

Carroll, John (BOS)

From: Dyan Ruiz <dyanruiz@gmail.com>
Sent: Monday, November 09, 2015 1:50 PM
To: BOS Legislation, (BOS)
Cc: Rachel Mansfield-Howlett; Somera, Alisa (BOS); Joseph Smooke
Subject: RE: FW: Letter re: 5M Project DA, Economic Impact Report

Categories: 151054

Yes, please add this letter to the appeal. Thanks.

-Dyan

On Nov 9, 2015 1:32 PM, "BOS Legislation, (BOS)" <bos.legislation@sfgov.org> wrote:

Okay, so this is the same attachment as before, which indicates that it belongs with the DA files. You wish that I add it to the appeal files, as well?

This is what I need clarity about.

John Carroll

Legislative Clerk


Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

[\(415\)554-4445](tel:(415)554-4445) - Direct | [\(415\)554-5163](tel:(415)554-5163) - Fax

john.carroll@sfgov.org | bos.legislation@sfgov.org

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From: Dyan Ruiz [mailto:dyanruiz@gmail.com]
Sent: Monday, November 09, 2015 12:40 PM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Rachel Mansfield-Howlett <rhowlettlaw@gmail.com>; Joseph Smooke <josephsmooke@gmail.com>
Subject: Re: FW: Letter re: 5M Project DA, Economic Impact Report

Hi John,

Here's the electronic version our letter. I will bring the 18 copies up to you now.

Thanks,

Dyan

On Mon, Nov 9, 2015 at 12:21 PM, BOS Legislation, (BOS) <bos.legislation@sfgov.org> wrote:

You can still add material to the appeal files. Please send 18 copies and one electronic version to the Clerk's Office for distribution. I will handle the rest.

John Carroll

Legislative Clerk

Board of Supervisors

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San Francisco, CA 94102

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From: Dyan Ruiz [mailto:dyanruiz@gmail.com]

Sent: Monday, November 09, 2015 11:51 AM

To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>

Cc: Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Rachel Mansfield-Howlett <rhowlettlaw@gmail.com>; Joseph Smooke <josephsmooke@gmail.com>

Subject: Re: FW: Letter re: 5M Project DA, Economic Impact Report

Hi John,

Thanks for forwarding to the letter to Ms. Somera.

Has the deadline passed to add information to the appeal?

From now on I can send all information directly to the Board of Supervisors and their aides. Let me know what the best procedure is from now on.

Best,
Dyan

On Nov 9, 2015 11:42 AM, "BOS Legislation, (BOS)" <bos.legislation@sfgov.org> wrote:

Forwarding to the Land Use Committee Clerk, as this attachment speaks to the DA on today's Committee Agenda.

Ms. Ruiz, please note that I am only handling the matters of the appeals. Would you like me to add the attached to the appeal files, as well?

Thanks,

John Carroll

Legislative Clerk

Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

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From: Dyan Ruiz [<mailto:dyanruiz@gmail.com>]
Sent: Monday, November 09, 2015 9:18 AM
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>

Cc: Joseph Smooke <josephsmooke@gmail.com>; Rachel Mansfield-Howlett <rhowlettlaw@gmail.com>; Angelica Cabande <acabande@somcan.org>

Subject: Letter re: 5M Project DA, Economic Impact Report

Dear Mr. Carroll,

Please see the attached letter addressed to members of the Board of Supervisors regarding the 5M Project Development Agreement: Economic Impact Report by the Office of Economic Analysis, Items #150787 and 150788, Dated November 5, 2015.

Sincerely,
Dyan Ruiz

On behalf of:
SoMa Action Committee (SMAC)

The SoMa Action Committee (SMAC) is a coalition of residents and community based organizations who have come together to address the economic and social impacts of new development in SoMa. It includes:

South of Market Community Action Network
Filipino American Development Foundation

Veterans Equity Center

Manilatown Heritage Foundation Kearny Street Workshop
Save Our SoMa
Kularts
Bindlestiff Studio
Galing Bata
Plaza 16 Coalition
SF Tenants Union
Housing Rights Committee SF
Causa Justa::Just Cause
Coalition for San Francisco Neighborhoods

San Francisco Neighborhood Network

Cathedral Hill Neighbors
ACCE SF
PODER
Western Regional Advocacy Project

Mission Neighborhood Resource Center

Anti Eviction Mapping Project
The Women's Building
Mission United
Calle 24

Jobs with Justice
Senior and Disability Action

San Francisco Board of Supervisors
#1 Dr. Carlton B. Goodlett Place
Room #244
San Francisco, CA 94102

November 9, 2015

**RE: 5M Project Development Agreement: Economic Impact Report
Office of Economic Analysis, Items #150787 and 150788
Dated November 5, 2015**

Dear Members of the Board of Supervisors:

We have read the above referenced report from the City and County of San Francisco's Controller's Office, Office of Economic Analysis and we find that there are several gross inaccuracies and omissions leading this report to be flawed and misleading.

1. The stated affordable housing ratio of 33% is inaccurate and misleading.

Page 4 states that the affordable housing units as enumerated in the Development Agreement "leads to an affordable housing ratio of 33%." This statement is both inaccurate and misleading. It is inaccurate because according to Section 415 of the Planning Code, a developer is supposed to either pay an inclusionary fee into the City's Affordable Housing Fund, or opt to provide the units on site at a rate of 12%. If the units are provided off site, the rate is 20% and "[i]n no case shall the Principal Project receive its first certificate of occupancy until the off-site project has received its first certificate of occupancy."

