

October 18, 2018

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

**RE: Case No. 2014-001400ENX 2750 19th Street
Appeal of the August 23, 2018 Planning Commission Decision**

Dear Members of the Board Supervisors:

Please accept this submission on on behalf of Our Mission No Eviction in respect to its appeal of the proposed project at **2750 19th Street**.

Summary

When The Eastern Neighborhoods EIR (PEIR) was prepared in 2008, it had no way to predict the extraordinary changes coming to the Eastern Neighborhoods and the Mission District. It had no way to predict the hyper-gentrification, the rapid increase in the cost of market rate housing, the unprecedented development, the massive displacement, the creation of the TNC model and the cultural shift to near absolute use of delivery services by high income earners, for shopping and services. While it was anticipated that this PEIR would be sufficient for the timeframe for which it was created, no cumulative impacts or projections were made beyond what was studied, and actuals have now exceeded what was predicted.

When the Mission Area Plan was created it relied heavily on this PEIR data. This area plan identified community benefits to offset the harmful impacts of gentrification, identified fees to implement them and defined planning parameters to protect the Mission community was outdated shortly after it's creation.

The PEIR assumed the construction of up to 2054 new units in the Mission between 2008-2025 and yet at least 3,409 units (including BMR units) are in the pipeline as of Q4 2017, with just over half of the defined time period of the Mission Area Plan elapsing thus far. ¹ These PIER assumptions have fallen woefully short of actuals and did not come close to foreseeing the unprecedented rate of market-rate development in the Mission. With housing development assumptions this far from reality, the mitigations of the Mission Area Plan are no longer appropriate or acceptable for use. The number of pipeline units is more than twice the

¹ See exhibit A page 18, Mission Projects, Units built, entitled or in the pipeline 2008 -Q2 2018

number of “preferred project” units recommended in the Mission Area Plan for the Mission District - 1,696. And yet we still have 7 years left on this Area Plan’s 17-year timeframe.²

The PEIR has been proven an unreliable tool to assess CEQA impacts for the Mission. Without current, accurate assessments, the proposed mitigations of the Mission Area Plan to offset direct and indirect harms of gentrification and the changed physical environment in this working-class neighborhood have proven to be inadequate.

The Community Plan Evaluation (CPE) for this project was based on this outdated PEIR and did not include a cumulative impact analysis of this and other projects built, entitled or in the pipeline for the Mission. Without a proper and thorough evaluation, the CEQA approval by the Planning Commission did not include the required evaluation of cumulative environmental impacts for which it was intended.

2750 19th Street - Proposed Project

The project sponsor has proposed to construct a 60-unit six story building with approximately 10,000 square feet of first floor Production, Distribution and Repair (PDR) use. 17.5% of the housing units will be affordable as required by Section 415. Another unit at 150% AMI - \$124,350 (1 person), \$142,050 (2 person), \$159,850 (3 person) - has been added.³ It is in the Mission District across the street from a 196 unit project currently under construction. Within 600 feet of this project is another Large Authorization project at 2300 Harrison Street.

The only environmental review for the project consisted of a Community Plan Evaluation (CPE)⁴ that tiered off of the 2008 Eastern Neighborhoods Plan EIR.⁵ The fact that it tiered off of the PEIR without performing additional, independent evaluation renders the findings of the CPE incomplete.

PEIR Tiering Practice

CEQA allows broader EIRS, such as area plan EIRS, to address cumulative impacts, leaving the CPE of an individual project to focus on project specific impacts. (CEQA Guidelines Section 15152). This process, called “tiering”, relies on the effectiveness of the environmental analysis and integrity of the underlying EIR. However, if the underlying EIR is flawed, outdated or missing valuable areas of environmental study, it is not longer a viable tool for evaluating cumulative CEQA impacts.

² See exhibit A page 22, Residential Pipeline, Completed and Entitled Housing units 2007 to 2014

³ https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2018%20AMI-IncomeLimits-HMFA_04-06-18.pdf

⁴ [2014.0999ENV-CPE-CatEx](https://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2014.0999ENV-CPE-CatEx)

⁵ http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-FN_Final-EIR_Part-3_Land-Use_Plans.pdf

New Information Affecting Environmental Analysis

Substantial new information affecting environmental analysis has become available. When new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. ([CEQA Guidelines Section 15183](#)) Numerous changes have take place on the ground since the adoption of the Eastern Neighborhoods EIR that require significant analysis of cumulative effects and can not be addressed on a project by project basis through a CPE. These new conditions include:

1. **An Unanticipated Rapid Pace of Development.** The PEIR was prepared in the midst of the the “great recession” and did not project the steep increases in housing prices that has been especially exacerbated by the increase in high paying jobs that have come to San Francisco. As a result, development has accelerated at a faster pace than anticipated by the PEIR. Original growth projections of the PEIR have already been exceeded and it’s original growth projections have proven to be wholly inaccurate.
 - Major unforeseen development projects in the Eastern Neighborhoods such as the UCSF Hospital buildout, Pier 70 buildout, 5M project, Mission Bay buildout, Warriors Stadium, and the new Central SOMA plan were not in consideration in the PEIR.
 - The assumptions of population growth of the PEIR were based on a projection of 835,000 by the year 2025 requiring the construction of an additional 17,000 housing units city wide.⁶ As of 2014Q4, 20,455 housing units had been built.⁷ Between 2015 and 2018Q2 an additional 16,654 had been produced, bringing the total housing units actually produced to 37,109 units. On top of the number of actual units produced, an additional 18,646 were entitled.⁸ The most current published Commerce and Industry Inventory (2016) sets the population at 866,000, well above projections and likely even higher at the point in time two years later.⁹
 - The PEIR evaluated potential CEQA impacts of forecasted housing unit growth for the Mission under a “no project” scenario, providing three different options.¹⁰ Option C anticipated the most growth and projected the largest housing production but did not evaluate environmental impacts where growth was greater than what was stated in Option C. The Mission is now well above its projected growth numbers. **We cannot know the exact issues related to**

⁶ http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-FN_Final-EIR_Part-3_Land-Use_Plans.pdf. Page 30

⁷ See Exhibit A page 22, Residential Pipeline, Completed and Entitled Housing units 2007 to 2014

⁸ See Exhibit A page 23, Residential Pipeline, Entitled Housing Units 2018 Q2

⁹ <http://www.sfoxaminer.com/sf-job-growth-steadily-climbs-housing-demand-cant-keep/>

¹⁰ See Exhibit A page 20, PEIR Forecast Growth and Rezoning Options

cumulative impacts resulting from unanticipated rapid pace of development because they have not been studied.

2. **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted and will continue to result in a substantial increase in the rate of automobile ownership and TNC use in the Mission. It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts, even in transit rich areas such as the Mission. The TNC “ride-share” phenomena, increased frequency of (amazon, online retail, meal, grocery) deliveries and the implementation of Mission Street “red lanes” have resulted in significantly changed traffic patterns.

- Defined by the California Public Utilities Commission in 2013, the advent of Transit Network Company ride-hails occurred several years after the PEIR was created and the Eastern Neighborhoods Area Plan was adopted.¹¹ According to a recent report from the San Francisco County Transportation Authority, half of the City’s traffic congestion and traffic delays measured from 2010-2016 is attributable to the rise of ride-hails. The other half of the congestion in this same study was attributed to the traffic increases from the 70,000 new residents added during the 2010-2016 time period.¹²
- Additionally, the rise in “displacement commutes” of Mission families driving back long distances to their jobs and children’s schools in San Francisco, as well as the plethora of new Silicon Valley “reverse commutes” were not anticipated and have significantly changed the traffic picture. A recent INRIX Global Traffic Scorecard shows that *in 2017 San Francisco driving now ranked 5th most congested city in the world*, with its average driver spending 79 hours a year stuck in traffic at a cost of \$10.6 billion per year.¹³ Although a traffic study was done for this project, it did not contain any cumulative analysis and based its Mode Share Projections on 2011-2014 projections.

We cannot know the exact issues related to cumulative impacts on traffic and circulation because they have not been studied.

3. **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** The 2018Q2 Residential Pipeline Report states that San Francisco has exceeded its 2015-2022 RHNA housing production goals of 28,869 units and has built or entitled 218.9% of the RHNA Goals for above moderate income housing

¹¹ <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M077/K112/77112285.PDF>

¹² <http://www.sfexaminer.com/study-half-sfs-increase-traffic-congestion-due-uber-lyft/>

¹³ <http://inrix.com/press-releases/scorecard-2017/>

(greater than 120% AMI). According to Housing Balance Report No. 7, Table 2 Projected Housing Balance Calculation, 2018Q2, Districts 9 and 10 continue low income housing production (D9 13.6%, D10 17.4%) that is well below targets, even if one equates housing rehabilitation with housing production.¹⁴ This has led to the hyper-gentrification and transformation of the Mission. In addition to the inequity that this overbuild of luxury housing has created, it has environmental implications relative to traffic, congestion, land use, health and safety. **We cannot know the exact issues related to cumulative impacts resulting from the disproportionate construction of market rate units as compared with affordable units because they have not been studied.**

4. **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint but also from the perspective of demand for housing in proximity to these new shuttle stops. The desire by high-earning tech employees to move to areas within a few blocks of a free ride to work has exacerbated the already high demand for housing. The majority of tech workers who utilized shuttles, more than 80%, walk to their stop. Without the shuttle service, 40% of commuting tech workers in San Francisco would move closer to their offices outside the city.¹⁵ Placed disproportionately in the Mission, these shuttle stops contribute to both property speculation and eviction. From 2011-2013 69% of no-fault evictions occurred within a four block radius of tech bus stops.¹⁶ **We cannot know the exact issues related to cumulative impacts on tech shuttle gentrification and displacement because they have not been studied.**

5. **State of Advanced Gentrification in the Mission and Disproportionate Community Benefits.** Rapid speculative growth, increase in the cost of living and a rise in the cost of housing that has followed the glut of high income earners moving into the Mission, has led to hyper-gentrification.

- Hyper-gentrification has led to the displacement of long-time residents, the loss of much of the industrial sector, loss of Latinx “mom and pop” businesses, nonprofits and artists.¹⁷ The San Francisco Analyst has reported that the Mission has lost 27% of its Latinos and 26% of its families with children since 2000. The PEIR made no mention of this exodus, nor the changes to the physical environment that would accompany it, and had it observed this phenomenon of hyper-gentrification as it was occurring, one would hope that it would have advocated for more protective measures.

¹⁴ See Exhibit A page 25, Housing Balance Report No. 7, 1 July 2008- 30 June 2018

¹⁵ <http://docs.trb.org/prp/15-1692.pdf> page 12

¹⁶ <http://www.antievictionmappingproject.net/techbusevictions.html>

¹⁷ https://www.urbandisplacement.org/sites/default/files/images/case_studies_on_gentrification_and_displacement- full_report.pdf, page 24

- The protective measures provided by community benefits to mitigate the direct and indirect harms of gentrification have not kept pace with anticipated needs created by rapid development. Benefits such as infrastructure, pedestrian/bicycle safety, open space and affordable housing production have not met the pace of demand. Impact fees designed to offset the cost of providing these benefits have been set lower than the actual impact created, resulting in an inability for the needs created by new development to be addressed. The ENCAC Response to EN Monitoring Report details numerous unmet needs resulting from rapid development including the inadequacy of impact fees in addressing increasing infrastructure requirements.¹⁸

The impact fees required to offset the cost of providing community benefits has not been projected because cumulative impacts of hyper-gentrification and the necessary level of community benefits to mitigate the direct and indirect harm has not been studied.

Conclusion

CEQA requires a cumulative environmental analysis based on current and reasonably anticipated circumstances. Because there have been numerous changes on the ground, substantial new information has become available and their resulting impacts have yet to be studied, San Francisco has fallen short of its CEQA obligation to inform of and recommend mitigation measures that would ease these impacts. This results in the approval of projects that have unexamined environmental effects and insufficient mitigation measures, to the detriment of Mission residents.

Area plans, community benefits analysis, and socio-economic analysis are reliant on the analysis of cumulative environmental impacts. The Planning Department should be requested to study these cumulative impacts resulting from this new information so that the City and Eastern Neighborhood communities can move forward to 2025 armed with the data necessary to make informed decisions. If projects are going to be allowed to tier their CPEs on the PEIR, it is imperative that the PEIR is up to date and contains accurate projections that reflect the new realities that did not exist at the time of its creation.

Eastern Neighborhoods communities deserve better analysis and their lives depend on it.

Sincerely,

Larisa Pedroncelli
Kelly Hill
Members, Our Mission No Eviction

¹⁸ See Exhibit A page 56, 2016 ENCAC Response to the EN Monitoring Reports (2011-2015)

EXHIBIT LIST

- A-2 October 20, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-8 October 25, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-14 November 29, 2017 Letter to San Francisco Planning Commission, J. Scott Weaver
- A-18 Mission Projects, Units built, entitled or in the pipeline 2008 -Q4 2018
- A-20 PEIR Forecast Growth and Rezoning Options
- A-22 Residential Pipeline, Completed and Entitled Housing units 2007 to 2014
- A-23 Residential Pipeline, Entitled Housing Units 2018 Q2
- A-25 Housing Balance Report No. 7, 1 July 2008- 30 June 2018
- A-56 2016 ENCAC Response to the EN Monitoring Reports (2011-2015)
- A-66 Certificate of Determination, Community Plan Elevation, 2014-001400ENX 2750 19th Street

EXHIBIT A

West Bay Law
Law Office of J. Scott Weaver

October 20, 2017

Commissioners,
San Francisco Planning Commission
1650 Mission Street, Room 400
San Francisco, CA 94103

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

Community representatives from United to Save the Mission, La Raza Centro Legal, Calle 24 Latino Cultural District and Pacific Felt Factory have met with representatives for the project sponsor on two occasions. Unfortunately, the project sponsors are unwilling to budge on what we conclude is a very bad project for the Mission. Accordingly, we are requesting that you exercise your discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns set forth below:

No On-Site Affordable Housing – Despite community opposition to the contrary, the developer has decided not to put affordable housing on site. In a community that has seen an unprecedented flight of its residents, affordable housing is at a premium. The above organizations strongly feel that on-site affordable housing is much more preferable to payment of *in lieu* fees. Two reasons support this position: 1) Urgently needed affordable housing gets built right away and 2) On-site affordable housing mitigates against the gentrifying impacts that a 100% luxury development would have. This preference was expressed in no uncertain terms at a meeting in early August. The developers took two months to schedule a second meeting had not moved on their *in lieu* position.

No PDR Replacement – The site is zoned UMU consisting of over 10,000 square feet. It is operated by J.F. Fitzgerald Furniture company which custom makes and upholsters (and reupholsters) furniture. The company provides well paid jobs for 35 individuals. As of October 19th, the developers had not taken any measures to assist their employees if, and when the building is demolished. Instead, the developer has chosen to devote 7,500 square feet to unspecified retail uses.

Community members have expressed concern about the use of the retail space and who it is likely to serve. To address these concerns, we have suggested alternatives which have been

Planning Commissioners,
San Francisco Planning Commission
October 20, 2017
Page Two

agreed to by developers of other projects. The developers of this project have been unresponsive on this issue.

45 Parking Spaces – The project sponsor proposes 45 parking spaces for a 60 unit building (75%). We believe that this will have a further gentrifying impact on the community because it will attract higher income tenants (or owners) . The subject site is in a transit rich location and such parking is both unnecessary and unreasonable. In the immediate vicinity are numerous public transit lines. The 27 Bryant stops in front of the building. The 12 Folsom and 33 Ashbury are two blocks away, the 22 Fillmore and 55 16th Street are three blocks away, and the Mission Street busses, four blocks away. BART is a 15-minute walk. The developer has not agreed to reduce parking.

No Commitment to Hiring Union Labor – The project sponsor has refused to commit to union labor for the construction of the project. With respect to union labor, local hire, and training, the sponsor has failed to nail anything down, and, instead, has provided non-specific platitudes regarding community benefits.

Developer Commitment to Wall Street, Not the Community – The project is driven behind the scenes by Rubicon Point Partners, LLC who have "partnered" with the owners. Their Notice of Agreement (with the nominal owners) is on file with the San Francisco Recorder's Office. It seems the owners have been out of the loop with respect to this development as they have been unable to provide meaningful answers to concerns raised by community members. Rubicon has direct ties with numerous wall street investment houses. You can find out more about them at <http://rubiconpointpartners.com/our-investments/> ; Here's a clip from their website:

"Our experience is based on an institutional track record of former principals of Goldman Sachs, Rockwood Capital, Roland Berger, 365 Main, Inc., and the United States Treasury Department. Our real estate investment experience lies in 5 million square feet of investment, development, and management"

These Wall Street connections explain their uncaring and tone-deaf attitude towards the community. One cannot now expect that any vague, unspecified promises that they may make would result in any accountability when the time comes to deliver on them.

The Proposed Project is Inconsistent with the Stated Purposes of the Eastern Neighborhoods Plan and the Mission Plan.

In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. Eastern Neighborhoods Plan contain the following objectives:

- *Reflect Local Values*: To develop a rezoning proposal that reflects the land use needs and priorities of each neighborhoods' stakeholders and that meets citywide goals for residential and industrial land use.

- *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. (emphasis supplied)

- *Maintain Some Industrial Land Supply*: To retain an adequate supply of industrial land to meet the current and future needs of the City's production, distribution, and repair businesses and the city's economy.

- *Improve the Quality of All Existing Areas with Future Development*: To improve the quality of the residential and nonresidential places that future development will create over that which would occur under the existing zoning.

The Mission Area Plan was even more specific in its land use policy: to protect "established areas of residential, commercial, and PDR, and ensuring that areas that have become mixed-use over time develop in such a way that they contribute positively to the neighborhood. A place for living and working also means a place where affordably priced housing is made available, a diverse array of jobs is protected, and where goods and services are oriented to the needs of the community."

Mission-wide goals include:

- Increase the amount of affordable housing.
- Preserve and enhance the existing Production, Distribution and Repair businesses.
- Preserve and enhance the unique character of the Mission's distinct commercial areas.
- Minimize displacement.

