s**	**In 2018$'s**	**In 2018$'s**
Apparel									
Apparel - Specialty	$405	$464	$447	$496	$472	$513	$451	$483	$489
Women's' Apparel	$365	$418	$455	$505	$515	$560	$473	$507	$497
Shoe Stores	$371	$425	$454	$504	$487	$529	$475	$509	$492
Ross Dress for Less	$324	$371	$195	$216	$195	$212	$362	$388	$297
Kohl's	$229	$262	$215	$239	$209	$227	$190	$204	$233
Discount Stores	$196	$224	$212	$235	$213	$232	$202	$216	$227
Target	$282	$323	$290	$322	$304	$330	$297	$318	$323
Wal-Mart	$422	$483	$499	$554	$456	$496	$376	$403	$484
Department Stores Category	$252	$288	$276	$306	$274	$298	$285	$305	$299
Sears	$206	$236	$205	$227	$210	$228	$161	$172	$216
Domestics Category	$294	$336	$288	$320	$268	$291	$300	$321	$317
Furniture Category	$198	$227	$290	$322	$361	$392	$449	$481	$355
Average of Domestics & Furniture	$246	$282	$289	$321	$315	$342	$375	$401	$336
Neighborhood Center Category									
Supermarkets	$535	$612	$533	$591	$575	$625	$611	$655	$621
Specialty/Organic	$510	$584	$658	$730	$698	$759	$756	$810	$721
Drug Stores	$724	$829	$657	$729	$667	$725	$629	$674	$739
Rite Aid	$421	$482	$560	$621	$549	$597	$556	$596	$574
CVS	$802	$918	$806	$894	$883	$960	$875	$937	$927
Restaurants Category	$429	$491	$496	$550	$480	$522	$486	$521	$521
Casual Dining	$431	$493	$578	$641	$563	$612	$567	$607	$588
Fast Food Chains	$431	$493	$507	$562	$492	$535	$543	$582	$543
Home Improvement	$269	$308	$278	$308	$287	$312	$301	$322	$313
Auto - DIY Stores (3)	$205	$235	$218	$242	$220	$239	$217	$232	$237
Other Retail Categories									
Accessories	$778	$890	$978	$1,085	$1,191	$1,295	$1,032	$1,106	$1,094
HBA, Home Fragrances	$541	$619	$474	$526	$531	$577	$519	$556	$570
Electronics & Appliances	$686	$785	$1,171	$1,299	$821	$892	$946	$1,013	$998
Office Supplies	$263	$301	$270	$300	$262	$285	$283	$303	$297
Sports	$226	$259	$239	$265	$252	$274	$253	$271	$267
Pet Supplies	$185	$212	$188	$209	$218	$237	$234	$251	$227
Book Superstores	$180	$206	$247	$274	$210	$228	$189	$202	$228
Toys	$320	$366	$333	$369	$312	$339	$220	$236	$328
Music Superstores	$318	$364	$317	$352	$314	$341	$292	$313	$342
Gifts, Hobbies & Fabrics	$124	$142	$136	$151	$137	$149	$151	$162	$151
Average of Other Retail Categories	$362	$414	$435	$483	$425	$462	$412	$441	$450

