



GENERAL PLAN REFERRAL

April 12, 2023

Case No.: 2023-003115GPR
Addresses: 2840-2848 Folsom St
 308 Turk St
 4042-4048 Fulton St
 568-570 Natoma St
Block/Lot Nos.: 6520/007
 0337/007
 1659/023
 3726/074
Project Sponsor: San Francisco Community Land Trust
Applicant: Samir Habash – (650) 515-0728
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Recommended By: 
 AnMarie Rodgers, Director of Citywide Policy for
 Rich Hillis, Director of Planning

Finding: The project, on balance, is **in conformity** with the General Plan.

Project Description

San Francisco Community Land Trust (SFCLT) requests up to \$5,000,000 in Preservation and Seismic Safety (PASS) Program funding, and up to \$4,733,902 in additional Small Sites Program (SSP) funding, for a cumulative total of \$13,800,000 in Small Sites Program funding (not including PASS) from the Mayor’s Office of Housing and Community Development (MOHCD) for the permanent re-financing and rehabilitation of four individual SFCLT-owned properties, totaling 36 residential units.

The proposed funding would result in one new PASS loan and one new SSP loan as a bundled refinance of four existing MOHCD SSP-funded sites. Each of the existing individual SSP loans will be recapitalized and replaced with one new single SSP loan along with a single new 1st position PASS loan across all four sites. The four sites are as follows:

2840-2848 Folsom Street consists of six units in a three-story residential building located in the Mission District. It was built in 1905 and all units feature two bedrooms plus a split bathroom. There is a small backyard shared by all units.

308 Turk Street is a 20-unit residential building in the Tenderloin neighborhood, featuring all studio units.

4042 Fulton Street is a two-story residential building in the Inner Richmond neighborhood featuring five apartments (two one-bedroom units and three two-bedroom units) with three parking spaces below.

568-570 Natoma Street is a three-story apartment building in the South of Market neighborhood featuring five apartments (four one-bedroom units and one studio unit).

The Total Development Cost for the entire four-site refinance Project is up to \$18,800,000. The PASS loan would provide up to \$5,000,000, and the proposed City SSP subsidy for the Project is up to \$13,800,000. The refinance provides additional capital for private loan payoff, rehabilitation needs, as well as replenishment of required reserves. The requested City subsidy is in-line with the applicable SSP subsidy cap at \$372,973 per unit.

Environmental Review

The Planning Department has determined that the proposed project is Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

General Plan Compliance and Basis for Recommendation

As described below, the proposed refinancing and rehabilitation is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

MISSION AREA PLAN

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

POLICY 2.2.2

Preserve viability of existing rental units.

The project will allow for safety and livability of existing units, making them viable for years to come.

EAST SOMA (SOUTH OF MARKET) AREA PLAN

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

POLICY 2.2.2

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HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES

Policy 39

Support the repair and rehabilitation of housing to ensure life safety, health, and well-being of residents, especially in Environmental Justice Communities, and to support sustainable building practices.

The repair and rehabilitation of housing provided by this refinancing will ensure life safety upgrades, greater health, and well-being of existing and future residents, renting these units.

OBJECTIVE 1.B

ADVANCE EQUITABLE HOUSING ACCESS

Policy 5

Improve access to the available Affordable Rental and Homeownership units especially for disproportionately underserved racial and social group.

The project will rehabilitate existing rental units and provide an additional rental ADU unit. Programs like these, and the affordable housing they support, primarily serve BIPOC communities and will provide much-needed upgrades to units.

Policy 7

Pursue permanently affordable housing investments that are specific to the geographic, cultural, and support needs of recently arrived or newly independent residents or residents from marginalized groups, including transgender and LGBTQ+ people.

The project will rehabilitate existing rental units and provide an additional rental ADU unit. Investments like these assure the ongoing viability of affordable units and are particularly helpful to and supportive of the BIPOC community.