In light of these goals, the Commission must consider; 1) the proposed project's removal of 10,000 square feet of PDR, 2) the provision of 60 luxury units as against no affordable housing on site 3) excessive parking, and 4) the merits, or lack of merits of the exemptions that the applicant is seeking.

Planning Commissioners,
San Francisco Planning Commission
October 20, 2017
Page Four

The Proposed Project Does Not Comply with Interim Controls or MAP 2020 Objectives.

In the preamble to the Interim Controls, the Commission found that they were consistent with the eight priority policies of section 101.1 of the Planning Code including: 1) preserving and enhancing neighborhood employment and ownership of neighborhood-serving businesses; 2) preserving, existing neighborhood character and economic and cultural diversity; and 3) preserving and enhancing affordable housing.

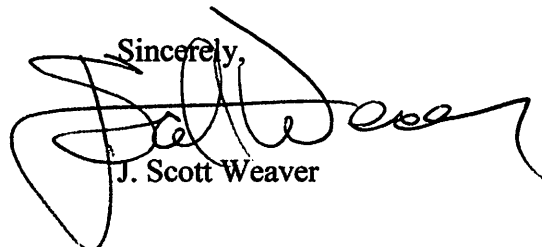
Likewise, the stated purpose of the MAP 2020 Planning Process is to “retain low to moderate income residents and community-serving businesses (including Production, Distribution, and Repair) artists and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission neighborhoods”.

The cumulative impacts of this and other predominantly luxury development projects create a result 180 degrees opposite the purposes of Interim Controls and the MAP 2020 process.

There are a Number of Failings in the CEQA Evaluation of the Proposed Project

The Department made a CEQA Determination of Exemption on October 17, 2017. I have not been able to yet give the determination a more detailed review and will provide further comment on this issue prior to the hearing. As a threshold observation, we note that the Department still refuses to undertake a meaningful environmental evaluation if only because the cumulative total of units built, entitled or in the pipeline (a minimum of 3,465 units) whereas the PEIR evaluated a maximum of 2,054 units, with a “preferred project” of 1,692. (See Attachment). This result not only confirms the inadequacy of the underlying EIR, but demonstrates flaws in the Eastern Neighborhood Plan’s ability to predict the outcomes of its policies.

For the above reasons, it is respectfully requested that the Commission exercise its discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns raised herein.

Sincerely,

J. Scott Weaver

JSW:sme

Mission Projects Completed or Under Environmental Review
 2008-2/23/16 (Planning Dept Data.)

| | | |
|---------------------------------|--------------|-------------|
| 3418 26 th Street | 13 units | |
| 80 Julian Street | 8 units | |
| 411 Valencia Street | 16 units | |
| 490 South Van Ness | 72 (add | + 15 units* |
| 3240 18 th Street | 16 units | |
| 1875 Mission Street | 38 units | |
| 1501 15 th St | 40 units | |
| 480 Potrero | 84 units | |
| 2550-58 Mission | 114 units | |
| 1450 15 th Street | 23 units | |
| 346 Potrero | 72 units | |
| 1785 15 th Street | 8 units | |
| 1801-63 Mission Street | 54 units | |
| 2600 Harrison Street | 20 units | |
| 1924 Mission Street | 12 units | |
| 600 South Van Ness | 27 units | |
| 2000-2070 Bryant | 254 subtract | - 60 units* |
| 2000-2070 Bryant (affordable) | add | +130 units* |
| 1298 Valencia Street | 35 units | |
| 1198 Valencia Street | 52 units | |
| 1050 Valencia Street | 16 units | |
| 1979 Mission Street | 331 units | |
| 2675 Folsom Street | 117 units | |
| 1900 Mission Street | 11 units | |
| 2750 19 th Street | 60 units | |
| 1515 South Van Ness | 160 subtract | -3 units* |
| 3140 16 th Street | 28 units | |
| 2799 24 th Street | 8 units | |
| 2435 16 th Street | 53 units | |
| 3357-59 26 th Street | 8 units | |
| 1726-30 Mission Street | 36 add | +4 units* |
| 3314 Cesar Chavez | 52 units | |
| 1798 Bryant Street | 131 units | |
| 2918-24 Mission Street | 38 add | +37 units* |
| 793 South Van Ness | 54 add | +19 units* |
| 953 Treat | 8 units | |
| 3620 Cesar Chavez | 28 units | |

| | | |
|--------------------------------------|-------------|--------------------|
| 344 14 th /1463 Stevenson | 45 units | |
| 1950 Mission Street | 157 units | |
| 1296 Shotwell | 96 units | |
| Subtotal | 2,451 units | |
| Adjustment* | +142 units | |
| TOTAL | | 2,593 units |

Mission Projects completed since 2008 not included in total above.

| | | |
|--|-----------|------------------|
| 1880 Mission Street/ 1600 15 th Street (Vara) | 202 units | |
| 380 14 th Street | 29 units | |
| 411 Valencia Street | 16 units | |
| Subtotal | | 247 units |

Current Mission Pipeline Projects Not included above.

| | | |
|---|-----------|------------------|
| 235 Valencia Street | 50 units | |
| 1500 15 th Street/398 Valencia | 184 units | |
| 3700 20 th Street | 25 units | |
| 3420 18 th Street | 16 units | |
| 2632 Mission Street | 16 units | |
| 606 Capp Street | 20 units | |
| 2100 Mission Street | 29 units | |
| 2070 Folsom Street | 127 units | |
| 1990 Folsom Street | 158 units | |
| Subtotal | | 625 units |

GRAND TOTAL 3,465 units

Proposed project approved in 2008 1,696 units

Number studied under EIR project options:

Option A – 762

Option B – 1,118

Option C – 2,054

*Adjustments to project size made after February 23, 2016

West Bay Law
Law Office of J. Scott Weaver

October 25, 2017

Commissioners,
San Francisco Planning Commission
1650 Mission Street, Room 400
San Francisco, CA 94103

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

This is the second of two letters to you regarding the proposed project at 2750 19th Street.

This letter is with respect to the failure of the Department to properly analyze the cumulative impacts of this project. The Letter of Determination and the Community Plan Checklist erroneously concluded that there would be no significant impacts of the project that were not evaluated in the Eastern Neighborhoods Plan EIR (PEIR), either individually or cumulatively. The assumptions upon which the PEIR is based are now outdated and therefore the PEIR does not, and cannot be relied on to accurately evaluate the cumulative impacts of the project. The PEIR examined a cumulative production of 2054 housing units for the Mission during the period 2008 to 2025. Currently, there are over 3,569 units that have been constructed, entitled, or are in the pipeline (See Attachment). Since the Letter of Determination relied entirely on the validity of PEIR, it could not have possibly have evaluated cumulative impacts. Furthermore, as described below, there have been other new developments on the ground that the PEIR did not envision when it was prepared.

CEQA Requires a Cumulative Impact Analysis of Projects.

Under Public Resources Code Section 21083 subdivision (b)(2).) "The possible effects of a project are individually limited but cumulatively considerable. As used in this paragraph 'cumulatively considerable' means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." Stated otherwise, a lead agency shall require an EIR be prepared for a project when the record contains substantial evidence that the "project has possible environmental effects that are individually limited but cumulatively considerable." (Guidelines section 15065 subdivision (a) (3).) "Cumulatively considerable means that incremental effects of the of an individual project is considerable when viewed in

connection with past projects, the effects of other current projects, and effects of probable future projects.” *Citizens to Preserve the Ojai v County of Ventura* (1985) 176 Cal.App.3d 421 stated that “unstated cumulative impacts impedes meaningful public discussion and skews the decision maker’s perspective concerning the environmental consequences of a project, the necessity for mitigation measures and the appropriateness of project approval.” Here, the impacts are clearly “unstated”.

The environmental assessment of this project consisted largely of a CPE for the proposed project which was dependent solely on the 2008 Eastern Neighborhoods Plan EIR (PEIR). The PEIR envisioned a scenario of up to 2054 units in the Mission over a 19 year period. We are about half way through this period and are exceeding production by a factor of 75%. The PEIR evaluated significant impacts and proposed mitigation of those significant impacts. It would be mistaken to assume that those significant impacts would not become more significant, and would not require additional mitigations, yet the PEIR does just that. It would also be mistaken to assume that other impacts, which may not have been identified as significant in the PEIR, would not be significant now given the substantial increase in the number of units. Again, the evaluation here does just that.

We cannot know exactly what issues these cumulative impacts on traffic and circulation would entail because they have not been studied. It stands to reason, however, that, with the addition of almost twice as many units, in half the time anticipated would have implications as to traffic and circulation, if only because there would be more people transporting themselves. Likewise more units would implicate greenhouse gas emissions, land use, noise, and the need for more recreation and open space.

Simply put, neither the CPE nor the PEIR provide adequate information regarding potential cumulative impacts in this highly concentrated area. As a result, mitigation measures that would ease these impacts have not been put in place.

CPE Reliance on the PEIR is Improper Because Substantial New Information Affecting Environmental Analysis has Become Available.

At least part of the reason for the disconnect between the goals and the outcomes of the Eastern Neighborhood Plan is that there have been numerous changes on the ground that have direct, indirect and cumulative impacts on the environment. When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). The situation on the ground has changed substantially since the PEIR was prepared in 2008 in the following ways:

- **An Unanticipated Rapid Pace of Development.** The PEIR was prepared in the midst of the “great recession” and did not project the steep increases in housing prices that we have witnessed during the past eight years. This has been especially exacerbated by the increase in high paying jobs that have come to the City. This has resulted in a construction explosion. As a result, the cumulative total of units built, approved, and under review in the pipeline (3,569 as of June 30, 2017). This exceeds the highest number of units contemplated in the Plan EIR for the Mission (2,056). The PEIR projected this production to take place over a much longer period of time - 2008 to 2025. Development has therefore accelerated at a pace higher than that anticipated in the PEIR. Because of the unexpectedly rapid pace of development, community benefits, including improvements to the Mission’s traffic, transportation, open space, and recreation infrastructures have been unable to keep pace (ENCAC Response to Monitoring Report - The report also noted that transportation impacts hurt businesses). The PEIR clearly did not anticipate this pace of development. nor the needs to step up mitigation measures.

- **Changed Transportation Patterns.** In addition to the cumulative concentration of traffic, the project area will experience unforeseen changes in traffic patterns that have not yet been evaluated. These include the “ride share” phenomena, increased frequency of “amazon” deliveries, and the existence of “red lanes” which both confuse traffic and make it harder to exit from on-site parking. Although there was a traffic study done for this project, it did not contain any cumulative analysis and based its Mode Share Projections on 2011-2014 projections.¹ (Discussed further below)

- **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** One cannot reasonably assert that “we are not building enough housing”. The 2017Q1 Residential Pipeline Report states that, only two years in, San Francisco has exceeded its 2015 to 2022 housing production goals, and has built or entitled 217% of the RHNA Goals for above moderate income housing (greater than 120% AMI). Moderate and low income production is well below targets – even if one equates housing rehabilitation with housing production – which these figures seem to indicate. These figures do not include an additional 22,680 units from the large projects at Hunters Point, Treasure Island, and ParkMerced. Put another way, approximately 70% of the housing built or entitled serve the top thirds of the population, while two thirds of the population

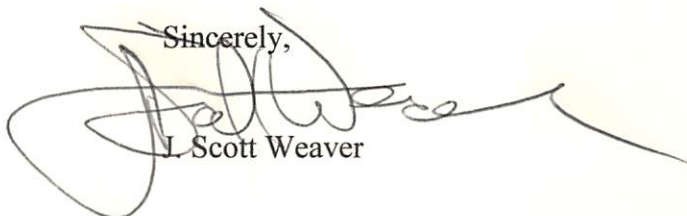
- ¹ The memo also admits that there were potential safety issues for vehicles exiting the garage (page 20) as well as potential conflicts crossing red lanes (although no mitigation was proposed).

- compete for 30% of the housing. This has implications with respect to the manner in which the City – especially the affected areas – are transformed. In addition to the injustice, the transformation impacts of the overbuild of luxury housing has environmental implications relative to traffic, congestion, land use, and health and safety.
- **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted, and will result, in a substantial increase in the rate of automobile ownership and “ride sharing” in the Mission. Between 2000 to 2013, the number of households with automobiles increased from 37% to 64% - or 9,172 automobiles in 2000 to 16,435 in 2013. At the same time AMI increased from \$50,676 to \$75,269. It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts – even in transit rich areas such as the Mission. The displacement of Mission residents has resulted in, and will result in, long reverse commutes to places of employment, children’s schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR.
- **Tech Shuttle Gentrification and Displacement Impacts.** 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. <http://www.antievictionmappingproject.net/techbusevictions.html>

Conclusion

CEQA requires a cumulative environmental analysis based on the circumstances on the ground as they are and as they are reasonably anticipated. The Eastern Neighborhoods PEIR is the wrong vehicle to assess these cumulative impacts. Without such assessment, the City has fallen short of its CEQA obligation to inform as to significant environmental impacts and adequate mitigations.

Sincerely,



J. Scott Weaver

Mission Projects Completed or Under Environmental Review
 2008-2/23/16 (Planning Dept Data.)

| | | |
|---------------------------------|--------------|-------------|
| 3418 26 th Street | 13 units | |
| 80 Julian Street | 8 units | |
| 411 Valencia Street | 16 units | |
| 490 South Van Ness | 72 (add | + 15 units* |
| 3240 18 th Street | 16 units | |
| 1875 Mission Street | 38 units | |
| 1501 15 th St | 40 units | |
| 480 Potrero | 84 units | |
| 2550-58 Mission | 114 units | |
| 1450 15 th Street | 23 units | |
| 346 Potrero | 72 units | |
| 1785 15 th Street | 8 units | |
| 1801-63 Mission Street | 54 units | |
| 2600 Harrison Street | 20 units | |
| 1924 Mission Street | 12 units | |
| 600 South Van Ness | 27 units | |
| 2000-2070 Bryant | 254 subtract | - 60 units* |
| 2000-2070 Bryant (affordable) | add | +130 units* |
| 1298 Valencia Street | 35 units | |
| 1198 Valencia Street | 52 units | |
| 1050 Valencia Street | 16 units | |
| 1979 Mission Street | 331 units | |
| 2675 Folsom Street | 117 units | |
| 1900 Mission Street | 11 units | |
| 2750 19 th Street | 60 units | |
| 1515 South Van Ness | 160 subtract | -3 units* |
| 3140 16 th Street | 28 units | |
| 2799 24 th Street | 8 units | |
| 2435 16 th Street | 53 units | |
| 3357-59 26 th Street | 8 units | |
| 1726-30 Mission Street | 36 add | +4 units* |
| 3314 Cesar Chavez | 52 units | |
| 1798 Bryant Street | 131 units | |
| 2918-24 Mission Street | 38 add | +37 units* |
| 793 South Van Ness | 54 add | +19 units* |
| 953 Treat | 8 units | |
| 3620 Cesar Chavez | 28 units | |

| | | |
|--------------------------------------|-------------|--------------------|
| 344 14 th /1463 Stevenson | 45 units | |
| 1950 Mission Street | 157 units | |
| 1296 Shotwell | 96 units | |
| Subtotal | 2,451 units | |
| Adjustment* | +142 units | |
| TOTAL | | 2,593 units |

Mission Projects completed since 2008 not included in total above.

| | | |
|--|-----------|------------------|
| 1880 Mission Street/ 1600 15 th Street (Vara) | 202 units | |
| 380 14 th Street | 29 units | |
| 411 Valencia Street | 16 units | |
| Subtotal | | 247 units |

Current Mission Pipeline Projects Not included above.

| | | |
|---|-----------|--------------------|
| 235 Valencia Street | 50 units | |
| 1500 15 th Street/398 Valencia | 184 units | |
| 3700 20 th Street | 25 units | |
| 3420 18 th Street | 16 units | |
| 2632 Mission Street | 16 units | |
| 606 Capp Street | 20 units | |
| 2100 Mission Street | 29 units | |
| 2070 Folsom Street | 127 units | |
| 1990 Folsom Street | 158 units | |
| Subtotal | | 625 units |
| GRAND TOTAL | | 3,465 units |

Proposed project approved in 2008 1,696 units

Number studied under EIR project options:

Option A – 762

Option B – 1,118

Option C – 2,054

*Adjustments to project size made after February 23, 2016

West Bay Law
Law Office of J. Scott Weaver

November 29, 2017

Commissioners,
San Francisco Planning Commission
1650 Mission Street, Room 400
San Francisco, CA 94103

Re: 2750 19th Street, 2014-001400ENX

Dear Commissioners,

Community representatives from United to Save the Mission, La Raza Centro Legal, Calle 24 Latino Cultural District and Pacific Felt Factory have continued to meet with representatives for the project sponsor. We have, unfortunately, been unable to come to agreement on two issues of importance to the community's anti-gentrification efforts. These issues pertain to affordability and use of the ground floor commercial space. Accordingly, we are requesting that you exercise your discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns set forth below:

Affordable Housing – The project sponsors originally proposed to pay an in lieu fee instead of on-site affordable housing. The current proposal is for the minimum required affordable units on site, plus one additional affordable unit (20%). We cannot accept that level of affordability for a project of this size. One of our demands has been for four additional affordable unit to make a total of 25%. While we are not comfortable with a 75% luxury project in a rapidly gentrifying area, we believe it is reasonable demand given the realities on the ground.

Use of Commercial Space – We have serious concerns about the use of the ground floor commercial space. The 10,000 ground floor space has traditionally been used for PDR. Currently, the space is used by J.F. Fitzgerald Furniture Company which custom makes and upholsters (and reupholsters) furniture. The proposed project will include 7,500 square feet of commercial space. Since the property is zoned UMU, this space may be put to broad uses. We would like to see preservation of PDR uses or, uses as trade shops. The developers have not agreed to this and have proposed “flexible uses”.

Planning Commissioners,
San Francisco Planning Commission
November 29, 2017
Page Two

While we have remained open to non-PDR uses, we have consistently expressed concerns about the potential gentrifying impacts of high end commercial space. To blunt these impacts, we have requested that the developers make concessions that would ensure use by local concerns that have reasonable price points. Again, the developers have not agreed to any mitigation. The developers have proposed use of approximately 2,500 square feet as a “culinary business/restaurant accelerator in partnership with a community-based organization.” Any change of such use would require notification “akin to Planning Code Section 312”. While we would applaud such an arrangement, the developers have not guaranteed any duration of such an arrangement, nor assurances that rents will be affordable.