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit 5
Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,371,330	$800 (6)	5,464	5,752	0
Home Furnishings and Appliances	$1,552,339	$336	4,616	4,859	729
Building Materials and Garden Equip.	$1,828,877	$313	5,849	6,157	616
Food and Beverage Stores	$4,788,324	$671	7,140	7,515	6,012
Gasoline Stations	$2,245,882	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,060,343	$489	4,214	4,436	887
General Merchandise Stores	$3,339,299	$310	10,777	11,344	2,269
Food Services and Drinking Places	$4,073,888	$551	7,396	7,786	5,839
Other Retail Group	$3,654,518	$450	8,120	8,547	1,709
Subtotal	$27,914,800	--	53,576	56,396	18,061
Additional Service Increment (15% of total) (9)	N/A	N/A	9,455	9,952	7,464 (8)
Total	**N/A**	**N/A**	**63,031 (10)**	**66,348**	**25,526**
Total Rounded to Nearest 100			**63,000**	**66,300** (11)	**25,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
2918 Mission Street
Supportable Square Feet of Commercial Space from Project Households
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$434,082	$800 (6)	543	571	0
Home Furnishings and Appliances	$154,151	$336	458	483	72
Building Materials and Garden Equip.	$181,611	$313	581	611	61
Food and Beverage Stores	$475,491	$671	709	746	597
Gasoline Stations	$223,021	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$204,597	$489	418	441	88
General Merchandise Stores	$331,600	$310	1,070	1,126	225
Food Services and Drinking Places	$404,546	$551	734	773	580
Other Retail Group	$362,902	$450	806	849	170
Subtotal	$2,772,000	--	5,320	5,600	1,794
Additional Service Increment (15% of total) (9)	N/A	N/A	939	988	741 (8)
Total	**N/A**	**N/A**	**6,259 (10)**	**6,589**	**2,535**
Total Rounded to Nearest 100			**6,300**	**6,600 (11)**	**2,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Entitled and Non-entitled Residential Pipeline Projects Within Additional One-Quarter Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$577,618	$800 (6)	722	760	0
Home Furnishings and Appliances	$205,123	$336	610	642	96
Building Materials and Garden Equip.	$241,664	$313	773	814	81
Food and Beverage Stores	$632,719	$671	943	993	794
Gasoline Stations	$296,766	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$272,249	$489	557	586	117
General Merchandise Stores	$441,248	$310	1,424	1,499	300
Food Services and Drinking Places	$538,315	$551	977	1,029	772
Other Retail Group	$482,900	$450	1,073	1,129	226
Subtotal	$3,688,600	--	7,079	7,452	2,387
Additional Service Increment (15% of total) (9)	N/A	N/A	1,249	1,315	986 (8)
Total	**N/A**	**N/A**	**8,329 (10)**	**8,767**	**3,373**
Total Rounded to Nearest 100			**8,300**	**8,800** (11)	**3,400**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
All Pipeline Projects Within Three-Quarter Miles of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,948,947	$800 (6)	6,186	6,512	0
Home Furnishings and Appliances	$1,757,462	$336	5,226	5,501	825
Building Materials and Garden Equip.	$2,070,541	$313	6,622	6,971	697
Food and Beverage Stores	$5,421,042	$671	8,083	8,508	6,807
Gasoline Stations	$2,542,648	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,332,592	$489	4,771	5,022	1,004
General Merchandise Stores	$3,780,547	$310	12,201	12,843	2,569
Food Services and Drinking Places	$4,612,203	$551	8,374	8,814	6,611
Other Retail Group	$4,137,418	$450	9,193	9,676	1,935
Subtotal	$31,603,400	--	60,656	63,848	20,448
Additional Service Increment (15% of total) (9)	N/A	N/A	10,704	11,267	8,450 (8)
Total	**N/A**	**N/A**	**71,360 (10)**	**75,115**	**28,899**
Total Rounded to Nearest 100			**71,400**	**75,100** (11)	**28,900**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located within three-quarter miles of 2918 Mission Street and Exhibit 3 for the percentage distrubtion by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Households and Mean Household Income
2016 (1)
Mission District and One-Half Mile Area Around 2918 Mission St.

Geographic Area/Census Tracts		All Census Tract Households	Area Households	Mean Household Income 2016
Mission District Census Tracts (2)				
177		758	758	$108,422
201		3,115	3,115	$78,337
208		2,846	2,846	$110,843
209		1,894	1,894	$98,578
228.01		1,947	1,947	$149,946
228.03		1,570	1,570	$126,656
229.01		1,540	1,540	$103,254
229.02		832	832	$141,679
229.03		1,157	1,157	$113,577
Total/Weighted Average			**15,659**	**$110,317**
One-Half Mile Area (3)	**Percent of Census Tract**			
253	56%	1,734	969	$142,278
252	42%	2,117	883	$168,279
251	1%	1,400	17	$161,052
229.02 (4)	72%	832	596	$141,679
228.03 (4)	42%	1,570	657	$126,656
229.01 (4)	100%	1,540	1,540	$103,254
228.01 (4)	0%	1,947	4	$149,946
215	28%	2,580	722	$157,089
214	29%	1,666	482	$204,076
211	11%	1,919	210	$212,843
210	100%	2,165	2,165	$146,639
209 (4)	100%	1,894	1,894	$98,578
208 (4)	26%	2,846	729	$110,843
207	15%	2,656	407	$197,080
			11,275	**$136,422**

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The ACS conducts annual sampling for a running five-year period, and then inflation-adjusts the income numbers to the last calendar year in the sample, which in this case is 2016.

(2) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(3) The census tract identification and percentages for the One-Half Mile Area Around 2918 Mission Street per ALH Urban & Regional Economics using ArcGIS. Percentages comrpise ALH Economics assumptions.

(4) Comprise census tracts that overlap with the Mission District. The household count in these tracts comprises 35% of Mission District households. The other census tracts are in other Planning Districts, including Bernal Heights and Central.

