

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [BOS-Operations](#); [Carroll, John \(BOS\)](#); [Calvillo, Angela \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [Entezari, Mehran \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Somera, Alisa \(BOS\)](#)
Subject: FW: Item 17. 240927 [Planning Code - Non-Residential to Residential Conversion Projects]
Date: Tuesday, March 4, 2025 11:52:20 AM
Attachments: [Office to Housing .pdf](#)

Hello,

Please see below communication and attached regarding **File No. 240927**:

Ordinance amending the Planning Code to: exempt certain types of projects in the downtown area that replace non-residential uses with residential uses from development impact fees and requirements, including the Inclusionary Housing fee, remove the application deadline from the Commercial to Residential Adaptive Reuse Program, and require periodic reporting to the Inclusionary Housing Technical Advisory Committee.

Regards,

John Bullock
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-5184
BOS@sfgov.org | www.sfbos.org

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From: Theresa Flandrich <tmvonflandrich@gmail.com>
Sent: Tuesday, March 4, 2025 11:44 AM
To: Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; Lurie, Daniel (MYR) <daniel.lurie@sfgov.org>; Mandelman, Rafael (BOS) <rafael.mandelman@sfgov.org>
Cc: Somera, Alisa (BOS) <alisa.somera@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>

Subject: Item 17. 240927 [Planning Code - Non-Residential to Residential Conversion Projects]

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear President Mandelman and Members of the Board,

While we, the North Beach Tenants Committee, support the concept of converting nonresidential space to housing, we also know that unintended consequences will occur if safeguards are not put in place. As a new program we should have a clear process for evaluating how this is actually working towards the goal of creating new affordable housing for all San Franciscan residents, both existing and future residents and in what ways is it actually "revitalizing" the downtown area. Please oppose until safeguards are incorporated into this ordinance. i

At 350 Bay Street we have the ideal model of an office conversion to housing project: Because "inclusionary affordable housing" as well as the Neighborhood Preference Certificate program applied, this meant that in 2016, our 84 year old Ellis Act evicted neighbor could remain in his decades long community of North Beach as well as another elder, a 1970 Certificate of Preference holder. This legislation, as written, eliminates the same possibility for others in the downtown SOMA area..

There are two areas of great concern. While understanding that these projects would be exempt from the accumulative numbers/limits of ILOs, I believe it is necessary for the City to track the number of Intermediate Length Occupancy units (ILOs) :

- Monitor how many units are used as ILOs, corporate/ temporary housing
- How many units are actually homes for San Franciscan residents
- Ensure whole buildings are not becoming another SONDER debacle

(<https://sf.curbed.com/2019/7/29/20744749/san-francisco-sonder-corporate-rentals-housing-crisis-sf>) and <https://www.cbsnews.com/sanfrancisco/news/short-term-rental-company-suing-san-francisco-to-get-out-of-lease/>

A second concern is that of the use of algorithmic rent pricing/fixing. While this use was banned in 2024, amended to include an "opt out" feature in sharing private data, we need to ensure transparent oversight (<https://sfbos.org/sites/default/files/o0224-24.pdf>).

I bring this up as a search of both developer & project revealed the following: Emerald Fund: 100 Van Ness Former AAA office building converted to Housing. Website shows at the "online leasing" tab use of REAL PAGE

<https://1546003.onlineleasing.realpage.com/#k=26772>

<https://sfbos.org/sites/default/files/o0224-24.pdf>

<https://www.nbcbayarea.com/news/local/san-francisco/ordinance-bans-algorithmic-rent-pricing-tools/3643161/>

Please consider putting these and other safeguards in place before passing this legislation.

Sincerely,

Theresa Flandrich

2. March 2025

Dear President Mandelman and Members of the Board,

While we, the North Beach Tenants Committee, support the concept of converting nonresidential space to housing, we also know that unintended consequences will occur if safeguards are not put in place. As a new program we should have a clear process for evaluating how this is actually working towards the goal of creating new affordable housing for all San Franciscan residents, both existing and future residents and in what ways is it actually "revitalizing" the downtown area. Please oppose until safeguards are incorporated into this ordinance. i

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<https://www.cbsnews.com/sanfrancisco/news/short-term-rental-company-suing-san-francisco-to-get-out-of-lease/>

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Theresa Flandrich

From: [Board of Supervisors \(BOS\)](#)
To: [BOS-Supervisors](#); [BOS-Legislative Aides](#)
Cc: [Calvillo, Angela \(BOS\)](#); [Mchugh, Eileen \(BOS\)](#); [Ng, Wilson \(BOS\)](#); [Somera, Alisa \(BOS\)](#); [De Asis, Edward \(BOS\)](#); [BOS-Operations](#); [Carroll, John \(BOS\)](#); [Board of Supervisors \(BOS\)](#)
Subject: FW: File No. 240927 [Planning Code – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects] – Oppose Unless Amended
Date: Tuesday, February 25, 2025 12:43:25 PM
Attachments: [Office to Residential - Oppose Unless Amended CCDC.pdf](#)