In short, the proposed project does not even attempt mitigate the impacts of high end restaurants and other retail concerns coming into the neighborhood.

No Commitment to Hiring Union Labor – The project sponsor has refused to commit to union labor for the construction of the project. With respect to union labor, local hire, and training, the sponsor has failed to nail anything down, and, instead, has provided non-specific platitudes regarding community benefits.

Developer Commitment to Wall Street, Not the Community – The project is driven behind the scenes by Rubicon Point Partners, LLC who have "partnered" with the owners. Their Notice of Agreement (with the nominal owners) is on file with the San Francisco Recorder's Office. It seems the owners have been out of the loop with respect to this development as they have been unable to provide meaningful answers to concerns raised by community members. Rubicon has direct ties with numerous wall street investment houses. You can find out more about them at <http://rubiconpointpartners.com/our-investments/>; Here's a clip from their website:

"Our experience is based on an institutional track record of former principals of Goldman Sachs, Rockwood Capital, Roland Berger, 365 Main, Inc., and the United States Treasury Department. Our real estate investment experience lies in 5 million square feet of investment, development, and management"

These Wall Street connections explain their uncaring and tone-deaf attitude towards the community. One cannot now expect that any vague, unspecified promises that they may make would result in any accountability when the time comes to deliver on them.

The Proposed Project is Inconsistent with the Stated Purposes of the Eastern Neighborhoods Plan and the Mission Plan.

In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. Eastern Neighborhoods Plan contain the following objectives:

- *Reflect Local Values*: To develop a rezoning proposal that reflects the land use needs and priorities of each neighborhoods' stakeholders and that meets citywide goals for residential and industrial land use.

- *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. (emphasis supplied)

- *Maintain Some Industrial Land Supply*: To retain an adequate supply of industrial land to meet the current and future needs of the City's production, distribution, and repair businesses and the city's economy.

- *Improve the Quality of All Existing Areas with Future Development*: To improve the quality of the residential and nonresidential places that future development will create over that which would occur under the existing zoning.

The Mission Area Plan was even more specific in its land use policy: to protect "established areas of residential, commercial, and PDR, and ensuring that areas that have become mixed-use over time develop in such a way that they contribute positively to the neighborhood. A place for living and working also means a place where affordably priced housing is made available, a diverse array of jobs is protected, and where goods and services are oriented to the needs of the community."

Mission-wide goals include:

- Increase the amount of affordable housing.
- Preserve and enhance the existing Production, Distribution and Repair businesses.
- Preserve and enhance the unique character of the Mission's distinct commercial areas.
- Minimize displacement.

In light of these goals, the Commission must consider; 1) the proposed project's removal of 10,000 square feet of PDR, 2) the provision of 80% luxury units as against only 20% affordable housing on site 3) excessive parking, and 4) the merits, or lack of merits of the exemptions that the applicant is seeking.

Planning Commissioners,
San Francisco Planning Commission
November 29, 2017
Page Four

The Proposed Project Does Not Comply with Interim Controls or MAP 2020 Objectives.

In the preamble to the Interim Controls, the Commission found that they were consistent with the eight priority policies of section 101.1 of the Planning Code including: 1) preserving and enhancing neighborhood employment and ownership of neighborhood-serving businesses; 2) preserving, existing neighborhood character and economic and cultural diversity; and 3) preserving and enhancing affordable housing.

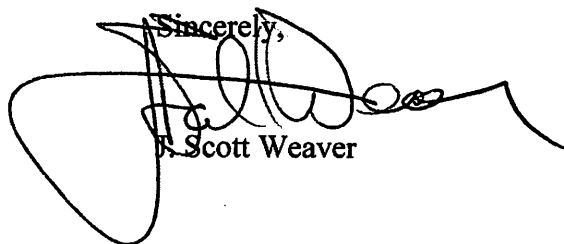
Likewise, the stated purpose of the MAP 2020 Planning Process is to “retain low to moderate income residents and community-serving businesses (including Production, Distribution, and Repair) artists and nonprofits in order to strengthen and preserve the socioeconomic diversity of the Mission neighborhoods”.

The cumulative impacts of this and other predominantly luxury development projects create a result 180 degrees opposite the purposes of Interim Controls and the MAP 2020 process.

There are a Number of Failings in the CEQA Evaluation of the Proposed Project

The Department made a CEQA Determination of Exemption on October 17, 2017. I submitted the CEQA critique on October 21, prior to the first hearing on this matter. As a threshold observation, we note that the Department still refuses to undertake a meaningful environmental evaluation if only because the cumulative total of units built, entitled or in the pipeline (a minimum of 3,562 units) whereas the PEIR evaluated a maximum of 2,054 units, with a “preferred project” of 1,692. This result not only confirms the inadequacy of the underlying EIR, but demonstrates flaws in the Eastern Neighborhood Plan’s ability to predict the outcomes of its policies.

For the above reasons, it is respectfully requested that the Commission exercise its discretion under Planning Code Section 329(e)(4) to disapprove the project, or, if not so inclined, to impose conditions on approval that address the concerns raised herein.

Sincerely,

J. Scott Weaver

JSW:sme

Mission Projects 2008-Q-4 2017

| | |
|--------------------------------------|----------------------|
| 3418 26 th Street | 13 units (built) |
| 80 Julian Street | 8 units (built) |
| 411 Valencia Street | 16 units (built) |
| 490 South Van Ness | 87 units |
| 3420 18 th Street | 16 units (built) |
| 1875 Mission Street | 38 units (built) |
| 1501 15 th St | 40 units (built) |
| 480 Potrero | 84 units (built) |
| 2550-58 Mission | 114 units (built) |
| 1450 15 th Street | 23 units (built) |
| 346 Potrero | 72 units (built) |
| 1785 15 th Street | 8 units (built) |
| 1801-63 Mission Street | 54 units (entitled) |
| 2600 Harrison Street | 20 units (entitled) |
| 1924 Mission Street | 12 units (entitled) |
| 600 South Van Ness | 27 units (built) |
| 2000-2070 Bryant | 194 units (entitled) |
| 2000-2070 Bryant (affordable) | 130 units (entitled) |
| 1298 Valencia Street | 35 units (entitled) |
| 1198 Valencia Street | 52 units (built) |
| 1050 Valencia Street | 16 units (built) |
| 1979 Mission Street | 331 units |
| 2675 Folsom Street | 117 units (entitled) |
| 1900 Mission Street | 11 units (entitled) |
| 2750 19 th Street | 60 units (entitled) |
| 1515 South Van Ness | 157 units (entitled) |
| 2799 24 th Street | 4 units |
| 2435 16 th Street | 53 units (entitled) |
| 3357-59 26 th Street | 7 units |
| 1726-30 Mission Street | 40 units (entitled) |
| 2100 Mission Street | 29 units (entitled) |
| 3314 Cesar Chavez | 52 units |
| 1798 Bryant Street | 131 units |
| 2918-24 Mission Street | 75 units (entitled) |
| 793 South Van Ness | 73 units (entitled) |
| 953 Treat | 8 units (entitled) |
| 3620 Cesar Chavez | 28 units (entitled) |
| 344 14 th /1463 Stevenson | 45 units |

| | |
|--|----------------------|
| 1950 Mission Street | 157 units (entitled) |
| 1296 Shotwell | 96 units (entitled) |
| 899 Valencia | 18 units (built) |
| 3500 19 th Street | 17 units (built) |
| 1880 Mission Street/1600 15 th Street | 202 units (built) |
| 1721 15 th Street | 23 units |
| 3230-36 24 th street | 21 units |
| 198 valencia | 24 units (entitled) |
| 235 Valencia Street | 50 units (entitled) |
| 1500 15 th Street | 184 units |
| 3420 18 th Street | 16 units (built) |
| 2632 Mission Street | 16 units |
| 606 Capp Street | 20 units (entitled) |
| 2070 Folsom Street | 127 units (entitled) |
| 1990 Folsom Street | <u>158 units</u> |

| | |
|-------------------|-------------|
| Total Built | 780 units |
| Total entitled | 1,495 units |
| Units in Pipeline | 1,134 units |

GRAND TOTAL

3,409 units

Preferred project approved in 2008 EIR, 1,696 units

Number studied under EIR project options:

- Option A – 762
- Option B – 1,118
- Option C – 2,054

This information was provided through Planning Department Data, including the Development Pipeline Q-4, 2017 and SF Property Information Map.

Excluded are:

- 1) Most projects with fewer than 10 units.
- 2) Projects entering pipeline after 1/1/18
- 3) Projects built that were not included in current pipeline report.

Table 2: Forecast Growth by Rezoning Option

| 2025 Totals | Eastern Neighborhoods | | | | Subtotal | Rest of City | Total |
|------------------------|-----------------------|--------------------------------|--------------|-----------------------|----------|--------------|---------|
| | Mission | Showplace Sq./ Potrero Hill | Eastern SoMa | Central Waterfront | | | |
| Baseline (2000) | | | | | | | |
| Housing Units | 13,309 | 5,539 | 5,818 | 798 | 25,464 | 304,239 | 329,703 |
| Household Population | 41,788 | 13,501 | 10,211 | 1,704 | 67,204 | 689,763 | 756,967 |
| PDR Jobs | 12,071 | 6,966 | 6,579 | 6,851 | 32,467 | 63,080 | 95,547 |
| Non-PDR Jobs | 11,038 | 13,769 | 11,013 | 4,368 | 40,188 | 498,700 | 538,888 |
| Total Jobs | 23,109 | 20,735 | 17,592 | 11,219 | 72,655 | 561,780 | 634,435 |
| 2025 No-Project | | | | | | | |
| Housing Units | 13,729 | 6,190 | 7,399 | 1,017 | 28,335 | 320,446 | 348,781 |
| Household Population | 43,906 | 14,293 | 13,276 | 2,014 | 73,489 | 725,728 | 799,217 |
| PDR Jobs | 11,086 | 5,280 | 5,514 | 7,211 | 29,091 | 74,226 | 103,317 |
| Non-PDR Jobs | 13,922 | 19,376 | 15,251 | 4,669 | 53,218 | 607,619 | 660,837 |
| Total Jobs | 25,008 | 24,656 | 20,765 | 11,880 | 82,309 | 681,845 | 764,154 |
| Option A | | | | | | | |
| Housing Units | 14,091 | 7,833 | 8,112 | 4,443 | 34,479 | 332,607 | 367,086 |
| Household Population | 45,116 | 16,911 | 14,049 | 8,314 | 84,390 | 752,100 | 836,490 |
| PDR Jobs | 11,210 | 7,718 | 5,357 | 7,175 | 31,460 | 74,757 | 106,218 |
| Non-PDR Jobs | 13,291 | 18,736 | 14,215 | 4,672 | 50,914 | 609,305 | 660,218 |
| Total Jobs | 24,500 | 26,454 | 19,572 | 11,847 | 82,374 | 684,062 | 766,436 |
| Option B | | | | | | | |
| Housing Units | 14,427 | 8,174 | 8,326 | 1,922 | 32,849 | 333,362 | 366,211 |
| Household Population | 46,089 | 17,550 | 14,410 | 3,632 | 81,681 | 752,767 | 834,448 |
| PDR Jobs | 11,038 | 5,176 | 5,099 | 7,038 | 28,351 | 72,064 | 100,415 |
| Non-PDR Jobs | 14,125 | 19,374 | 15,649 | 4,653 | 53,801 | 606,720 | 660,522 |
| Total Jobs | 25,162 | 24,550 | 20,748 | 11,691 | 82,152 | 678,784 | 760,936 |
| Option C | | | | | | | |
| Housing Units | 15,363 | 9,430 | 8,901 | 1,628 | 35,322 | 330,998 | 366,320 |
| Household Population | 48,865 | 20,360 | 15,388 | 3,079 | 87,692 | 747,058 | 834,750 |
| PDR Jobs | 5,602 | 5,063 | 5,122 | 7,211 | 22,998 | 73,265 | 96,263 |
| Non-PDR Jobs | 22,637 | 18,699 | 16,278 | 4,580 | 62,195 | 600,861 | 663,056 |
| Total Jobs | 28,239 | 23,762 | 21,400 | 11,791 | 85,193 | 674,126 | 759,319 |

SOURCE: San Francisco Planning Department, 2005.

Table 2: Forecast Growth by Rezoning Option (continued)

Change: Difference between 2025 Totals and Baseline(2000) Totals

| | Eastern Neighborhoods | | | | Subtotal | Rest of City | Total |
|------------------------|-----------------------|--------------------------------|-----------|-----------------------|----------|--------------|---------|
| | Mission | Showplace Sq./ Potrero Hill | East SoMa | Central Waterfront | | | |
| 2025 No Project | | | | | | | |
| Housing Units | 420 | 651 | 1,581 | 219 | 2,871 | 16,207 | 19,078 |
| Household Population | 2,118 | 792 | 3,065 | 310 | 6,285 | 35,965 | 42,250 |
| PDR Jobs | -985 | -1,686 | -1,065 | 360 | -3,376 | 11,146 | 7,770 |
| Non-PDR Jobs | 2,884 | 5,607 | 4,238 | 301 | 13,030 | 108,919 | 121,949 |
| Total Jobs | 1,899 | 3,921 | 3,173 | 661 | 9,654 | 120,065 | 129,719 |
| Option A | | | | | | | |
| Housing Units | 782 | 2,294 | 2,294 | 3,645 | 9,015 | 28,368 | 37,383 |
| Household Population | 3,328 | 3,410 | 3,838 | 6,610 | 17,186 | 62,337 | 79,523 |
| PDR Jobs | -861 | 752 | -1,222 | 324 | -1,007 | 11,677 | 10,671 |
| Non-PDR Jobs | 2,253 | 4,967 | 3,202 | 304 | 10,726 | 110,605 | 121,330 |
| Total Jobs | 1,391 | 5,719 | 1,980 | 628 | 9,719 | 122,282 | 132,001 |
| Option B | | | | | | | |
| Housing Units | 1,118 | 2,635 | 2,508 | 1,124 | 7,385 | 29,123 | 36,508 |
| Household Population | 4,301 | 4,049 | 4,199 | 1,928 | 14,477 | 63,004 | 77,481 |
| PDR Jobs | -1,033 | -1,790 | -1,480 | 187 | -4,116 | 8,984 | 4,868 |
| Non-PDR Jobs | 3,087 | 5,605 | 4,636 | 285 | 13,613 | 108,020 | 121,634 |
| Total Jobs | 2,053 | 3,815 | 3,156 | 472 | 9,497 | 117,004 | 126,501 |
| Option C | | | | | | | |
| Housing Units | 2,054 | 3,891 | 3,083 | 830 | 9,858 | 26,759 | 36,617 |
| Household Population | 7,077 | 6,859 | 5,177 | 1,375 | 20,488 | 57,295 | 77,783 |
| PDR Jobs | -6,469 | -1,903 | -1,457 | 360 | -9,469 | 10,185 | 716 |
| Non-PDR Jobs | 11,599 | 4,930 | 5,265 | 212 | 22,007 | 102,161 | 124,168 |
| Total Jobs | 5,130 | 3,027 | 3,808 | 572 | 12,538 | 112,346 | 124,884 |

SOURCE: San Francisco Planning Department, 2005



**RESIDENTIAL PIPELINE
COMPLETED AND ENTITLED HOUSING UNITS 2007 to 2014**

California state law requires each city and county to adopt a Housing Element as a part of its general plan. The State Department of Housing and Community Development (HCD) determines a Regional Housing Need (RHNA) and sets production targets that each jurisdiction’s Housing Element must address. The RHNA allocation represents the minimum number of housing units that a region must plan for in each reporting period.

The table below shows completed units to the fourth quarter of 2014 (Q4), or the end of the 2007-2014 RHNA reporting period.

| 2014 Q4 | RHNA Allocation 2007 - 2014 | Units Built 2007 - 2014 | Percent of RHNA Targets Built |
|-----------------------------------|--------------------------------|----------------------------|-------------------------------------|
| Total Units | 31,193 | 20,455 | 65.6% |
| Above Moderate (> 120% AMI) | 12,315 | 13,391 | 108.7% |
| Moderate Income (80 - 120% AMI) | 6,754 | 1,283 | 19.0% |
| Low Income (< 80% AMI) | 12,124 | 5,781 | 47.7% |

The second table below lists production targets for the new 2015-2020 RHNA reporting period. It also accounts for units that have received entitlements from the Planning Department but have not been built as of December 31, 2014. Once completed, these entitled units will count towards the 2015-2022 RHNA production targets. The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Publicly subsidized housing units (including moderate and low income units) and inclusionary units are tracked by the Mayor’s Office of Housing; these are also updated quarterly.

| 2014 Q4 | RHNA Allocation 2015 - 2022 | Entitled by Planning* | Percent of RHNA Targets Entitled by Planning |
|-----------------------------------|--------------------------------|--------------------------|---|
| Total Units | 28,869 | 13,860 | 48.0% |
| Above Moderate (> 120% AMI) | 12,536 | 11,996 | 95.7% |
| Moderate Income (80 - 120% AMI) | 5,460 | 676 | 12.4% |
| Low Income (< 80% AMI) | 10,873 | 1,188 | 10.9% |

**These totals do not include a total of 23,270 net new units from three major entitled projects: Hunters' Point, Treasure Island and ParkMerced. However, Phase I of Hunter's Point (about 444 units) is under construction and is included in this table.*

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2018 Q2

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

San Francisco reports actual production in its progress towards meeting its Regional Housing Need Assessment (RHNA) goals. These figures are submitted annually on April to the State Department of Housing and Community Development. The following table shows actual production – i.e. built units – through the second quarter of 2018.