OBJECTIVE 2.C

INCREASE ACCOUNTABILITY TO AMERICAN INDIAN, BLACK, AND OTHER COMMUNITIES OF COLOR

Policy 21

Prevent the potential displacement and adverse racial and social equity impacts of zoning changes, planning processes, or public and private investments especially for populations and areas vulnerable to displacement.

The project's investments will support renters by providing rental housing upgrades that increase the safety and livability of these units. By lining up relevant financing structures, the upgrades can take place without displacing or disrupting these vulnerable populations.

OBJECTIVE 4.C

DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES

Policy 33

Prevent the outmigration of families with children and support the needs of families to grow.

The project's investments will support upgrades to a mix of existing units, ranging from studios to two-bedroom units. This will support the prevention of outmigration of families with children, by continuing to provide upgraded, stable units for renters that need multiple bedrooms and a diversity in unit size and type.

Policy 36

Maximize the use of existing housing stock for residential use by discouraging vacancy, short-term use, and speculative resale.

The upgrades provided by the Project's refinancing will maximize the use of all existing units and additional new ADU by provide life and safety upgrades that will substantially increase the usability of these units and the quality of life of the tenants. These upgrades will help ensure that these units do not experience vacancy or short-term use.

SAFETY AND RESILIENCE ELEMENT

OBJECTIVE 1.2

CONTINUOUS ASSESSMENT AND EVOLUTION. ACT BASED UPON BEST PRACTICES AND CONTINUOUSLY IMPROVE THE KNOWLEDGE BASE TO REMEDY PAST INJUSTICES AND ELIMINATE DISPARITIES

Policy 1.2.1

In all stages of safety and resilience, prioritize the needs of people most impacted by the adverse impacts of hazards.

This project will provide safety and livability upgrades that will prioritize current residents who have been most impacted by the adverse impacts of hazards. These upgrades will mitigate future risk of continued deferred maintenance and upgrades.

Policy 1.2.4

Prioritize funding for infrastructure maintenance and improvements in Environmental Justice Communities.

The project sponsor, SF Community Land Trust, has prioritize permanent refinance and rehabilitation funding to address infrastructure maintenance and improvements for units that serve BIPOC communities in Environmental Justice Communities.

OBJECTIVE 3.1

EXISTING BUILDINGS. ENSURE RETROFITS AND RENOVATIONS TO EXISTING STRUCTURES INCREASE BUILDING LONGEVITY AND MEET CURRENT BEST PRACTICES TO PROTECT OCCUPANTS AND STRUCTURES

Policy 3.1.1

Reduce the risks presented by City-owned structures and privately-owned buildings and provide assistance to vulnerable communities with limited adaptive capacity to reduce those risks.

Policy 3.1.2

Reduce the risk of all hazards, especially geological, weather-related, and fire-related hazards, posed by concrete buildings and older, small, wood-frame residential buildings.

The upgrades provided by this permanent refinancing and rehabilitation will reduce the risks of structural and fire hazard by upgrading structural systems for exits and fire systems.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Project would not have an adverse effect on existing neighborhood-serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the

cultural and economic diversity of our neighborhoods;

The Project would not have a negative effect on existing housing or neighborhood character in San Francisco and will continue to preserve existing San Francisco housing stock.

- 3. That the City’s supply of affordable housing be preserved and enhanced;

The Project would not have an adverse effect on the City’s supply of affordable housing. The refinancing event will provide SF Community Land Trust sufficient funds to build a single new affordable ADU studio and preserve 36 existing affordable units.

- 4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking in San Francisco County.

- 5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The Project would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired for San Francisco.

- 6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The Project would not have an adverse effect on City’s preparedness against injury and loss of life in an earthquake and are soft story retrofit compliant.

- 7. That the landmarks and historic buildings be preserved;

The Project would not have an adverse effect on the City’s Landmarks and historic buildings.

- 8. That our parks and open space and their access to sunlight and vistas be protected from development;

The Project would not have an adverse effect on the City’s parks and open space and their access to sunlight and vistas.

Finding: The project, on balance, is **in conformity** with the General Plan.