Dear Supervisors,

Please see below and attached, from Chinatown Community Development Center, regarding:

File No. 240927 - Ordinance amending the Planning Code to: exempt certain types of projects in the downtown area that replace non-residential uses with residential uses from development impact fees and requirements, including the Inclusionary Housing fee, remove the application deadline from the Commercial to Residential Adaptive Reuse Program, and require periodic reporting to the Inclusionary Housing Technical Advisory Committee; affirming the Planning Department's determination under the California Environmental Quality Act; making findings of consistency with the General Plan and the eight priority policies of Planning Code, Section 101.1; and making findings of public necessity, convenience, and welfare pursuant to Planning Code, Section 302.

Regards,

Richard Lagunte
Office of the Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
Voice (415) 554-5184 | Fax (415) 554-5163
bos@sfgov.org | www.sfbos.org

Pronouns: he, him, his

Disclosures: *Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors' website or in other public documents that members of the public may inspect or copy.*

From: Rosa Chen <rosa.chen@chinatowncdc.org>

Sent: Friday, February 21, 2025 12:42 PM

To: Lurie, Daniel (MYR) <daniel.lurie@sfgov.org>; Board of Supervisors (BOS) <board.of.supervisors@sfgov.org>; ChanStaff (BOS) <ChanStaff@sfgov.org>; ChenStaff <ChenStaff@sfgov.org>; DorseyStaff (BOS) <DorseyStaff@sfgov.org>; EngardioStaff (BOS) <EngardioStaff@sfgov.org>; Fielder, Jackie (BOS) <Jackie.Fielder@sfgov.org>; MahmoodStaff <MahmoodStaff@sfgov.org>; MandelmanStaff (BOS) <mandelmanstaff@sfgov.org>; MelgarStaff (BOS) <MelgarStaff@sfgov.org>; SauterStaff <SauterStaff@sfgov.org>; SherrillStaff <SherrillStaff@sfgov.org>; Walton, Shamann (BOS) <shamann.walton@sfgov.org>

Cc: Hillis, Rich (CPC) <rich.hillis@sfgov.org>; Segal, Ned (MYR) <ned.segal@sfgov.org>; Sharon Ng <sharon.ng@chinatowncdc.org>; myeung@chinatowncdc.org

Subject: File No. 240927 [Planning Code – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects] – Oppose Unless Amended

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Mayor Lurie and Members of the Board of Supervisors,

I am writing on behalf of Chinatown Community Development Center to formally submit the attached letter requesting amendments to File No. 240927 and our position to oppose unless amended. Thank you for your consideration.

Best,

Rosa Chen

Director of Programs Planning and Policy | Programs Department

Pronouns: she/her/hers

Chinatown Community Development Center

615 Grant Avenue | San Francisco, CA | 94108

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615 Grant Avenue
San Francisco, CA 94108
TEL 415.984.1450
FAX 415.362.7992
TTY 415.984.9910
www.chinatowncdc.org

February 21, 2025

The Honorable Daniel Lurie
Members of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244

RE: File No. 240927 [Planning Code – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects] – Oppose Unless Amended

Dear Mayor Lurie and Members of the Board of Supervisors,

Chinatown Community Development Center (CCDC) respectfully requests amendments to File No. 240927 to better safeguard vulnerable communities in San Francisco. We stand with numerous community advocates in opposing the measure unless amended to exclude Priority Equity Geographies (PEG) and to reinstate the sunset date from the original draft.

Chinatown faces a shortage of affordable housing, with a large portion of residents being extremely low-income (ELI). This makes preserving and creating affordable housing crucial to supporting the community and preventing displacement. CCDC would like to emphasize the significance of PEG which was introduced in the 2022 Update of the Housing Element of San Francisco's General Plan. This addition identified neighborhoods in San Francisco that had a high density of vulnerable populations. The PEG Special Use District was then created in 2024 to implement the goals and policies outlined in the Housing Element, that aimed to direct targeted investments and zoning changes to these areas to improve access to essential resources such as affordable housing.

Section 249.97 of the San Francisco Planning Code, which governs the PEG SUD, states that “the City needs to expand permanently affordable housing investment; where zoning changes must be tailored to serve the specific needs of the communities that live there; and where programs that stabilize communities and meet community needs need to be prioritized.” We believe that File No.240927 directly conflicts with the core intentions of the PEG SUD. Therefore, we strongly advocate for the exclusion of PEG from this legislation.