Progress Towards Meeting 2022 RHNA Production Goals, as of 2018 Q2

| | Total RHNA Housing Goals, 2015 - 2022 | Pro-Rated RHNA Housing Goals, 2015 - 2018 Q2 | Actual Production, 2015 - 2018 Q2 | Actual Production, 2015 - 2018 Q2 as % of Total RHNA Housing Goals | Actual Production as % of 2015 - 2018 Q2 Pro-Rated RHNA Housing Goals |
|-----------------|---------------------------------------|--|-----------------------------------|--|---|
| TOTAL | 28,869 | 12,630 | 16,654 | 57.7% | |
| Very Low Income | 6,234 | 2,727 | 2,799 | 44.9% | 102.6% |
| Low Income | 4,639 | 2,030 | 1,292 | 27.9% | 63.7% |
| Moderate Income | 5,460 | 2,389 | 760 | 13.9% | 31.8% |
| Above Moderate | 12,536 | 5,485 | 11,803 | 94.2% | 215.2% |

Administrative Code 10E.4 (b)(1) calls for a summary of data on the total number of units at various stages of the housing production process and how completed and pipeline projects compare with San Francisco's RHNA production goals. The table below presents a summary of completed units and development projects in the current residential pipeline to the second quarter of 2018 (Q2).

Summary of Completed and Entitled Units, as of 2018 Q2, As Required by Administrative Code 10E.4(b)(1)

| | RHNA Housing Goals, 2015 - 2022 | Actual Production, 2015 - 2018 Q2 | Total Entitled by Planning, 2018 Q2* | Actual Production and Entitled, 2018 Q2* | Actual Production and Entitled, as % of Total RHNA Housing Goals |
|-----------------|---------------------------------|-----------------------------------|--------------------------------------|--|--|
| TOTAL | 28,869 | 16,654 | 18,646 | 35,300 | 122.3% |
| Very Low Income | 6,234 | 2,799 | 202 | 3,001 | 48.1% |
| Low Income | 4,639 | 1,292 | 1,424 | 2,716 | 58.5% |
| Moderate Income | 5,460 | 760 | 577 | 1,337 | 24.5% |
| TBD Affordable | | | 803 | 803 | |
| Above Moderate | 12,536 | 11,803 | 15,640 | 27,443 | 218.9% |

* This column does not include seven entitled major multi-phased development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 26,920 net new units, including about 6,380 net affordable units (24% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.

Memo

The residential pipeline for the purposes of this report only includes entitled projects. The following table shows entitled units at various stages of development but are not yet built. Units under construction and projects with active building permits are likely to be completed within the RHNA reporting period. Typical duration from filing of building permit to building completion typically ranges from two to four years, depending on the size and complexity of the project. The current eight year RHNA period ends in 2022.

Entitled Units, 2018 Q2

| | Entitled by Planning, No Permits Filed* | Entitled, Building Permit Filed | Building Permit Approved or Issued | Under Construction | Total Entitled by Planning* |
|-----------------|---|---------------------------------|------------------------------------|--------------------|-----------------------------|
| TOTAL | 3,142 | 4,855 | 6,558 | 7,078 | 21,633 |
| Very Low Income | - | - | 94 | 108 | 202 |
| Low Income | 150 | 32 | 463 | 779 | 1,424 |
| Moderate Income | 15 | 179 | 118 | 265 | 577 |
| TBD | 56 | 120 | 115 | 512 | 803 |
| Above Moderate | 2,921 | 4,524 | 5,768 | 5,414 | 18,627 |

* This column does not include seven entitled major development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 25,790 net new units, including about 5,490 net affordable units (23% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.

The State Department of Housing and Community Development (HCD) determines these RHNA goals that San Francisco’s Housing Element must address. The RHNA total is the minimum number of housing units that a region or jurisdiction must plan for in each RHNA reporting period. The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Subsidized housing units – including moderate and low income units – as well as inclusionary units are tracked by the Mayor’s Office of Housing; these are also updated quarterly.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: 20 September 2018
TO: City Planning Commission
FROM: John Rahaim, Director of Planning
RE: HOUSING BALANCE REPORT No. 7
1 July 2008 – 30 June 2018

STAFF CONTACT: Teresa Ojeda, 415 558 6251

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SUMMARY

This report is submitted in compliance with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market rate and new affordable housing production. One of the stated purposes of the Housing Balance is “to ensure that data on meeting affordable housing targets Citywide and within neighborhoods informs the approval process for new housing development.” This report is the seventh in the series and covers the ten-year period from 1 July 2008 through 30 June 2018.

The “Housing Balance” is defined as the proportion of all new affordable housing units to the total number of all new housing units for a 10-year “Housing Balance Period.” In addition, a calculation of “Projected Housing Balance” which includes residential projects that have received approvals from the Planning Commission or Planning Department but have not yet received permits to commence construction will be included.

In the 2008 Q3 -2018 Q2 Housing Balance Period, about 24% of net new housing produced was affordable. By comparison, the expanded Citywide Cumulative Housing Balance is 26%, although this varies by districts. Distribution of the expanded Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from -277% (District 4) to 72% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts.

The Projected Housing Balance Citywide is 16%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. Remaining phases for these three projects will add up to over 21,570 net units, including some 4,920 affordable units; this would increase the projected housing balance to 20% if included in the calculations.

BACKGROUND

On 21 April 2015, the Board of Supervisors passed Ordinance No. 53-15 amending the *Planning Code* to include a new *Section 103* requiring the Planning Department to monitor and report on the Housing Balance between new market rate housing and new affordable housing production. The *Housing Balance Report* will be submitted bi-annually by April 1 and October 1 of each year and will also be published on a visible and accessible page on the Planning Department's website. *Planning Code Section 103* also requires an annual hearing at the Board of Supervisors on strategies for achieving and maintaining the required housing balance in accordance with the City's housing production goals. (See *Appendix A* for complete text of Ordinance No. 53-15.)

The stated purposes for the Housing Balance Monitoring and Reporting are: a) to maintain a balance between new affordable and market rate housing Citywide and within neighborhoods; b) to make housing available for all income levels and housing need types; c) to preserve the mixed-income character of the City and its neighborhoods; d) to offset the withdrawal of existing housing units from rent stabilization and the loss of single-room occupancy hotel units; e) to ensure the availability of land and encourage the deployment of resources to provide sufficient housing affordable to households of very low, low, and moderate incomes; f) to ensure adequate housing for families, seniors and the disabled communities; g) to ensure that data on meeting affordable housing targets Citywide and within neighborhoods informs the approval process for new housing development; and h) to enable public participation in determining the appropriate mix of new housing approvals.

Specifically, the *Housing Balance Report* will supplement tracking performance toward meeting the goals set by the City's *Housing Element* and Proposition K. Housing production targets in the City's *Housing Element*, adopted in April 2015, calls for 28,870 new units built between 2015 and 2022, 57%¹ of which should be affordable. As mandated by law, the City provides the State Department of Housing and Community Development an annual progress report.² In November 2014, San Francisco's voters endorsed Proposition K, which set as city policy a goal to help construct or rehabilitate at least 30,000 homes by 2020, at least 33% of which will be affordable to low- and moderate-income households. In addition, Mayor Ed Lee set a similar goal of creating 30,000 new and rehabilitated homes by 2020, pledging at least 30% of these to be permanently affordable to low-income families as well as working, middle income families.³

This *Housing Balance Report* was prepared from data gathered from previously published sources including the Planning Department's annual *Housing Inventory* and quarterly *Pipeline Report* data,

¹ The Ordinance inaccurately stated that "22% of new housing demands to be affordable to households of moderate means"; San Francisco's Regional Housing Needs Assessment (RHNA) allocation for moderate income households is 19% of total production goals.

² Printed annual progress reports submitted by all California jurisdictions can be accessed here – <http://www.hcd.ca.gov/community-development/housing-element/annual-progress-reports/index.php> -- or by calling HCD at 916-263-2911 for the latest reports as many jurisdictions now file reports online.

³ For more information on and tracking of *30K by 2020*, see <http://sfmayor.org/housing-for-residents> .

San Francisco Rent Board data, and the Mayor’s Office of Housing and Community Development’s *Weekly Dashboard*.

CUMULATIVE HOUSING BALANCE CALCULATION

Planning Code Section 103 calls for the Housing Balance “be expressed as a percentage, obtained by dividing the cumulative total of extremely low, very low, low, and moderate income affordable housing (all units 0-120% AMI) minus the lost protected units, by the total number of net new housing units within the Housing Balance Period.” The ordinance requires that the “Cumulative Housing Balance” be provided using two calculations: a) one consisting of net housing built within a 10 year Housing Balance period, less units withdrawn from protected status, plus net units in projects that have received both approvals from the Planning Commission or Planning Department and site permits from the Department of Building Inspection, and b) the addition of net units gained through acquisition and rehabilitation of affordable units, HOPE SF and RAD units. “Protected units” include units that are subject to rent control under the City’s Residential Rent Stabilization and Arbitration Ordinance. Additional elements that figure into the Housing Balance include completed HOPE SF and RAD public housing replacement, substantially rehabilitated units, and single-room occupancy hotel units (SROs). The equation below shows the second, expanded calculation of the Cumulative Housing Balance.

$$\begin{array}{r}
 \text{[Net New Affordable Housing +} \\
 \text{Completed Acquisitions \& Rehabs + Completed} \\
 \text{HOPE SF + RAD Public Housing Replacement +} \\
 \text{Entitled \& Permitted Affordable Units]} \\
 \text{– [Units Removed from Protected Status]} \\
 \hline
 \text{[Net New Housing Built + Net Entitled \& Permitted Units]}
 \end{array}
 =
 \begin{array}{l}
 \text{CUMULATIVE} \\
 \text{HOUSING} \\
 \text{BALANCE}
 \end{array}$$

The first “Housing Balance Period” is a ten-year period starting with the first quarter of 2005 through the last quarter of 2014. Subsequent housing balance reports will cover the 10 years preceding the most recent quarter. This report covers July 2008 (Q3) through June 2018 (Q2).

Table 1A below shows the Cumulative Housing Balance for 10-year reporting period (2008 Q3 – 2018 Q2) is 18% Citywide. With the addition of RAD units, the expanded Cumulative Housing Balance is 26% (Table 1B). In 2016, the Board of Supervisors revised the ordinance to include Owner Move-Ins (OMIs) in the Housing Balance calculation. Although OMIs were not specifically called out by in the original Ordinance in the calculation of the Housing Balance, these were included in earlier reports because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Table 1A
Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

| BoS Districts | Net New Affordable Housing Built | Acquisitions & Rehabs and Small Sites Completed | Units Removed from Protected Status | Total Entitled Affordable Units Permitted | Total Net New Units Built | Total Entitled Units | Cumulative Housing Balance |
|----------------------|---|--|--|--|----------------------------------|-----------------------------|-----------------------------------|
| BoS District 1 | 170 | 5 | (527) | 4 | 336 | 155 | -70.9% |
| BoS District 2 | 45 | 24 | (319) | 2 | 875 | 189 | -23.3% |
| BoS District 3 | 209 | 6 | (313) | 6 | 931 | 244 | -7.8% |
| BoS District 4 | - | - | (462) | 7 | 28 | 136 | -277.4% |
| BoS District 5 | 601 | 293 | (359) | 162 | 1,443 | 646 | 33.4% |
| BoS District 6 | 3,406 | 1,137 | (146) | 1,122 | 16,613 | 6,260 | 24.1% |
| BoS District 7 | 99 | - | (236) | - | 553 | 1,101 | -8.3% |
| BoS District 8 | 244 | 28 | (605) | 90 | 1,413 | 328 | -14.0% |
| BoS District 9 | 210 | 406 | (606) | 406 | 948 | 919 | 22.3% |
| BoS District 10 | 1,565 | - | (295) | 1,351 | 4,694 | 3,341 | 32.6% |
| BoS District 11 | 28 | 21 | (395) | 9 | 161 | 317 | -70.5% |
| TOTALS | 6,577 | 1,920 | (4,263) | 3,159 | 27,995 | 13,636 | 17.8% |

Table 1B below shows the Expanded Cumulative Housing Balances for Board of Supervisor Districts ranging from -277% (District 4) to 72% (District 5). Negative balances in Districts 1 (-42%), 7 (-2%), and 11 (-77%) resulted from the larger numbers of units removed from protected status relative to the net new affordable housing and net new housing units built in those districts.

Table 1B
Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

| BoS Districts | Net New Affordable Housing Built | Acquisitions & Rehabs and Small Sites Completed | RAD Program and Hope SF Replacement Units | Units Removed from Protected Status | Total Entitled Affordable Units Permitted | Total Net New Units Built | Total Entitled Units | Expanded Cumulative Housing Balance |
|-----------------|----------------------------------|---|---|-------------------------------------|---|---------------------------|----------------------|-------------------------------------|
| BoS District 1 | 170 | 5 | 144 | (527) | 4 | 336 | 155 | -41.5% |
| BoS District 2 | 45 | 24 | 251 | (319) | 2 | 875 | 189 | 0.3% |
| BoS District 3 | 209 | 6 | 577 | (313) | 6 | 931 | 244 | 41.3% |
| BoS District 4 | - | - | - | (462) | 7 | 28 | 136 | -277.4% |
| BoS District 5 | 601 | 293 | 806 | (359) | 162 | 1,443 | 646 | 71.9% |
| BoS District 6 | 3,406 | 1,137 | 561 | (146) | 1,122 | 16,613 | 6,260 | 26.6% |
| BoS District 7 | 99 | - | 110 | (236) | - | 553 | 1,101 | -1.6% |
| BoS District 8 | 244 | 28 | 330 | (605) | 90 | 1,413 | 328 | 5.0% |
| BoS District 9 | 210 | 406 | 268 | (606) | 406 | 948 | 919 | 36.6% |
| BoS District 10 | 1,565 | - | 436 | (295) | 1,351 | 4,694 | 3,341 | 38.0% |
| BoS District 11 | 28 | 21 | - | (395) | 9 | 161 | 317 | -70.5% |
| TOTALS | 6,577 | 1,920 | 3,483 | (4,263) | 3,159 | 27,995 | 13,636 | 26.1% |

PROJECTED HOUSING BALANCE

Table 2 below summarizes residential projects that have received entitlements from the Planning Commission or the Planning Department but have not yet received a site or building permit. Overall projected housing balance at the end of the second quarter of 2018 is 16%. This balance is expected to change as several major projects have yet to declare how their affordable housing requirements will be met. In addition, three entitled major development projects – Treasure Island, ParkMerced, and Hunters Point – are not included in the accounting until applications for building permits are filed or issued as specified in the ordinance. Remaining phases from these three projects will yield an additional 21,570 net new units; 23% (or 4,920 units) would be affordable to low and moderate income households.

The Projected Housing Balance also does not account for affordable housing units that will be produced as a result of the Inclusionary Housing Fee paid in a given reporting cycle. Those affordable housing units are produced several years after the fee is collected. Units produced through the Fee typically serve lower income households than do the inclusionary units, including special needs populations requiring services, such as seniors, transitional aged youth, families, and veterans.

Table 2
Projected Housing Balance Calculation, 2018 Q2

| BoS District | Very Low Income | Low Income | Moderate | TBD | Total Affordable Units | Net New Units | Total Affordable Units as % of Net New Units |
|-----------------|-----------------|------------|------------|--------------|------------------------|---------------|--|
| BoS District 1 | - | - | - | - | - | 3 | 0.0% |
| BoS District 2 | - | - | - | - | - | 40 | 0.0% |
| BoS District 3 | - | - | 8 | 178 | 186 | 267 | 69.7% |
| BoS District 4 | - | - | - | - | - | 2 | 0.0% |
| BoS District 5 | - | - | 12 | 3 | 15 | 479 | 3.1% |
| BoS District 6 | - | 179 | 98 | 47 | 324 | 3,030 | 10.7% |
| BoS District 7 | - | - | - | - | - | 40 | 0.0% |
| BoS District 8 | - | - | 3 | - | 3 | 44 | 6.8% |
| BoS District 9 | - | - | 46 | 6 | 52 | 382 | 13.6% |
| BoS District 10 | - | 718 | 79 | 810 | 1,607 | 9,234 | 17.4% |
| BoS District 11 | - | - | - | - | - | - | 0.0% |
| TOTALS | - | 897 | 246 | 1,044 | 2,187 | 13,521 | 16.2% |

CUMULATIVE HOUSING BALANCE ELEMENTS

Because the scope covered by the Housing Balance calculation is broad, each element – or group of elements – will be discussed separately. The body of this report will account for figures at the Board of Supervisor district level. The breakdown of each element using the Planning Department District geographies, as required by *Section 103*, is provided separately in an *Appendix B*. This is to ensure simple and uncluttered tables in the main body of the report.

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2008 Q3 and 2018 Q2. This ten-year period resulted in a net addition of almost 28,000 units to the City’s housing stock, including almost 6,580 affordable units (or about 24%). A majority (59%) of net new housing units and affordable

units built in the ten-year reporting period were in District 6 (over 16,310 and 3,400 respectively). District 10 follows with over 4,690 net new units, including 1,565 affordable units.

The table below also shows that almost 24% of net new units built between 2008 Q3 and 2018 Q2 were affordable units, mostly (52%) in District 6. While District 1 saw modest gains in net new units built, half of these were affordable (51%).

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

| BoS District | Very Low | Low | Moderate | Middle | Total Affordable Units | Total Net Units | Affordable Units as % of Total Net Units |
|-----------------|--------------|--------------|--------------|-----------|------------------------|-----------------|--|
| BoS District 1 | 170 | - | - | - | 170 | 336 | 50.6% |
| BoS District 2 | - | - | 45 | - | 45 | 875 | 5.1% |
| BoS District 3 | 161 | 2 | 46 | - | 209 | 931 | 22.4% |
| BoS District 4 | - | - | - | - | - | 28 | 0.0% |
| BoS District 5 | 335 | 183 | 83 | - | 601 | 1,443 | 41.6% |
| BoS District 6 | 1,620 | 1,258 | 505 | 23 | 3,406 | 16,613 | 20.5% |
| BoS District 7 | 70 | 29 | - | - | 99 | 553 | 17.9% |
| BoS District 8 | 131 | 92 | 21 | - | 244 | 1,413 | 17.3% |
| BoS District 9 | 138 | 40 | 32 | - | 210 | 948 | 22.2% |
| BoS District 10 | 671 | 559 | 335 | - | 1,565 | 4,694 | 33.3% |
| BoS District 11 | - | 7 | 21 | - | 28 | 161 | 17.4% |
| TOTAL | 3,296 | 2,170 | 1,088 | 23 | 6,577 | 27,995 | 23.5% |

It should be noted that units affordable to Extremely Very Low Income (EVLI) households are included under the Very Low Income (VLI) category because certain projects that benefit homeless individuals and families – groups considered as EVLI – have income eligibility caps at the VLI level.