The off-site units discussed in the Development Agreement are at two sites. One is located at 965 Mission Street. This is a site that the developer is using its own fees to pay for. All the City gets is land, and the developer is absolved of the absolute responsibility to build the units. The Developer is also double counting the number of units that might be provided by calling them "senior housing" which allows for a doubling of the unit density.

Furthermore, this 33% statement in the Report inaccurately relates the 71 units at 168 – 186 Eddy Street to the inclusionary housing requirements of the Project Sponsor. Inclusionary housing requirements are tied to the development of market rate housing as detailed in Section 415 of the Planning Code. The funding for the 71 units on Eddy Street, according to the Development Agreement will be coming from the Project Sponsor's Jobs Housing Linkage Fee. This is a fee that is triggered because the Project Sponsor is building more than 50,000 square feet of office space. Therefore, any affordable housing that might be funded from the Project Sponsor's Jobs Housing Linkage Fee payment are unrelated to their obligations per the Inclusionary Housing Program. Therefore, this presentation of the Development Agreement is both inaccurate and misleading. As it is, there is only 8.5% inclusionary affordable housing proposed to be built on site– a mere 58 affordable units compared to 630 market rate units.

2. There is no reference to the remaining funds needed for the senior housing development to be completed.

The reference to the \$1.8 million in gap funding on Page 5 for the senior housing development at 965 Mission Street does not include an analysis of the remaining funds needed for this project. There are no stated figures for the total cost of construction of the housing units on this parcel. There is also no analysis on how this can be counted toward the Project Sponsor's off-site inclusionary requirement if there is no obligation for the Project Sponsor to build this housing per the requirements of the Planning Code.

3. There are no rental or condo prices associated with the project in the report. Therefore, conclusions that the project will “place downward pressures to prices and rents” cannot be supported.

On Page 9, the report makes an assumption that the project will “place downward pressure on prices and rents for residential and commercial real estate.” Unfortunately, the report fails to state what the anticipated monthly square footage rents will be for this new Class A office space; it fails to state what the anticipated monthly square footage rents will be for the ground floor retail spaces; it fails to state what the anticipated monthly rents will be for the new residential rental units; and it fails to state what the anticipated sales prices will be for the new residential for-sale units. Therefore, it is inaccurate to state what this project's impact will be on the market for office and residential in the area or in the South of Market area.

4. The report fails to analyze the feasibility of the project given there is no major tenant for the proposed H1 Office Building.

The report does not analyze the development feasibility of the proposed project's amount of new square footage of office space without a major commercial tenant having been identified. The report does not analyze the feasibility of developing this much office space as purely speculative in this market in the time-frame anticipated by the Project Sponsor, and what impact that might have on the demand for office space given the expected monthly per square footage rents.

5. There is no analysis of the City’s pipeline for large office space.

The analysis of the impact of the amount of office space proposed by the Project Sponsor does not take into account the amount of office space that is in the City's development and approval pipeline for large office allocations.

6. The zoning chart says that there is only 173,272 square feet of residential allowed under current zoning. This is inaccurate because both RSD and C-3-S allow residential as a primary use.

The table entitled, “Difference in Development Capacity (in Gross Square Feet): Current Zoning versus Development Agreement under Proposed Zoning,” on Page 8 is inaccurate. As noted on Page 7, the site is currently zoned under C-3-S Zoning (Downtown Support)

and RSD Zoning (Residential/ Service Mixed Use). In “Table 210.2 Zoning Control Table For C-3 Districts” of the Planning Code, there is no conditional use on residential. Meaning there's no reason to believe that this site is zoned for mostly office use. In fact, residential is a primary use for both zoning types. In RSD Zoning, office use is not permitted.

Furthermore, the project the developer is proposing is completely out of scale with the intent of Downtown Support and Residential/ Service Mixed Use. The proposed Project is more similar in scale to Financial District developments north of Market Street and Transbay to the east, but not adjacent. Thus, the size and scale of the buildings, will change the use of the C-3-S zoning, and create a second Financial District in the City. This is not intended in the City’s General Plan, which clearly delineates other areas for C-3-O (“Downtown Office”) and C-3-O (SD) (“Downtown Office Special Development”) use.

7. There is no mention of the fact that the Development Agreement absolves this project of being included in the Citywide Transportation Sustainability Fee program.

Given this omission, the Board is not able to compare the Transportation Sustainability Fee that is in the Development Agreement against what would have been paid if the project had been included in the Citywide TSF recently passed by the Board of Supervisors.

8. There is no analysis of how much the art space at the Dempster Building will cost to become functional, and how much the space will cost for artist to use.

The rehabilitation costs to convert the Dempster Building into functional artist space is not mentioned. There is also no mention of the cost per square foot for the rental of the space.

For these reasons, this report misleads both the Board of Supervisors and the general public, and is grossly negligent as an official document that purports to advise the Board of Supervisors as it grapples with a number of important policy matters regarding the possible approval of this project including its Development Agreement, which is dangerously flawed.

Sincerely,

Joseph Smooke

Board President
South of Market Community Action Network (SOMCAN)

On behalf of:
SoMa Action Committee (SMAC)
Save Our SoMa (SOS)
Friends of Boedekker