Exhibit 10
Mission District and One-Half Mile Radius Around 2918 Mission Street
Total Estimated Income and Spending on Retail from Existing Area Households
2018 Dollars

Area	Estimated Average Household Income		Number of Households (1)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (4)
	2016 (1)	2018 (2)				
Mission	$110,317	$113,930	15,659	29%	$33,500	$524,348,700
One-Half Mile Radius (5)	$136,422	$140,890	11,275	24%	$34,400	$387,445,500

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) See Exhibit 9 for estimated 2016 household incomes.
(2) Incomes are inflated from 2016 to 2018 pursuant to a CPI adjustment for All Urban Consumers from 2016 Annual Average to January 2018. The CPI factors are 240.007 for 2016 and 247.867 for January 2018, resulting in a 1.033 inflation rate.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Figures rounded to the nearest $1,000.
(5) Comprises geographic area with a one-half mile radius around the 2918 Mission Street development site.

Exhibit 11
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$82,110,600	$800 (6)	102,638	108,040	0
Home Furnishings and Appliances	$29,158,977	$336	86,706	91,270	13,690
Building Materials and Garden Equip.	$34,353,437	$313	109,872	115,655	11,565
Food and Beverage Stores	$89,943,374	$671	134,110	141,169	112,935
Gasoline Stations	$42,186,420	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$38,701,267	$489	79,161	83,327	16,665
General Merchandise Stores	$62,725,052	$310	202,433	213,087	42,617
Food Services and Drinking Places	$76,523,488	$551	138,931	146,243	109,682
Other Retail Group	$68,646,084	$450	152,520	160,547	32,109
Subtotal	$524,348,700	--	1,006,371	1,059,338	339,265
Additional Service Increment (15% of total) (9)	N/A	N/A	177,595	186,942	140,206 (8)
Total	**N/A**	**N/A**	**1,183,966 (10)**	**1,246,280**	**479,472**
Total Rounded to Nearest 100			**1,184,000**	**1,246,300** (11)	**479,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 10 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 12
One-Half Mile Radius Around 2918 Mission Street
Supportable Square Feet of Commercial Space from Households Within One-Half Mile Radius of 2918 Mission St.
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$60,672,187	$800 (6)	75,840	79,832	0
Home Furnishings and Appliances	$21,545,804	$336	64,068	67,440	10,116
Building Materials and Garden Equip.	$25,384,033	$313	81,185	85,458	8,546
Food and Beverage Stores	$66,459,887	$671	99,095	104,311	83,449
Gasoline Stations	$31,171,887	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$28,596,679	$489	58,492	61,571	12,314
General Merchandise Stores	$46,348,049	$310	149,579	157,452	31,490
Food Services and Drinking Places	$56,543,825	$551	102,657	108,060	81,045
Other Retail Group	$50,723,147	$450	112,698	118,630	23,726
Subtotal	$387,445,500	--	743,616	782,753	250,686
Additional Service Increment (15% of total) (9)	N/A	N/A	131,226	138,133	103,600 (8)
Total	**N/A**	**N/A**	**874,842 (10)**	**920,886**	**354,286**
Total Rounded to Nearest 100			**874,800**	**920,900** (11)	**354,300**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 10 for the amount of estimated retail sales demand from households within one-half mile of 2918 Milssion Street and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

Year	Monthly Rents: Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	$940	$1,182	$1,239	$1,555	$1,563	$1,235	2.4%
1997	$1,054	$1,322	$1,416	$1,799	$1,808	$1,402	3.1%
1998	$1,161	$1,456	$1,560	$1,891	$2,015	$1,531	2.3%
1999	$1,251	$1,585	$1,656	$2,019	$2,294	$1,663	2.4%
2000	$1,544	$2,011	$2,327	$2,709	$3,147	$2,180	1.4%
2001	$1,512	$1,960	$2,332	$2,600	$3,111	$2,130	5.1%
2002	$1,314	$1,741	$1,979	$2,299	$2,826	$1,867	5.9%
2003	$1,262	$1,622	$1,875	$2,225	$2,878	$1,768	5.2%
2004	$1,267	$1,646	$1,821	$2,277	$2,679	$1,778	6.5%
2005	$1,334	$1,700	$1,885	$2,382	$2,643	$1,835	3.9%
2006	$1,439	$1,799	$1,930	$2,635	$2,390	$1,958	4.0%
2007	$1,586	$1,988	$2,192	$2,954	$2,610	$2,175	5.1%
2008	$1,723	$2,152	$2,359	$3,242	$2,702	$2,368	4.4%
2009	$1,584	$2,010	$2,258	$3,001	$2,812	$2,262	4.4%
2010	$1,595	$2,052	$2,149	$3,011	$2,902	$2,243	6.3%
2011	$1,894	$2,330	$2,403	$3,379	$2,983	$2,472	3.9%
2012	$2,136	$2,642	$2,735	$3,713	$3,024	$2,727	4.7%
2013	$2,327	$2,832	$3,135	$4,064	$3,652	$2,976	4.5%
2014	$2,575	$3,119	$3,379	$4,270	$4,082	$3,275	4.4%
2015	$2,839	$3,366	$3,607	$4,666	$4,322	$3,557	4.8%
2016	$2,831	$3,372	$3,621	$4,713	$4,582	$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association;* Winter 2004; 70, 1; ProQuest Direct Complete, page 39. http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf

2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008). http://www.nber.org/papers/w14036

3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," Regional Science and Urban Economics, Volume 41, Issue 2 (March 2011). http://www.sciencedirect.com/science/article/pii/S0166046211000044 (abstract)

4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013). http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf

5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014). http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

6. Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015). http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/ [*comments on Governing Magazine, "The 'G' Word: A Special Series on Gentrification" (February 2015)* http://www.governing.com/topics/urban/gov-gentrification-series.html]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015. http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/

8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015). http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf

9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016). https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en

11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016). https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the Mission District, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

> "To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city."[79]

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- "Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. ….. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others."[80]

- "We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one."[81]

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[79] Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.
[80] Ibid, page 45.
[81] Ibid, page 48.

- "Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement… The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here, …., suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents."[82]

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

> "Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises."[83]

2. Terra McKinnish, University of Colorado at Boulder: Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

[82] Ibid.
[83] Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.[84] But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."[85]

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."[86] Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."[87] Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."[88] Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."[89]

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal Regional Science and Urban Economics. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

[84] Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.
[85] Ibid, page 2.
[86] Ibid, page 4.
[87] Ibid.
[88] Ibid, page 5.
[89] Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.[90] An abstract of this paper, published on-line, cites the following summary finding:

> "Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less."

Further, as cited in the study findings, Ellen and O'Regan state:

> "The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume."[91]

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

> "Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey's data on residential turnover, Ellen and O'Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman's (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

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[90] http://www.sciencedirect.com/science/article/pii/S0166046211000044.

[91] See paper excerpt cited in: https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas." [92]

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will "need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods."[93]

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center's overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman's 2005 study:

> "In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%."[94]

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that "The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others."[95]

This roundup cites other study findings, such as the following:

- "Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.

- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

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[92] Silva Mathema, "Gentrification: An updated Literature Review," Poverty & Race Research Action Council, October 2013, page 3.
[93] Ibid, page 5.
[94] Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," August 2014.
[95] Ibid.

> Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."[96]

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

> "The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."[97]

6. Joseph Cortwright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impressa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by Governing Magazine in February 2015.

In his commentary, Cortright states that:

> "There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.
>
> Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs." [98]

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

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[96] Ibid.
[97] Ibid.
[98] Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

> "Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.
>
> And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods." [99]

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

> "Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

[99] Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying."[100]

In further discussing study findings, Florida cites that "Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations." This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida's, summarizes Karen Chapple of the Urban Displacement Project's findings as follows, demonstrating the complex relationship between gentrification and displacement:

"Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement."[101]

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that "As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color."[102] Thus,

[100] Ibid.

[101] See http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/).

[102] University of California, Berkeley, "Urban Displacement Project," December 2015, page 1.

the Urban Displacement Project "analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk."[103]

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.[104] The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area's affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing "naturally occurring" affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.[105]

Notably, this paper identifies "exclusionary displacement" as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement's relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, "most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well."[106] However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

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[103] Ibid.
[104] Ibid.
[105] Ibid, page 2.
[106] Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.

- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco's Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.

- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: "Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective."[107]

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2016

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies. The study's findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- "At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

[107] Ibid, page 4.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."[108]

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

> "As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."[109]

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current

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[108] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

[109] Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

> "Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents."

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

> "This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.
>
> We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O'Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).
>
> When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among

these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations." [110]

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.[111] He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.[112] However, he cites that there is near empirical consensus that "mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods."[113] In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.[114]

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[110] Ibid, pages 42 and 43.
[111] Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," November 2016, page 170.
[112] Ibid, page 171.
[113] Ibid.
[114] Ibid, page 173.