Acquisition and Rehabilitation of Affordable Housing Units

Table 4a below lists the number of units that have been rehabilitated and/or acquired between 2008 Q3 and 2018 Q2 to ensure permanent affordability. These are mostly single-room occupancy hotel units that are affordable to extremely very low and very low income households.

Table 4a
Acquisitions and Rehabilitation of Affordable Housing, 2008 Q3 – 2017 Q2

| BoS District | No. of Buildings | No. of Units |
|---------------------|-------------------------|---------------------|
| BoS District 2 | 1 | 24 |
| BoS District 5 | 2 | 290 |
| BoS District 6 | 12 | 1,085 |
| BoS District 9 | 2 | 319 |
| TOTALS | 17 | 1,718 |

Small Sites Program

The San Francisco Small Sites Program (SSP) is an initiative of the Mayor’s Office of Housing and Community Development (MOHCD) to acquire small rent-controlled buildings (with four to 25 units) where tenants are at risk of eviction through the Ellis Act or owner move-ins. Since its inception in 2014, some 26 buildings with 202 units have been acquired, as shown in Table 4b.

Table 4b
Small Sites Program, 2014-2018 Q2

| BoS District | No. of Buildings | No. of Units |
|---------------------|-------------------------|---------------------|
| BoS District 1 | 1 | 5 |
| Bos District 3 | 1 | 6 |
| BoS District 5 | 1 | 3 |
| BoS District 6 | 4 | 52 |
| BoS District 8 | 6 | 28 |
| BoS District 9 | 12 | 87 |
| BoS District 11 | 1 | 21 |
| TOTALS | 26 | 202 |

RAD Program

The San Francisco Housing Authority's Rental Assistance Demonstration (RAD) program preserves at risk public and assisted housing projects. According to the Mayor's Office, RAD Phase I transferred 1,425 units to developers in December 2015. An additional 2,058 units were transferred as Phase II in 2016.

Table 5
RAD Affordable Units, 2015-2018 Q2

| BoS District | No of Buildings | No of Units |
|---------------------|------------------------|--------------------|
| BoS District 1 | 2 | 144 |
| BoS District 2 | 3 | 251 |
| BoS District 3 | 4 | 577 |
| BoS District 5 | 7 | 806 |
| BoS District 6 | 4 | 561 |
| BoS District 7 | 1 | 110 |
| BoS District 8 | 4 | 330 |
| BoS District 9 | 2 | 268 |
| BoS District 10 | 2 | 436 |
| BoS District 11 | - | - |
| TOTALS | 29 | 3,483 |

Units Removed From Protected Status

San Francisco's Residential Rent Stabilization and Arbitration Ordinance protects tenants and preserves affordability of about 175,000 rental units by limiting annual rent increases. Landlords can, however, terminate tenants' leases through no-fault evictions including condo conversion, owner move-in, Ellis Act, demolition, and other reasons that are not the tenants' fault. The Housing Balance calculation takes into account units permanently withdrawn from rent stabilization as loss of affordable housing. The following no-fault evictions affect the supply of rent controlled units by removing units from the rental market: condo conversion, demolition, Ellis Act, and owner move-ins (OMIs). It should be noted that initially, OMIs were not specifically called out by the Ordinance to be included in the calculation. However, because owner move-ins have the effect of the losing rent controlled units either permanently or for a substantial period of time, these numbers are included in the Housing Balance calculation as intended by the legislation's sponsors. Some of these OMI units may return to being rentals and will still fall under the rent control ordinance. On 14 November 2016, the Board of Supervisors amended Planning Code Section 103 to include OMIs as part of the housing balance calculation.

Table 6 below shows the distribution of no-fault eviction notices issued between July 2008 and June 2018. Eviction notices have been commonly used as proxy for evictions. Owner Move-In and Ellis Out notices made up the majority of no fault evictions (59% and 30% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 9 and 8 leading (both with 14%).

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

| BoS District | Condo Conversion | Demolition | Ellis Out | Owner Move-In | Units Removed from Protected Status |
|---------------------|-------------------------|-------------------|------------------|----------------------|--|
| BoS District 1 | 2 | 22 | 152 | 351 | 527 |
| BoS District 2 | 18 | 10 | 89 | 202 | 319 |
| BoS District 3 | 7 | 10 | 176 | 120 | 313 |
| BoS District 4 | - | 74 | 81 | 307 | 462 |
| BoS District 5 | 15 | 16 | 97 | 231 | 359 |
| BoS District 6 | 1 | 75 | 57 | 13 | 146 |
| BoS District 7 | - | 31 | 56 | 149 | 236 |
| BoS District 8 | 21 | 31 | 228 | 325 | 605 |
| BoS District 9 | 5 | 50 | 213 | 338 | 606 |
| BoS District 10 | 2 | 26 | 52 | 215 | 295 |
| BoS District 11 | | 68 | 56 | 271 | 395 |
| TOTALS | 71 | 413 | 1,257 | 2,522 | 4,263 |

Entitled and Permitted Units

Table 7 lists the number of units that have received entitlements from the Planning Commission or the Planning Department. These pipeline projects have also received site permits from the Department of Building Inspection and most are under construction as of the final quarter of 2017. Over half of these units are being built in or will be built in District 6 (52%). Twenty percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2018 Q2

| BoS District | Very Low Income | Low Income | Moderate | TBD | Total Affordable Units | Net New Units | Total Affordable Units as % of Net New Units |
|-----------------|-----------------|--------------|--------------|-----------|------------------------|---------------|--|
| BoS District 1 | - | - | 4 | - | 4 | 155 | 2.6% |
| BoS District 2 | - | 2 | - | - | 2 | 189 | 1.1% |
| BoS District 3 | - | - | 6 | - | 6 | 244 | 2.5% |
| BoS District 4 | - | - | 7 | - | 7 | 136 | 5.1% |
| BoS District 5 | - | 112 | 50 | - | 162 | 646 | 25.1% |
| BoS District 6 | - | 793 | 244 | 85 | 1,122 | 6,260 | 17.9% |
| BoS District 7 | - | - | - | - | - | 1,101 | 0.0% |
| BoS District 8 | - | 85 | 5 | - | 90 | 328 | 27.4% |
| BoS District 9 | - | 378 | 28 | - | 406 | 919 | 44.2% |
| BoS District 10 | - | 670 | 681 | - | 1,351 | 3,341 | 40.4% |
| BoS District 11 | - | - | 9 | - | 9 | 317 | 2.8% |
| TOTALS | - | 2,040 | 1,034 | 85 | 3,159 | 13,636 | 23.2% |

PERIODIC REPORTING AND ONLINE ACCESS

This report complies with *Planning Code Section 103* requirement that the Planning Department publish and update the *Housing Balance Report* bi-annually on April 1 and October 1 of each year. *Housing Balance Reports* are available and accessible online, as mandated by the ordinance, by going to this link: <http://www.sf-planning.org/index.aspx?page=4222>.

ANNUAL HEARING

An annual hearing on the Housing Balance before the Board of Supervisors will be scheduled by April 1 of each year. The Mayor’s Office of Housing and Community Development, the Mayor’s Office of Economic and Workforce Development, the Rent Stabilization Board, the Department of Building Inspection, and the City Economist will present strategies for achieving and maintaining a housing balance consistent with the City’s housing goals at this annual hearing. The ordinance also requires that MOHCD will determine the amount of funding needed to bring the City into the required minimum 33% should the cumulative housing balance fall below that threshold.

1 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the
2 Board of Supervisors in File No. 150029, and is incorporated herein by reference.

3 (c) Pursuant to Planning Code Section 302, this Board finds that this Planning Code
4 Amendment will serve the public necessity, convenience, and welfare for the reasons set forth
5 in Planning Commission Resolution No. 150029 and the Board incorporates such reasons
6 herein by reference.

7

8 Section 2. The Planning Code is hereby amended by adding new Section 103 to read
9 as follows:

10 **SEC. 103. HOUSING BALANCE MONITORING AND REPORTING.**

11 **(a) Purposes.** *To maintain a balance between new affordable and market rate housing City-*
12 *wide and within neighborhoods, to make housing available for all income levels and housing need*
13 *types, to preserve the mixed income character of the City and its neighborhoods, to offset the*
14 *withdrawal of existing housing units from rent stabilization and the loss of single-room-occupancy*
15 *hotel units, to ensure the availability of land and encourage the deployment of resources to provide*
16 *sufficient housing affordable to households of very low, low, and moderate incomes, to ensure adequate*
17 *housing for families, seniors and the disabled community, to ensure that data on meeting affordable*
18 *housing targets City-wide and within neighborhoods informs the approval process for new housing*
19 *development, and to enable public participation in determining the appropriate mix of new housing*
20 *approvals, there is hereby established a requirement, as detailed in this Section 103, to monitor and*
21 *regularly report on the housing balance between market rate housing and affordable housing.*

22 **(b) Findings.**

23 *(1) In November 2014, the City voters enacted Proposition K, which established City*
24 *policy to help construct or rehabilitate at least 30,000 homes by 2020. More than 50% of this housing*
25 *would be affordable for middle-class households, with at least 33% affordable for low- and moderate-*

1 income households, and the City is expected to develop strategies to achieve that goal. This section
2 103 sets forth a method to track performance toward the City's Housing Element goals and the near-
3 term Proposition K goal that 33% of all new housing shall be affordable housing, as defined herein.

4 (2) The City's rent stabilized and permanently affordable housing stock serves very low-,
5 low-, and moderate-income families, long-time residents, elderly seniors, disabled persons and others.
6 The City seeks to achieve and maintain an appropriate balance between market rate housing and
7 affordable housing City-wide and within neighborhoods because the availability of decent housing and
8 a suitable living environment for every San Franciscan is of vital importance. Attainment of the City's
9 housing goals requires the cooperative participation of government and the private sector to expand
10 housing opportunities to accommodate housing needs for San Franciscans at all economic levels and to
11 respond to the unique needs of each neighborhood where housing will be located.

12 (3) For tenants in unsubsidized housing, affordability is often preserved by the
13 Residential Rent Stabilization and Arbitration Ordinance's limitations on the size of allowable rent
14 increases during a tenancy. As documented in the Budget and Legislative Analyst's October 2013
15 Policy Analysis Report on Tenant Displacement, San Francisco is experiencing a rise in units
16 withdrawn from rent controls. Such rises often accompany periods of sharp increases in property
17 values and housing prices. From 1998 through 2013, the Rent Board reported a total of 13,027 no-fault
18 evictions (i.e., evictions in which the tenant had not violated any lease terms, but the owner sought to
19 regain possession of the unit). Total evictions of all types have increased by 38.2% from Rent Board
20 Year (i.e. from March through February) 2010 to Rent Board Year 2013. During the same period, Ellis
21 Act evictions far outpaced other evictions, increasing by 169.8% from 43 in Rent Board Year 2010 to
22 116 in Rent Board Year 2013. These numbers do not capture the large number of owner buyouts of
23 tenants, which contribute further to the loss of rent-stabilized units from the housing market. Any fair
24 assessment of the affordable housing balance must incorporate into the calculation units withdrawn
25 from rent stabilization.

1 (4) Pursuant to Government Code Section 65584, the Association of Bay Area
2 Governments (ABAG), in coordination with the California State Department of Housing and
3 Community Development (HCD), determines the Bay Area's regional housing need based on regional
4 trends, projected job growth, and existing needs. The regional housing needs assessment (RHNA)
5 determination includes production targets addressing housing needs of a range of household income
6 categories. For the RHNA period covering 2015 through 2022, ABAG has projected that at least 38%
7 of new housing demands for San Francisco will be from very low and low income households
8 (households earning under 80% of area median income), and another 22% of new housing demands to
9 be affordable to households of moderate means (earning between 80% and 120% of area median
10 income). Market-rate housing is considered housing with no income limits or special requirements
11 attached.

12 (5) The Housing Element of the City's General Plan states: "Based on the growing
13 population, and smart growth goals of providing housing in central areas like San Francisco, near jobs
14 and transit, the State Department of Housing and Community Development (HCD), with the
15 Association of Bay Area Governments (ABAG), estimates that in the current 2015-2022 Housing
16 Element period San Francisco must plan for the capacity for roughly 28,870 new units, 57% of which
17 should be suitable for housing for the extremely low, very low, low and moderate income households to
18 meet its share of the region's projected housing demand." Objective 1 of the Housing Element states
19 that the City should "identify and make available for development adequate sites to meet the City's
20 housing needs, especially permanently affordable housing." Objective 7 states that San Francisco's
21 projected affordable housing needs far outpace the capacity for the City to secure subsidies for new
22 affordable units.

23 (6) In 2012, the City enacted Ordinance 237-12, the "Housing Preservation and
24 Production Ordinance," codified in Administrative Code Chapter 10E.4, to require Planning
25 Department staff to regularly report data on progress toward meeting San Francisco's quantified

1 production goals for different household income levels as provided in the General Plan's Housing
2 Element. That Ordinance requires data on the number of units in all stages of the housing production
3 process at various affordability levels to be included in staff reports on all proposed projects of five
4 residential units or more and in quarterly housing production reports to the Planning Commission. The
5 Planning Department has long tracked the number of affordable housing units and total number of
6 housing units built throughout the City and in specific areas and should be able to track the ratio called
7 for in this Section 103.

8 (7) As the private market has embarked upon, and government officials have urged, an
9 ambitious program to produce significant amounts of new housing in the City, the limited remaining
10 available land makes it essential to assess the impact of the approval of new market rate housing
11 developments on the availability of land for affordable housing and to encourage the deployment of
12 resources to provide such housing.

13 **(c) Housing Balance Calculation.**

14 (1) For purposes of this Section 103, "Housing Balance" shall be defined as the
15 proportion of all new housing units affordable to households of extremely low, very low, low or
16 moderate income households, as defined in California Health & Safety Code Sections 50079.5 et seq.,
17 as such provisions may be amended from time to time, to the total number of all new housing units for a
18 10 year Housing Balance Period.

19 (2) The Housing Balance Period shall begin with the first quarter of year 2005 to the
20 last quarter of 2014, and thereafter for the ten years prior to the most recent calendar quarter.

21 (3) For each year that data is available, beginning in 2005, the Planning Department
22 shall report net housing construction by income levels, as well as units that have been withdrawn from
23 protection afforded by City law, such as laws providing for rent-controlled and single resident
24 occupancy (SRO) units. The affordable housing categories shall include net new units, as well as
25 existing units that were previously not restricted by deed or regulatory agreement that are acquired for

1 preservation as permanently affordable housing as determined by the Mayor's Office of Housing and
2 Community Development (MOHCD) (not including refinancing or other rehabilitation under existing
3 ownership), protected by deed or regulatory agreement for a minimum of 55 years. The report shall
4 include, by year, and for the latest quarter, all units that have received Temporary Certificates of
5 Occupancy within that year, a separate category for units that obtained a site or building permit, and
6 another category for units that have received approval from the Planning Commission or Planning
7 Department, but have not yet obtained a site or building permit to commence construction (except any
8 entitlements that have expired and not been renewed during the Housing Balance Period). Master
9 planned entitlements, including but not limited to such areas as Treasure Island, Hunters Point
10 Shipyards and Park Merced, shall not be included in this latter category until individual building
11 entitlements or site permits are approved for specific housing projects. For each year or approval
12 status, the following categories shall be separately reported:

13 (A) Extremely Low Income Units, which are units available to individuals or
14 families making between 0-30% Area Median Income (AMI) as defined in California Health & Safety
15 Code Section 50106, and are subject to price or rent restrictions between 0-30% AMI;

16 (B) Very Low Income Units, which are units available to individuals or families
17 making between 30-50% AMI as defined in California Health & Safety Code Section 50105, and are
18 subject to price or rent restrictions between 30-50% AMI;

19 (C) Lower Income Units, which are units available to individuals or families
20 making between 50-80% AMI as defined in California Health & Safety Code Section 50079.5, and are
21 subject to price or rent restrictions between 50-80% AMI;

22 (D) Moderate Income Units, which are units available to individuals or families
23 making between 80-120% AMI, and are subject to price or rent restrictions between 80-120% AMI;

24 (E) Middle Income Units, which are units available to individuals or families
25 making between 120-150% AMI, and are subject to price or rent restrictions between 120-150% AMI;

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(F) Market-rate units, which are units not subject to any deed or regulatory agreement with price restrictions:

(G) Housing units withdrawn from protected status, including units withdrawn from rent control (except those units otherwise converted into permanently affordable housing), including all units that have been subject to rent control under the San Francisco Residential Rent Stabilization and Arbitration Ordinance but that a property owner removes permanently from the rental market through condominium conversion pursuant to Administrative Code Section 37.9(a)(9), demolition or alterations (including dwelling unit mergers), or permanent removal pursuant to Administrative Code Section 37.9(a)(10) or removal pursuant to the Ellis Act under Administrative Code Section 37.9(a)(13):

(H) Public housing replacement units and substantially rehabilitated units through the HOPE SF and Rental Assistance Demonstration (RAD) programs, as well as other substantial rehabilitation programs managed by MOHCD.

(4) The Housing Balance shall be expressed as a percentage, obtained by dividing the cumulative total of extremely low, very low, low and moderate income affordable housing units (all units 0-120% AMI) minus the lost protected units, by the total number of net new housing units within the Housing Balance Period. The Housing Balance shall also provide two calculations:

(A) the Cumulative Housing Balance, consisting of housing units that have already been constructed (and received a Temporary Certificate of Occupancy or other certificate that would allow occupancy of the units) within the 10-year Housing Balance Period, plus those units that have obtained a site or building permit. A separate calculation of the Cumulative Housing Balance shall also be provided, which includes HOPE SF and RAD public housing replacement and substantially rehabilitated units (but not including general rehabilitation / maintenance of public housing or other affordable housing units) that have received Temporary Certificates of Occupancy

1 within the Housing Balance Period. The Housing Balance Reports will show the Cumulative Housing
2 Balance with and without public housing included in the calculation; and

3 (B) the Projected Housing Balance, which shall include any residential project
4 that has received approval from the Planning Commission or Planning Department, even if the
5 housing project has not yet obtained a site or building permit to commence construction (except any
6 entitlements that have expired and not been renewed during the Housing Balance period). Master
7 planned entitlements shall not be included in the calculation until individual building entitlements or
8 site permits are approved.

9 (d) **Bi-annual Housing Balance Reports.** Within 30 days of the effective date of this
10 Section 103 By June 1, 2015, the Planning Department shall calculate the Cumulative and Projected
11 Housing Balance for the most recent two quarters City-wide, by Supervisorial District, Plan Area, and
12 by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an
13 easily visible and accessible page devoted to Housing Balance and Monitoring and Reporting on the
14 Planning Department's website. By August September 1st and February March 1st of each year, the
15 Planning Department shall publish and update the Housing Balance Report, and present this report at
16 an informational hearing to the Planning Commission and Board of Supervisors, as well as to any
17 relevant body with geographic purview over a plan area upon request, along with the other quarterly
18 reporting requirements of Administrative Code Chapter 10E.4. The annual report to the Board of
19 Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced
20 by the Planning Department. The Housing Balance Report shall also be incorporated into the
21 Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors
22 required in Administrative Code Chapter 10E.4.

23 (e) **Annual Hearing by Board of Supervisors.**

24 (1) The Board of Supervisors shall hold a public Housing Balance hearing on an annual
25 basis by April 1 of each year, to consider progress towards the City's affordable housing goals.

1 including the goal of a minimum 33% affordable housing to low and moderate income households, as
2 well as the City's General Plan Housing Element housing production goals by income category. The
3 first hearing shall occur no later than 30 days after the effective date of this ordinance, and by April 1
4 of each year thereafter.

5 (2) The hearing shall include reporting by the Planning Department, which shall present
6 the latest Housing Balance Report City-wide and by Supervisorial District and Planning District; the
7 Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and
8 Workforce Development, the Rent Stabilization Board, by the Department of Building Inspection, and
9 the City Economist on strategies for achieving and maintaining a housing balance in accordance with
10 San Francisco's housing production goals. If the Cumulative Housing Balance has fallen below 33% in
11 any year, MOHCD shall determine how much funding is required to bring the City into a minimum
12 33% Housing Balance and the Mayor shall submit to the Board of Supervisors a strategy to accomplish
13 the minimum of 33% Housing Balance. City Departments shall at minimum report on the following
14 issues relevant to the annual Housing Balance hearing: MOHCD shall report on the annual and
15 projected progress by income category in accordance with the City's General Plan Housing Element
16 housing production goals, projected shortfalls and gaps in funding and site control, and progress
17 toward the City's Neighborhood Stabilization goals for acquiring and preserving the affordability of
18 existing rental units in neighborhoods with high concentrations of low and moderate income
19 households or historically high levels of evictions; the Planning Department shall report on current
20 and proposed zoning and land use policies that affect the City's General Plan Housing Element
21 housing production goals; the Mayor's Office of Economic and Workforce Development shall report on
22 current and proposed major development projects, dedicated public sites, and policies that affect the

1 City's General Plan Housing Element housing production goals; the Rent Board shall report on the
2 withdrawal or addition of rent-controlled units and current or proposed policies that affect these
3 numbers; the Department of Building Inspection shall report on the withdrawal or addition of
4 Residential Hotel units and current or proposed policies that affect these numbers; and the City
5 Economist shall report on annual and projected job growth by the income categories specified in the
6 City's General Plan Housing Element.

7 (3) All reports and presentation materials from the annual Housing Balance hearing
8 shall be maintained by year for public access on the Planning Department's website on its page
9 devoted to Housing Balance Monitoring and Reporting.

10
11 Section 4. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18 By: 
19 MARLENA BYRNE
Deputy City Attorney

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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 150029

Date Passed: April 21, 2015

Ordinance amending the Planning Code to require the Planning Department to monitor the balance between new market rate housing and new affordable housing, and publish a bi-annual Housing Balance Report; requiring an annual hearing at the Board of Supervisors on strategies for achieving and maintaining the required housing balance in accordance with San Francisco's housing production goals; and making environmental findings, Planning Code, Section 302, findings, and findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

April 06, 2015 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

April 06, 2015 Land Use and Transportation Committee - RECOMMENDED AS AMENDED

April 14, 2015 Board of Supervisors - PASSED, ON FIRST READING

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

April 21, 2015 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 150029

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 4/21/2015 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

4/30/2015

Date Approved

APPENDIX B

CUMULATIVE HOUSING BALANCE REPORT No 7 TABLES BY PLANNING DISTRICTS

**Table 1A
Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2**

| Planning Districts | New Affordable Housing Built | Acquisitions & Rehabs and Small Sites Completed | Units Removed from Protected Status | Total Entitled Affordable Units Permitted | Total Net New Units Built | Total Entitled Permitted Units | Cumulative Housing Balance |
|--------------------|------------------------------|---|-------------------------------------|---|---------------------------|--------------------------------|----------------------------|
| 1 Richmond | 219 | 5 | (599) | 4 | 567 | 166 | -50.6% |
| 2 Marina | 1 | 24 | (186) | - | 215 | 141 | -45.2% |
| 3 Northeast | 197 | 6 | (330) | 2 | 783 | 200 | -12.7% |
| 4 Downtown | 1,685 | 851 | (120) | 371 | 5,996 | 2,561 | 32.6% |
| 5 Western Addition | 513 | 293 | (182) | 136 | 1,513 | 374 | 40.3% |
| 6 Buena Vista | 199 | 5 | (225) | 111 | 1,028 | 413 | 6.2% |
| 7 Central | 110 | - | (340) | 5 | 430 | 125 | -40.5% |
| 8 Mission | 344 | 403 | (543) | 559 | 1,527 | 2,204 | 20.5% |
| 9 South of Market | 2,091 | 262 | (134) | 1,376 | 13,110 | 4,749 | 20.1% |
| 10 South Bayshore | 1,091 | - | (104) | 579 | 1,966 | 1,069 | 51.6% |
| 11 Bernal Heights | - | 50 | (187) | - | 51 | 45 | -142.7% |
| 12 South Central | 11 | 21 | (466) | 9 | 135 | 324 | -92.6% |
| 13 Ingleside | 116 | - | (198) | - | 551 | 1,089 | -5.0% |
| 14 Inner Sunset | - | - | (188) | - | 98 | 42 | -134.3% |
| 15 Outer Sunset | - | - | (461) | 7 | 25 | 134 | -285.5% |
| TOTALS | 6,577 | 1,920 | (4,263) | 3,159 | 27,995 | 13,636 | 17.8% |

Table 1B
Expanded Cumulative Housing Balance Calculation, 2008 Q3 – 2018 Q2

| Planning Districts | New Affordable Housing Built | Acquisitions & Rehabs and Small Sites Completed | RAD Program & HopeSF Replacement Units | Units Removed from Protected Status | Total Entitled Affordable Units Permitted | Total Net New Units Built | Total Entitled Permitted Units | Expanded Cumulative Housing Balance |
|--------------------|------------------------------|---|--|-------------------------------------|---|---------------------------|--------------------------------|-------------------------------------|
| 1 Richmond | 219 | 5 | 144 | (599) | 4 | 567 | 166 | -31.0% |
| 2 Marina | 1 | 24 | 138 | (186) | - | 215 | 141 | -6.5% |
| 3 Northeast | 197 | 6 | 577 | (330) | 2 | 783 | 200 | 46.0% |
| 4 Downtown | 1,685 | 851 | 285 | (120) | 371 | 5,996 | 2,561 | 35.9% |
| 5 Western Addition | 513 | 293 | 919 | (182) | 136 | 1,513 | 374 | 89.0% |
| 6 Buena Vista | 199 | 5 | 132 | (225) | 111 | 1,028 | 413 | 15.4% |
| 7 Central | 110 | - | 107 | (340) | 5 | 430 | 125 | -21.3% |
| 8 Mission | 344 | 403 | 91 | (543) | 559 | 1,527 | 2,204 | 22.9% |
| 9 South of Market | 2,091 | 262 | 276 | (134) | 1,376 | 13,110 | 4,749 | 21.7% |
| 10 South Bayshore | 1,091 | - | 436 | (104) | 579 | 1,966 | 1,069 | 66.0% |
| 11 Bernal Heights | - | 50 | 268 | (187) | - | 51 | 45 | 136.5% |
| 12 South Central | 11 | 21 | - | (466) | 9 | 135 | 324 | -92.6% |
| 13 Ingleside | 116 | - | - | (198) | - | 551 | 1089 | -5.0% |
| 14 Inner Sunset | - | - | 110 | (188) | - | 98 | 42 | -55.7% |
| 15 Outer Sunset | - | - | - | (461) | 7 | 25 | 134 | -285.5% |
| TOTALS | 6,577 | 1,920 | 3,483 | (4,263) | 3,159 | 27,995 | 13,636 | 26.1% |

Table 2
Projected Housing Balance Calculation, 2018 Q2

| BoS District | Very Low Income | Low Income | Moderate | TBD | Total Affordable Units | Net New Units | Total Affordable Units as % of Net New Units |
|--------------------|-----------------|------------|------------|--------------|------------------------|---------------|--|
| 1 Richmond | - | - | - | - | - | 3 | 0.0% |
| 2 Marina | - | - | - | - | - | 36 | 0.0% |
| 3 Northeast | - | - | 8 | 178 | 186 | 265 | 70.2% |
| 4 Downtown | - | 60 | 73 | - | 133 | 1,578 | 8.4% |
| 5 Western Addition | - | - | - | 3 | 3 | 264 | 1.1% |
| 6 Buena Vista | - | - | 15 | - | 15 | 242 | 6.2% |
| 7 Central | - | - | - | - | - | 12 | 0.0% |
| 8 Mission | - | 107 | 46 | 6 | 159 | 968 | 16.4% |
| 9 South of Market | - | 423 | 32 | 689 | 1,144 | 4,565 | 25.1% |
| 10 South Bayshore | - | - | 72 | 168 | 240 | 4,935 | 4.9% |
| 11 Bernal Heights | - | - | - | - | - | 2 | 0.0% |
| 12 South Central | - | 307 | - | - | 307 | 608 | 50.5% |
| 13 Ingleside | - | - | - | - | - | 8 | 0.0% |
| 14 Inner Sunset | - | - | - | - | - | 33 | 0.0% |
| 15 Outer Sunset | - | - | - | - | - | 2 | 0.0% |
| TOTALS | - | 897 | 246 | 1,044 | 2,187 | 13,521 | 16.2% |

Table 3
New Housing Production by Affordability, 2008 Q3 – 2018 Q2

| Planning Districts | Very Low | Low | Moderate | Middle Income | Total Affordable Units | Total Net Units | Affordable Units as % of Total Net Units |
|--------------------|--------------|--------------|--------------|---------------|------------------------|-----------------|--|
| 1 Richmond | 207 | 12 | - | - | 219 | 567 | 38.6% |
| 2 Marina | - | - | 1 | - | 1 | 215 | 0.5% |
| 3 Northeast | 161 | 2 | 34 | - | 197 | 783 | 25.2% |
| 4 Downtown | 954 | 481 | 227 | 23 | 1,685 | 5,996 | 28.1% |
| 5 Western Addition | 266 | 171 | 76 | - | 513 | 1,513 | 33.9% |
| 6 Buena Vista | 71 | 74 | 54 | - | 199 | 1,028 | 19.4% |
| 7 Central | 92 | 18 | - | - | 110 | 430 | 25.6% |
| 8 Mission | 214 | 62 | 68 | - | 344 | 1,527 | 22.5% |
| 9 South of Market | 590 | 1,000 | 501 | - | 2,091 | 13,110 | 15.9% |
| 10 South Bayshore | 671 | 314 | 106 | - | 1,091 | 1,966 | 55.5% |
| 11 Bernal Heights | - | - | - | - | - | 51 | 0.0% |
| 12 South Central | - | 7 | 4 | - | 11 | 135 | 8.1% |
| 13 Ingleside | 70 | 29 | 17 | - | 116 | 551 | 21.1% |
| 14 Inner Sunset | - | - | - | - | - | 98 | 0.0% |
| 15 Outer Sunset | - | - | - | - | - | 25 | 0.0% |
| TOTALS | 3,296 | 2,170 | 1,088 | 23 | 6,577 | 27,995 | 23.5% |

Table 4a
Acquisitions and Rehabilitation of
Affordable Housing, 2008 Q3 – 2018 Q2

| Planning District | No. of Buildings | No. of Units |
|--------------------------|-------------------------|---------------------|
| 2 Marina | 1 | 24 |
| 4 Downtown | 6 | 826 |
| 5 Western Addition | 2 | 290 |
| 8 Mission | 2 | 319 |
| 9 South of Market | 6 | 259 |
| TOTALS | 17 | 1,718 |

Table 4b
Small Sites Program Acquisitions, 2014 Q1 – 2018 Q2

| Planning District | No. of Buildings | No. of Units |
|--------------------------|-------------------------|---------------------|
| 1 Richmond | 1 | 5 |
| 3 Northeast | 1 | 6 |
| 4 Downtown | 2 | 25 |
| 5 Western Addition | 1 | 3 |
| 6 Buena Vista | 1 | 5 |
| 8 Mission | 11 | 84 |
| 9 South of Market | 1 | 3 |
| 11 Bernal Heights | 2 | 50 |
| 12 South Central | 1 | 21 |
| TOTALS | 21 | 202 |

Table 5
RAD Affordable Units, 2015 Q1 – 2018 Q2

| Planning District | No of Buildings | No of Units |
|--------------------------|------------------------|--------------------|
| 1 Richmond | 2 | 144 |
| 2 Marina | 2 | 138 |
| 3 Northeast | 4 | 577 |
| 4 Downtown | 3 | 285 |
| 5 Western Addition | 8 | 919 |
| 6 Buena Vista | 2 | 132 |
| 7 Central | 1 | 107 |
| 8 Mission | 1 | 91 |
| 9 South of Market | 1 | 276 |
| 10 South Bayshore | 2 | 436 |
| 11 Bernal Heights | 2 | 268 |
| 12 South Central | - | - |
| 13 Ingleside | - | - |
| 14 Inner Sunset | 1 | 110 |
| 15 Outer Sunset | - | - |
| TOTALS | 29 | 3,483 |

Table 6
Units Removed from Protected Status, 2008 Q3 – 2018 Q2

| Planning District | Condo Conversion | Demolition | Ellis Out | Owner Move-In | Total Units Permanently Lost |
|--------------------------|-------------------------|-------------------|------------------|----------------------|-------------------------------------|
| 1 Richmond | 4 | 26 | 187 | 382 | 599 |
| 2 Marina | 11 | 4 | 38 | 133 | 186 |
| 3 Northeast | 12 | 11 | 175 | 132 | 330 |
| 4 Downtown | - | 68 | 48 | 4 | 120 |
| 5 Western Addition | 7 | 9 | 34 | 132 | 182 |
| 6 Buena Vista | 4 | 5 | 91 | 125 | 225 |
| 7 Central | 18 | 17 | 95 | 210 | 340 |
| 8 Mission | 2 | 30 | 260 | 251 | 543 |
| 9 South of Market | 3 | 18 | 36 | 77 | 134 |
| 10 South Bayshore | - | 11 | 12 | 81 | 104 |
| 11 Bernal Heights | 5 | 24 | 53 | 105 | 187 |
| 12 South Central | - | 64 | 58 | 344 | 466 |
| 13 Ingleside | - | 37 | 32 | 129 | 198 |
| 14 Inner Sunset | 5 | 15 | 57 | 111 | 188 |
| 15 Outer Sunset | - | 74 | 81 | 306 | 461 |
| Totals | 71 | 413 | 1,257 | 2,522 | 4,263 |

Table 7
Entitled and Permitted Units, 2018 Q2

| BoS District | Very Low Income | Low Income | Moderate | TBD | Total Affordable Units | Net New Units | Total Affordable Units as % of Net New Units |
|--------------------|-----------------|------------|------------|--------------|------------------------|---------------|--|
| 1 Richmond | - | - | - | - | - | 3 | 0.0% |
| 2 Marina | - | - | - | - | - | 36 | 0.0% |
| 3 Northeast | - | - | 8 | 178 | 186 | 265 | 70.2% |
| 4 Downtown | - | 60 | 73 | - | 133 | 1,578 | 8.4% |
| 5 Western Addition | - | - | - | 3 | 3 | 264 | 1.1% |
| 6 Buena Vista | - | - | 15 | - | 15 | 242 | 6.2% |
| 7 Central | - | - | - | - | - | 12 | 0.0% |
| 8 Mission | - | 107 | 46 | 6 | 159 | 968 | 16.4% |
| 9 South of Market | - | 423 | 32 | 689 | 1,144 | 4,565 | 25.1% |
| 10 South Bayshore | - | - | 72 | 168 | 240 | 4,935 | 4.9% |
| 11 Bernal Heights | - | - | - | - | - | 2 | 0.0% |
| 12 South Central | - | 307 | - | - | 307 | 608 | 50.5% |
| 13 Ingleside | - | - | - | - | - | 8 | 0.0% |
| 14 Inner Sunset | - | - | - | - | - | 33 | 0.0% |
| 15 Outer Sunset | - | - | - | - | - | 2 | 0.0% |
| TOTALS | - | 897 | 246 | 1,044 | 2,187 | 13,521 | 16.2% |

September 20, 2016

San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94103

Subject: Eastern Neighborhoods Citizen Advisory Committee (EN CAC) Response to the EN Monitoring Reports (2011-2015)

Dear President Fong and Members of the Planning Commission:

At your September 22, 2016 Regular Meeting, you will hear a presentation on the Eastern Neighborhoods Five Year Monitoring Report (2011 – 2015). Attached, please find the statement prepared by the Eastern Neighborhoods Citizen Advisory Committee (EN CAC) in response to this report.

As you know, we are a 19 member body created along with the Eastern Neighborhoods Plans in 2009. We are appointed by both the Mayor and the Board of Supervisors and are made up of wide range of residents, business and property owners, developers, and activists. Our charge is to provide input on many aspects of the EN Plans' implementation including but not limited to: (1) how to program funds raised through impact fees, (2) proposed changes in land use policy, and (3) the scope and content of the Monitoring Report.

We have been working closely with staff over the course of the last year to assure the Monitoring Report is accurate and contains all of the material and analysis required by the Planning and Administrative Codes. At our regular monthly meeting in August, we voted to endorse the Monitoring Report that is now before you. We understand that while the Monitoring Report is to provide data, analysis, and observations about development in the EN, it is not intended to provide conclusive statements about its success. Because of this, we have chosen to provide you with the attached statement regarding the where we believe the EN Plan has been successful, where it has not, and what the next steps should be in improving the intended Plans' goals and objectives.

Several of our members will be at your September 22 hearing to provide you with our perspective. We look forward to having a dialog with you on what we believe are the next steps.

Please feel free to reach out to me, Bruce Huie, the CAC Vice-Chair or any of our members with questions or thoughts through Mat Snyder, CAC staff. (mathew.snyder@sfgov.org; 415-575-6891)

Sincerely,



Chris Block
Chair
Eastern Neighborhoods Citizen Advisory Committee

**Eastern Neighborhoods Citizen Advisory Committee
Response to the Five-Year EN Monitoring Report (2011-2015)**

INTRODUCTION

The Eastern Neighborhoods Citizen Advisory Committee (EN CAC) is comprised of 19 individuals appointed by members of the Board of Supervisors and the Mayor to represent the five neighborhoods included in the Eastern Neighborhoods Plan (EN Plan) - Mission, Showplace Square/Potrero Hill, Central Waterfront, East SoMa and Western SoMa.

The EN CAC has prepared this document in response to the five-year monitoring report, which was prepared under the specifications of the EN Plan adopting ordinance and approved for submittal to the Planning Commission by the EN CAC on September 22, 2016. This response letter was prepared to provide context and an on-the-ground perspective of what has been happening, as well as outline policy objectives and principles to support the community members in each of these neighborhoods who are most impacted by development undertaken in response to the Plan.

BACKGROUND

High Level Policy Objectives and Key Planning Principles of the EN Plan:

The Eastern Neighborhoods Plans represent the City's and community's pursuit of two key policy goals:

1. Ensuring a stable future for PDR businesses in the city by preserving lands suitable to these activities and minimizing conflicts with other land uses; and
2. Providing a significant amount of new housing affordable to low, moderate and middle income families and individuals, along with "complete neighborhoods" that provide appropriate amenities for the existing and new residents.

In addition to policy goals and objectives outlined in individual plans referenced above, all plans are guided by four key principles divided into two broad policy categories:

The Economy and Jobs:

1. Reserve sufficient space for production, distribution and repair (PDR) activities, in order to support the city's economy and provide good jobs for residents.
2. Take steps to provide space for new industries that bring innovation and flexibility to the city's economy.

People and Neighborhoods:

1. Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

2. Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

The ordinances that enacted the EN Plan envision an increase of 9,785 and over 13,000 new jobs in the Plan Area over the 20 year period - 2009 to 2029.

The Eastern Neighborhood's approval included various implementation documents including an Interagency Memorandum of Understand (MOU) among various City Departments to provide assurances to the Community that the public benefits promised with the Plan would in fact be provided.

COMMENTARY FROM THE EN CAC

The below sections mirror the four key principles of the EN Plan in organization. Below each principle are the aspects of the Plan that the EN CAC see as "working" followed by "what is not working".

PRINCIPLE 1. Reserve sufficient space for production, distribution and repair (PDR) activities, in order to support the city's economy and provide good jobs for residents.

What Seems to be Working:

PDR has been preserved and serves as a model for other cities

A hallmark of the EN Plan is that the City preserved and protected industrial space and land in the newly created PDR Districts. In fact, many other cities with robust real estate markets often look to San Francisco to understand how the protections were implemented and what the result have been since protections were put in place. While other cities struggle with preserving land for industrial uses, the EN Plan actually anticipated the possible changes and growth we are now facing and provided specific space for industrial uses.

Job Growth in the EN, including manufacturing, is almost double the amount that was anticipated in the EN Plan.

What Seems to Not be Working

Loss of PDR jobs in certain sectors.

There is much anecdotal evidence of traditional PDR businesses being forced out of their long-time locations within UMU zones. In certain neighborhoods, the UMU zoning has lead to gentrification, as long standing PDR uses are being replaced with upscale retail and other commercial services catering to the large segment of market rate housing.

The relocation and displacement of PDR has been especially severe in the arts and in auto repair businesses.

Outside of the PDR zoning, there is no mechanism to preserve the types of uses that typified existing light industrial neighborhoods, such as traditional PDR businesses that offered well-paying entry level positions, and arts uses. This has resulted in a fundamental loss of the long-time creative arts community character of the South of Market, and now also in the Mission District and Dogpatch Neighborhood, with more to come. Traditional PDR businesses cannot afford the rents of new PDR buildings and do not fit well on the ground floor of multi-unit residential buildings. The CAC suggests that the City develop mechanisms within the Planning Code to encourage construction of new PDR space both in the PDR-only zones and the mixed-use districts suitable for these traditional uses, including exploring mandatory BMR PDR spaces.

PRINCIPLE 2: Take steps to provide space for new industries that bring innovation and flexibility to the city's economy.

What Seems to be Working:

The Mixed Use Office zone in East SOMA has produced a number of ground-up office projects which provide space for new industries that can bring innovation and flexibility to the City's economy.

There has been a substantial growth in jobs (approx 32,500 jobs) between 2010-2015 - this far exceeds what was expected over the 20 year term (13,000 jobs). The EN Growth rate appears to be much higher than most other areas of SF.

In other PDR areas, the focus of the EN Plan was to preserve land and industrial space (as opposed to constructing new industrial space) in the various PDR zones within the Plan. Based in part on the robust amount of job growth including job growth within the PDR sector and the need for new industrial space, the City did amend some of the PDR zoning controls on select sites to encourage new PDR space construction in combination with office and/or institutional space. One project has been approved but not yet constructed and features approximately 60,000 square feet of deed-restricted and affordably priced light industrial space and 90,000 square feet of market rate industrial space, for a total of 150,000 square feet of new PDR space.

What Seems to Not be Working

The EN Plan includes a Biotechnology and Medical Use overlay in the northern portion of the Central Waterfront that was put in place to permit expansion of these types of uses resulting from the success of Mission Bay. As of the date of this document, no proposal has been made by the private sector pursuant to the Biotechnology and Medical Use overlay. It's the CAC's view that

the residential uses of the UMU zoning in this specific area supports greater land values than those supported by the Overlay. In addition, the relatively small parcel sizes that characterize the Central Waterfront / Dogpatch area are less accommodating of larger floorplate biotechnology or medical use buildings.

PRINCIPLE 3: Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

What Seems to be Working:

Affordable Housing has been created beyond what would have otherwise:

Throughout San Francisco and certainly in the Eastern Neighborhoods, San Franciscans are experiencing an affordable housing crisis. That being said, the EN Plan's policy mechanisms have created higher levels of inclusionary units than previously required by the City (see Executive Summary, pg. 7). For example, at the time of enactment, UMU zoning required 20% more inclusionary where density controls were lifted, and higher where additional heights were granted. In this regard, UMU has shown to be a powerful zoning tool and is largely responsible for the EN Plan's robust housing development pipeline & implementation. At the same time, community activists and neighborhood organizations have advocated for deeper levels of affordability and higher inclusionary amounts contributing to the creation of additional affordable housing.

Affordable housing funds for Mission and South of Market have been raised:

Some of the initial dollars of impact fees (first \$10M) were for preservation and rehabilitation of existing affordable housing that would not have otherwise existed if not for the EN Plan.

A new small-sites acquisition and rehab program was implemented in 2015, and has been successful in preserving several dozen units as permanent affordable housing, protecting existing tenants, and upgrading life-safety in the buildings.

After a few slow years between 2010-2012, the EN Plan is now out-pacing housing production with 1,375 units completed, another 3,208 under construction and 1,082 units entitled with another 7,363 units under permit review (in sum 13,028 units in some phase of development).

What Seems to Not be Working

There is a growing viewpoint centered on the idea that San Francisco has become a playground for the rich. Long-established EN communities and long-term residents of these neighborhoods (people of color, artists, seniors, low-income and working class people,) are experiencing an economic disenfranchisement, as they can no longer afford to rent, to eat out, or to shop in the neighborhood. They see the disappearance of their long-time neighborhood-serving businesses and shrinking sense of community.

Insufficient construction of affordable housing

Although developments have been increasing throughout the Eastern Neighborhoods, we have seen a lack of affordable housing included in what is being built compared to the needs of the current community members. Market-rate development, often regarded as “luxury,” is inaccessible to the vast majority of individuals and families living in the city. The demand for these units has been the basis for a notable level of displacement, and for unseen pressures on people in rent controlled units, and others struggling to remain in San Francisco. A robust amount of affordable housing is needed to ensure those with restricted financial means can afford San Francisco. We have yet to see this level of development emulated for the populations who are most affected by the market-rate tremors. It is time for an approach towards affordable housing commensurate with the surge that we have seen for luxury units.

High cost of housing and commercial rents

Due to the high cost of housing in San Francisco, many long-term residents are finding it increasingly difficult, if not outright impossible, to even imagine socioeconomic progress. As rents have entered into a realm of relative absurdity, residents have found it ever more challenging to continue living in the city. The only way to move up (or even stay afloat, in many cases), is to move out of San Francisco. This situation has unleashed a force of displacement, anxiety, and general uneasiness within many segments of the Eastern Neighborhoods.

Pace of Development

The pace of development within the Eastern Neighborhoods has far exceeded the expectations originally conceived by the City. Since the market is intended to ensure situations are harnessed to maximize profit, we have seen development unaffordable to most. With a few thousand units in the pipeline slated for the Eastern Neighborhoods, much yet needs to be done to ensure that the city can handle such rapid change without destroying the essence of San Francisco.

PRINCIPLE 4: Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

What Seems to be Working:

The EN Plan leverages private investment for community benefits by creating predictability for development.

With a clear set of zoning principles and codes and an approved EIR, the EN Plan has successfully laid a pathway for private investment as evidenced by the robust development pipeline. While in some neighborhoods the pace of development may be outpacing those benefits – as is the case in the throughout the Eastern Neighborhoods, there are community benefits being built alongside the development – and a growing impact fee fund source, as developments pay their impact fees as required by the EN Plan.

Funds have been raised for infrastructure that would not otherwise be raised. To date \$48M has been raised and \$100M expected in the next five years (see Tables 6.2.3; 6.2.2)

Priority Projects have been incorporated into the City's Ten Year Capital Plan and the Implementing Agencies' Capital Improvement Plans and work programs.

The Plan has led to the development of parks and open space recreation. Streetscape improvements to 16th Street, Folsom and Howard, 6th, 7th and 8th Streets are now either fully funded or in process of being funded.

It is expected that more street life will over time support more in-fill retail and other community services.

New urban design policies that were introduced as part of the EN Plan are positive. The creation of controls such as massing breaks, mid-block mews, and active space frontages at street level create a more pedestrian friendly environment and a more pleasant urban experience. In Western Soma, the prohibition of lot aggregation above 100' has proven useful in keeping the smaller scale.

What Seems to Not be Working

A high portion of impact fees (80%) is dedicated to priority projects, such as improvements to 16th Street and, Folsom and Howard Streets. The vast majority of impact fees have been set aside for these large infrastructure projects that might have been better funded by the general fund. This would allow for more funding for improvements in the areas directly impacted by the new development. This also limits the availability of funds for smaller scale projects and for projects that are more EN-centric. There are very limited options in funding for projects that have not been designated as "priority projects".

In-kind agreements have absorbed a significant percentage of the discretionary fees collected as well.

Absence of open space

The Eastern Neighborhoods lag behind other neighborhoods in San Francisco and nationwide in per capita green space (see Rec and Open Space Element Map 07 for areas lacking open space). Although the impact fees are funding the construction of new parks at 17th and Folsom in the Mission, Daggett Park in Potrero Hill and the rehabilitation of South Park in SOMA, there is a significant absence of new green or open space being added to address the influx of new residents. The Showplace Square Open Space Plan calls for four acres of new parks in the neighborhoods where only one is being constructed.

As a finite and valuable resource, we believe the City has an obligation to treat the waterfront uniquely and should strive to provide green and open waterfront space to the residents of the Eastern Neighborhoods and all City residents in perpetuity.

The pace of infrastructure development is not keeping up with development

There is a lag time between development and the implementation of new infrastructure, seemingly with no clear plan for how to fund the increased infrastructure needs. The plan is now 8 years old: the number of housing units that were projected to be built under the Plan is being exceeded, and we have to date not identified additional infrastructure funds to make up the funding gap. This appears to be a clear failure in the EN Plan implementation, especially because we now have little chance to fill that gap with higher development fees.

The data contained in the Monitoring Report indicates that the EN Plan has been successful in the development of new housing. However, the pace of development appears to have far exceeded the pace of new infrastructure. This is true in each of the EN areas. There is a deficiency in transit options and development of new open space within all plan neighborhoods. A single child-care center in the Central Waterfront has been built as a part of the Plan. As of this time, not one new open space park has opened within the Plan area. The deficiency in public transportation is especially apparent. Ride services have become an increasingly popular option. However, their use contributes to the traffic congestion that is common throughout the city of San Francisco.

The impact fees inadequate

Although the amount of impact fees currently projected to be collected will exceed the sums projected in the Plan, the funding seems inadequate to address the increasing requirements for infrastructure improvements to support the EN Plan. The pace of development has put huge pressure on transportation and congestion and increased the need and desire for improved bike and pedestrian access along major routes within each Plan neighborhood. There is a striking absence of open space, especially in the Showplace/Potrero neighborhood. There has been a significant lag time in the collection of the Plan impact fees and with the implementation of the community benefits intended to be funded by the fees.

Large portions of impact fees are dedicated, which limits agility with funding requests from discretionary fees. The CAC has allocated funding for citizen-led initiatives to contribute a sustainable stream of funding to the Community Challenge Grant program run out of the City Administrators' office. Our past experience is that this program has doubled capacity of local "street parks" in the Central Waterfront from 2 to 4 with the addition of Tunnel Top Park and Angel Alley to the current street parks of Minnesota Grove and Progress Park.

Impacts of non-EIR projects

Data in the report does not properly reflect the impacts of non-EIR projects, such as Pier 70, recent UCSF expansion into Dogpatch and the Potrero Annex. These very large projects are not required to provide impact fees; the public must rely on the developers working with the community to add benefits to their projects.

Upcoming non-EIR projects such as the Warriors arena, Seawall 337 / Pier 48, continued housing development in Mission Bay and UCSF student housing further increase the pressures of density on the neighborhoods. The square footage included in these various projects may equal or exceed all of the projects under the EN Plan. Although these projects are not dependent on the EN Plan to provide their infrastructure, their impacts should be considered for a complete EN approach to infrastructure and other improvements.

Deficiency in Complete Neighborhoods

Complete neighborhoods recognize the need for proximity of daily consumer needs to a home residence. Combining resources to add shopping for groceries, recreation for families, schools for children will create a complete neighborhood. This will then have the additional benefit of reducing vehicle trips.

Many new developments have been built with no neighborhood -serving retail or commercial ground floor space. The UMU zoning has allowed developers to take advantage of a robust real estate market and build out the ground floor spaces with additional residential units, not neighborhood services such as grocery and other stores.

Evictions and move-outs

There are many reports of long-term residents of the neighborhoods being evicted or forced or paid to move out of the area. Younger, high wage-earning people are replacing retirees on fixed incomes and middle and low wage earners.

Traffic congestion and its impact on commercial uses

Transportation improvements have not kept pace with the amount of vehicular traffic on the streets, leading to vehicular traffic congestion in many parts of the Eastern Neighborhoods. While the slow movement of traffic has affected all residents, it has become a serious burden for businesses that rely on their ability to move goods and services quickly and efficiently. The additional transit that has been implemented through MUNI Forward is welcome but not sufficient to serve new growth. There does not seem to be sufficient increase in service to meet the increase in population.

Loss of non-profit and institutional space

There are many reports of non-profits and institutions being forced to relocate due to rent pressures.

Urban Design Policies and Guidelines

While the EN Plans did provide urban design provisions to break up building and provide active frontages, additional urban design controls are warranted. New buildings would be more welcome if they provided more commercial activity at the ground level. Other guidelines should be considered to further break down the massing of new structures.

PROPOSED STRATEGIES TO ADDRESS WHAT'S NOT WORKING:

Retaining PDR:

- Study trends of specific PDR sectors, such as repair and construction to see what is happening to them.
- Implement temporary or permanent relocation assistance programs for displaced PDR tenants through the OEWD.
- Consider implementing programs to transition workers from PDR sectors being lost.
- Potentially preserve additional land for PDR - both inside and outside of the EN (i.e. Bayshore).
- Establish new mechanisms and zoning tools to encourage construction and establishment of new and modern PDR space within the PDR districts.
- The EN Plan should consider making a provision for temporary or permanent relocation assistance for PDR uses displaced by implementation of the EN Plan and/or use impact fees to assist in the acquisition/development of a new creative arts facility similar to other city-sponsored neighborhood arts centers like SOMArts.

Retaining Non-Profit Spaces:

- Study impacts of rent increases on non-profit office space.
- Where preservation/incorporation of PDR uses will be required (i.e. Central Waterfront), consider allowing incorporation of non-profit office as an alternative.
- Consider enacting inclusionary office program for non-profit space, PDR, and similar uses.

Housing

- Consider increases in affordability levels.
- More aggressively pursue purchasing opportunity sites to ensure that they can be preserved for affordable housing before they are bought by market-rate developers.

Infrastructure / Complete Neighborhoods

- Work with Controller's Office, Capital Planning Office, and the Mayor's Budget Office to solve the existing known funding gap for EN Infrastructure Projects.
- Deploy impact fees more quickly or find ways to use impact fees to leverage other sources that could be deployed sooner (i.e. bond against revenue stream).
- Consider increasing impact fee levels.
- Increase amount of infrastructure, such as additional parks, given that more development has occurred (and will likely continue to occur) than originally anticipated.
- Study how to bring infrastructure improvements sooner.
- Study new funding strategies (such as an IFD or similar) or other finance mechanisms to supplement impact fees and other finance sources to facilitate the creation of complete neighborhoods, a core objective of the EN Plan.
- Improve the process for in kind agreements.
- Consider allocation of waterfront property to increase the amount of green and open space for use by the general public, as illustrated by the successful implementation in Chicago.
- Review structure of the EN CAC. Consider how the CAC can deploy funds faster. Possibly broaden the role of the CAC to include consideration of creation of complete neighborhoods.
- Consider decreasing the number of members on the EN CAC in order to meet quorum more routinely. Impress on the BOS and the Mayor the importance of timely appointments to the CAC.
- Consider legislation that would enable greater flexibility in spending between infrastructure categories so that funds are not as constrained as they are currently set to be by the Planning Code.
- Explore policies that maximize the utilization of existing and new retail tenant space for neighborhood serving retail, so that they are not kept vacant.

Non EN-EIR Projects

- Encourage the City to take a more holistic expansive approach and analysis that include projects not included in the current EN EIR or the EN Geography.



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination Community Plan Evaluation

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

Case No.: 2014.0999ENV
Project Address: 2750 19th Street
Zoning: UMU (Urban Mixed Use) Zoning District
68-X Height and Bulk District
Block/Lot: 4023/004A
Lot Size: 15,000 square feet
Plan Area: Eastern Neighborhoods Area Plan, Mission Subarea
Project Sponsor: Steve Perry, Perry Architects 415-806-1203
Staff Contact: Justin Horner, Justin.horner@sfgov.org 415-575-9023

Reception:
415.558.6378

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Information:
415.558.6377

PROJECT DESCRIPTION

The 15,000-square-foot (sf) project site is 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 UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

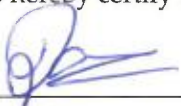
(Continued on next page.)

CEQA DETERMINATION

The project is eligible for streamlined environmental review per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to state and local requirements.



for Lisa Gibson
Environmental Review Officer

11/21/17

Date

cc: Steve Perry, Project Sponsor; Supervisor Malia Cohen, District 10; Ella Samonsky, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

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 7,740 square feet of ground-floor retail, 60 residential units (35 one-bedroom units and 25 two-bedroom units) above and vehicle parking in a basement (Figures 2-8). In addition to the proposed project, a project variant, which would include 7,740 square feet of PDR uses instead of retail, is also analyzed in this Certificate of Determination. Under the project variant, the proposed ground-floor retail would be replaced with PDR space. All other aspects of the proposed project remain the same under the project variant (see Table 1). The proposed project and project variant 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 and project variant would include 60 Class 1 bicycle parking spaces on the ground floor, three Class 2 bicycle parking spaces along 19th Street, and 26 vehicle parking spaces in the basement.¹ The proposed project and project variant would remove an existing curb cut on Bryant Street and would retain an existing 10-foot curb cut off of 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 and project variant would be built upon a mat-slab foundation with a series of inter-connected, reinforced concrete footings.

Table 1: Proposed Project and Project Variant Comparison

| | Proposed Project | Project Variant |
|---------------------|------------------|-----------------|
| Building height | 68 feet | 68 feet |
| Units | 60 | 60 |
| Retail | 7,740 sf | 0 |
| PDR | 0 | 7,740 sf |
| Car parking | 26 spaces | 26 spaces |
| Bike Parking | 100 spaces | 100 spaces |
| Roof top open space | 4,800 sf | 4,800 sf |

PROJECT APPROVAL

The proposed project and project variant require an Eastern Neighborhoods Exemption (ENX) from the Planning Commission. The granting of the ENX shall be the Approval Action for the proposed project and project variant. The Approval Action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

¹ 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.”

COMMUNITY PLAN EVALUATION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide that projects 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, shall not be subject to 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. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) 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; c) are potentially significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 2750 19th Street project and project variant described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)². Project-specific studies were prepared for the proposed project and project variant to determine if the project or project variant would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 2750 19th Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. 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.^{3,4}

In December 2008, after further public hearings, the Board of Supervisors approved and the Mayor signed the Eastern Neighborhoods Rezoning and Planning Code amendments. New zoning districts include districts that would permit PDR uses in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses; and new residential-only districts. The districts replaced existing industrial, commercial, residential single-use, and mixed-use districts.

² Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

³ San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

⁴ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268>, accessed August 17, 2012.

The Eastern Neighborhoods PEIR is a comprehensive programmatic document 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 alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a “No Project” alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. 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. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.⁵

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to UMU (Urban Mixed Use) District. The UMU District is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially-zoned area. It is also intended to serve as a buffer between residential districts and PDR districts in the Eastern Neighborhoods. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Evaluation (CPE) Checklist, under Land Use. The 2750 19th Street site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with building up to 68 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project and project variant at 2750 19th Street are consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 2750 19th Street project and project variant, and identified the mitigation measures applicable to the 2750 19th Street project and project variant. The proposed project and project variant are also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{6,7} Therefore, no further CEQA evaluation for the 2750 19th

⁵ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

⁶ Steve Wertheim, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2750 19th Street, March 23, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.0999ENV.

Street project or project variant are required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project and project variant.

PROJECT SETTING

The 15,000-square-foot (sf) project site is 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 in 1907, totaling 10,935 sf of Production, Distribution and Repair uses. The project site is located in the UMU (Urban Mixed Use) Zoning District and a 68-X Height and Bulk District.

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 19 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, PDR-1-G (Production, Distribution and Repair-1-General) and RH-2 (Residential-Housing-Two Family). Height and bulk districts in the project vicinity include 40-X, 58-X, 65-X, and 68-X.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 2750 19th Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 2750 19th Street project and project variant. As a result, the proposed project and project variant would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

⁷ Jeff Joslin, San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2750 19th Street, February 22, 2016.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would include displacement of approximately 11,000 of existing PDR use. The project variant, which includes 7,740 square feet of PDR uses, would result in a net loss of 3,260 square feet of PDR uses. However, the net loss of approximately 11,000 square feet, or 3,260 square feet, of PDR building space would not constitute a cumulatively considerable contribution to the significant and unavoidable land use impact identified in the Eastern Neighborhoods PEIR. Additionally, as discussed in the CPE initial study, the proposed project and project variant would not impact a historical resource, and therefore would not contribute to the significant and unavoidable historic architectural resources impact identified in the PEIR. The proposed project and project variant would not generate cumulatively considerable new transit trips, and would therefore not contribute to the significant and unavoidable transportation impacts identified in the PEIR. As the shadow analysis contained in the CPE initial study describes, the proposed project and project variant would not cast substantial new shadow that would negatively affect the use and enjoyment of a recreational resource, and would therefore not contribute to the significant and unavoidable shadow impacts described in the Eastern Neighborhoods PEIR.

The Eastern Neighborhoods PEIR identified feasible mitigation measures to address significant impacts related to noise, air quality, archeological resources, historical resources, hazardous materials, and transportation. **Table 1** below lists the mitigation measures identified in the Eastern Neighborhoods PEIR and states whether each measure would apply to the proposed project and project variant.

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

| Mitigation Measure | Applicability to Project and Project Variant | Compliance |
|--|--|---|
| F. Noise | | |
| F-1: Construction Noise (Pile Driving) | Not Applicable: pile driving not proposed | N/A |
| F-2: Construction Noise | Applicable: temporary construction noise from use of heavy equipment | The project sponsor has agreed to Project Mitigation Measure 2: Construction Noise. |
| F-3: Interior Noise Levels | Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code. | N/A |
| F-4: Siting of Noise-Sensitive Uses | Not Applicable: The proposed project would be required to meet the Interior Noise Standards of Title 24 of the California Building Code | N/A |
| F-5: Siting of Noise-Generating Uses | Not Applicable for proposed project: the proposed project | N/A for proposed project. Project sponsor prepared an |

| Mitigation Measure | Applicability to Project and Project Variant | Compliance |
|--|---|---|
| | <p>does not include uses that would generate noise at a level that would increase the ambient noise level in the project vicinity.</p> <p>Applicable for Project Variant: the project variant includes PDR, a use that would generate noise at a level that could increase the ambient noise level in the project vicinity.</p> | <p>acoustic study consistent with Mitigation Measure F-5. Acoustic study found that project variant would not exceed applicable standards in the Noise Ordinance.</p> |
| F-6: Open Space in Noisy Environments | Not Applicable: CEQA no longer requires the consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels | N/A |
| G. Air Quality | | |
| G-1: Construction Air Quality | Not Applicable: proposed project and project variant do not meet BAAQMD screening levels and is not located in Air Pollution Exposure Zone (APEZ). | N/A |
| G-2: Air Quality for Sensitive Land Uses | Not Applicable: superseded by applicable Article 38 requirements | N/A |
| G-3: Siting of Uses that Emit DPM | Not Applicable: the proposed uses are not expected to emit substantial levels of DPM | N/A |
| G-4: Siting of Uses that Emit other TACs | Not Applicable: proposed project and project variant would not include a backup diesel generator or other use that emits TACs | N/A |

| Mitigation Measure | Applicability to Project and Project Variant | Compliance |
|--|---|--|
| J. Archeological Resources | | |
| J-1: Properties with Previous Studies | Not Applicable: The project site is not located in an area with a previous archeological study. | N/A |
| J-2: Properties with no Previous Studies | Applicable: The project site is located in an area with no previous archeological study. | Project Mitigation Measure 1: Archeological Resources agreed to by project sponsor. |
| J-3: Mission Dolores Archeological District | Not Applicable: The project site is not located in the Mission Dolores Archeological District | N/A |
| K. Historical Resources | | |
| K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area | Not Applicable: plan-level mitigation completed by Planning Department | N/A |
| K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa) | Not Applicable: plan-level mitigation completed by Planning Commission | N/A |
| K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront) | Not Applicable: plan-level mitigation completed by Planning Commission | N/A |
| L. Hazardous Materials | | |
| L-1: Hazardous Building Materials | Applicable: Proposed project and project variant include demolition of an existing building. | Project Mitigation Measure 3: Hazardous Building Materials agreed to by project sponsor. |
| E. Transportation | | |
| E-1: Traffic Signal Installation | Not Applicable: automobile delay removed from CEQA analysis | N/A |
| E-2: Intelligent Traffic Management | Not Applicable: automobile delay removed from CEQA analysis | N/A |
| E-3: Enhanced Funding | Not Applicable: automobile delay removed from CEQA | N/A |

| Mitigation Measure | Applicability to Project and Project Variant | Compliance |
|--|---|------------|
| | analysis | |
| E-4: Intelligent Traffic Management | Not Applicable: automobile delay removed from CEQA analysis | N/A |
| E-5: Enhanced Transit Funding | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-6: Transit Corridor Improvements | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-7: Transit Accessibility | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-8: Muni Storage and Maintenance | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-9: Rider Improvements | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-10: Transit Enhancement | Not Applicable: plan level mitigation by SFMTA | N/A |
| E-11: Transportation Demand Management | Not Applicable: plan level mitigation by SFMTA | N/A |

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures the proposed project and project variant would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods PEIR.

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on December 3, 2015 to adjacent occupants and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Commenters expressed concerns about potential shadow impacts, traffic impacts, and air quality impacts from vehicle emissions, and potential wind effects. The Community Plan Evaluation checklist for the proposed project includes analysis of these potential impacts and found that the proposed project would not result in any new, or more severe, impacts in these resource areas that were not disclosed in the Eastern Neighborhoods EIR. There were also comments that were not related to CEQA, including concerns about the physical size of the project, the proposed project's impacts on nearby property values, and the project's compliance with Mission Area Plan policies and objectives. The proposed project would not result in significant adverse

environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project and project variant are consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project and project variant would not result in effects on the environment that are peculiar to the project, project variant, or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project and project variant would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project and project variant 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.

Therefore, no further environmental review shall be required for the proposed project pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.0999ENV.

**EXHIBIT 1:
 MITIGATION MONITORING AND REPORTING PROGRAM
 (Including the Text of the Mitigation Measures Adopted as Conditions of Approval and Proposed Improvement Measures)**

| 1. MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL | Responsibility for Implementation | Mitigation Schedule | Monitoring/Report Responsibility | Status/Date Completed |
|--|-----------------------------------|--|--|--|
| <p>J. Archeological Resources</p> <p><i>Mitigation Measure 1 Archeological Monitoring</i></p> <p>Based on the reasonable potential that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of a qualified archeological consultant having expertise in California prehistoric and urban historical archeology. The archeological consultant shall undertake an archeological monitoring program. All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a)(c).</p> | <p>Project sponsor.</p> | <p>Prior to issuance of site permits.</p> | <p>Project sponsor shall retain archeological consultant to undertake archeological monitoring program in consultation with ERO.</p> | <p>Complete when Project sponsor retains qualified archeological consultant.</p> |
| <p><i>Consultation with Descendant Communities:</i> On discovery of an archeological investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archeological Resources Report shall be provided to the representative of the descendant group.</p> <p><i>Archeological monitoring program (AMP).</i> The archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> ▪ The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the project archeologist shall determine what project activities shall be archeologically monitored. In most cases, any soils disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the potential risk these activities pose to archeological resources and to their depositional context; ▪ The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s). | <p>Project Sponsor</p> | <p>Prior to the start of renovation/construction activities.</p> | <p>Planning Department, in consultation with DPH.</p> | <p>Considered complete upon submittal to Planning confirming compliance with this measure.</p> |

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|--|---|---|--|---|
| <p>of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archaeological resource:</p> <ul style="list-style-type: none"> ▪ The archaeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archaeological consultant and the ERO until the ERO has, in consultation with the archaeological consultant, determined that project construction activities could have no effects on significant archaeological deposits; ▪ The archaeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis <p>If an intact archaeological deposit is encountered, all soils disturbing activities in the vicinity of the deposit shall cease. The archaeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction crews and heavy equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archaeological monitor has cause to believe that the pile driving activity may affect an archaeological resource, the pile driving activity shall be terminated until an appropriate evaluation of the resource has been made in consultation with the ERO. The archaeological consultant shall immediately notify the ERO of the encountered archaeological deposit. The archaeological consultant shall, after making a reasonable effort to assess the identity, integrity, and significance of the encountered archaeological deposit, present the findings of this assessment to the ERO.</p> <p>If the ERO in consultation with the archaeological consultant determines that a significant archaeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archaeological resource; or</p> <p>B) An archaeological data recovery program shall be implemented, unless the ERO determines that the archaeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p> <p>If an archaeological data recovery program is required by the ERO, the archaeological data recovery program shall be conducted in accord with an archaeological data recovery plan (ADRP). The project archaeological</p> | <p>The archaeological consultant, Project Sponsor and project contractor.</p> <p>ERO, archaeological consultant, and Project Sponsor.</p> | <p>Monitoring of soils disturbing activities.</p> <p>After determination by ERO that an</p> | <p>Archaeological consultant to monitor soils disturbing activities specified in AMP and immediately notify the ERO of any encountered archaeological resource.</p> <p>Redesign of project to avoid adverse effect or undertaking of archaeological data recovery program.</p> | <p>Considered complete upon completion of AMP.</p> <p>Considered complete upon avoidance of adverse effect</p> <p>Considered complete upon approval of ADRP by ERO.</p> |

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|--|--|---|---|--|
| <p>consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP. The archeological consultant shall prepare a draft ADRP that shall be submitted to the ERO for review and approval. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements</p> <ul style="list-style-type: none"> ▪ Field Methods and Procedures. Descriptions of proposed field strategies, procedures, and operations. ▪ Cataloguing and Laboratory Analysis. Description of selected cataloguing system and artifact analysis procedures. ▪ Discard and Deaccession Policy. Description of and rationale for field and post-field discard and deaccession policies. ▪ Interpretive Program. Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ▪ Security Measures. Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ▪ Final Report. Description of proposed report format and distribution of results. ▪ Curation. Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. <p>Human Remains and Associated or Unassociated Funerary Objects. The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification</p> | <p>ERO</p> | <p>archaeological data recovery program is required</p> | <p>consultation with ERO</p> | <p>Considered complete on finding by ERO that all State laws regarding</p> |

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|---|--|---|---|---|
| <p>of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days after the discovery to make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines, Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p> | <p>Archeological consultant</p> | <p>Following completion of cataloging, analysis, and interpretation of recovered archaeological data.</p> | <p>notification of NAHC. Preparation of FARR</p> | <p>human remains/burial objects have been adhered to, consultation with MLD is completed as warranted, and that sufficient opportunity has been provided to the archaeological consultant for scientific/historical analysis of remains/funerary objects. FARR is complete on review and approval of ERO</p> |
| <p>Final Archeological Resources Report. The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the draft final report.</p> | <p>Archeological consultant</p> | <p>Following completion and approval of FARR by ERO</p> | <p>Distribution of FARR after consultation with ERO</p> | <p>Complete on certification to ERO that copies of FARR have been distributed</p> |
| <p>Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Major Environmental Analysis division of the Planning Department shall receive three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic</p> | | | | |

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|---|---|--|--|---|
| <p>Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.</p> | | | | |
| <p>F. Noise Mitigation Measure 2: Construction Noise The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> • Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; • Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; • Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; • Monitor the effectiveness of noise attenuation measures by taking noise measurements; and • Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. | <p>Project Sponsor along with Project Contractor.</p> | <p>During construction</p> | <p>Project sponsor to provide Planning Department with monthly reports during construction period.</p> | <p>Considered complete upon receipt of final monitoring report at completion of construction.</p> |
| <p>L. Hazardous Materials Mitigation Measure 3: Hazardous Building Materials The project sponsor shall ensure that any equipment containing polychlorinated biphenyl (PCBs) or Di(2-ethylhexyl) phthalate (DEPH), such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.</p> | <p>Project Sponsor</p> | <p>Prior to the start of renovation/construction activities.</p> | <p>Planning Department, in consultation with DPH.</p> | <p>Considered complete upon submittal to Planning confirming compliance with this measure.</p> |