In closing, we urge you to consider these amendments to ensure alignment with the policies outlined in San Francisco's General Plan and to protect our vulnerable communities as we address the city's housing needs. We appreciate your attention to this matter and welcome the opportunity to collaborate on solutions that prioritize equity and housing. If you have any questions, please feel free to contact me at rosa.chen@chinatowncdc.org.

Sincerely,

Rosa Chen
Director of Planning and Policy

CC: Ned Segal, Rich Hillis

From: [Carroll, John \(BOS\)](#)
To: [Chris Wright](#); [Melgar, Myrna \(BOS\)](#); [ChenStaff](#); [MahmoodStaff](#)
Cc: [Board of Supervisors \(BOS\)](#)
Subject: RE: File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects
Date: Monday, February 10, 2025 4:54:00 PM
Attachments: [Advance SF Letter in Support of File #240927 2-10-2025.pdf](#)
[image001.png](#)

Thank you for your comment letter.

By copy of this message to the board.of.supervisors@sfgov.org email address, your comments will be forwarded to the full membership of the Board of Supervisors. I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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From: Chris Wright <chris@advancesf.org>
Sent: Monday, February 10, 2025 10:26 AM
To: Melgar, Myrna (BOS) <myrna.melgar@sfgov.org>; ChenStaff <ChenStaff@sfgov.org>; MahmoodStaff <MahmoodStaff@sfgov.org>
Cc: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: RE: File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects

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February 10, 2025

The Honorable Myrna Melgar
The Honorable Chyanne Chen
The Honorable Bilal Mahmood

Land Use and Transportation Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects

Dear Chair Melgar and Supervisors Chen and Mahmood,

Advance SF is an organization comprised of San Francisco's leading employers dedicated to an equitable, resilient, and vibrant economy shared by all people working and living in San Francisco. Over the past three years, our organization has worked directly with City government, business, and community partners to advocate for solutions for the Downtown Economic Core to become a more economically diverse neighborhood rich with experiences.

Our Downtown can and must evolve into a more vibrant area for residents, employees, visitors, and businesses. It needs to evolve beyond a 9-5 business district to continue economically supporting the City and its residents. We are writing to express our support for File #240927, which proposes modifications to development impact fees and requirements for converting non-residential buildings into residential use to make this a reality.

The rise of remote work has resulted in undesirable consequences for Downtown San Francisco. Millions of square feet of office buildings are now sitting empty in California. These empty offices bring many significant related challenges, including local transit systems that have also suffered immensely in a post-pandemic world, with many Bay Area transit operators seeing less than 50% of their pre-pandemic ridership. This crisis

has left San Francisco with an urgent need to find creative ways to save our downtowns from a 'doom loop' of economic decline.

This legislation removes barriers to converting existing office buildings into housing, allowing more people to live closer to work centers and transit without changing the Downtown Core's physical character. Streamlining the conversion process and reducing financial barriers to creating new housing will incentivize much-needed adaptive reuse of underutilized office space, fostering economic vitality and residential growth. By aligning impact fees with the economic realities of these projects, this legislation will help unlock opportunities for new housing, create new construction jobs, support local businesses, and contribute to the long-term sustainability of our City's economy.

Advance SF strongly supports this legislation and asks for your support. If you or your staff have any questions, please don't hesitate to reach out to me at chris@advancesf.org

Sincerely,

Chris Wright

[Advance SF](#)

235 Montgomery St, Suite 965

San Francisco CA 94104

Work: 415-956-1007

Email: chris@advancesf.org



February 10, 2025

The Honorable Myrna Melgar
The Honorable Chyanne Chen
The Honorable Bilal Mahmood

Land Use and Transportation Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects

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Advance SF strongly supports this legislation and asks for your support. If you or your staff have any questions, please don't hesitate to reach out to me at chris@advancesf.org

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Wright". The signature is fluid and cursive, with the first name "Chris" and last name "Wright" clearly distinguishable.

Chris Wright
Vice President

From: [Carroll, John \(BOS\)](#)
To: [T Flandrich](#); [Melgar, Myrna \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Chen, Chyanne \(BOS\)](#)
Cc: [MelgarStaff \(BOS\)](#); [ChenStaff](#); [Board of Supervisors \(BOS\)](#)
Subject: RE: File # 940927 Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects -OPPOSE
Date: Monday, February 10, 2025 4:54:00 PM
Attachments: [image001.png](#)

Thank you for your comment letter.

By copy of this message to the board.of.supervisors@sfgov.org email address, your comments will be forwarded to the full membership of the Board of Supervisors. I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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From: T Flandrich <tflandrich@yahoo.com>
Sent: Monday, February 10, 2025 12:59 PM
To: Melgar, Myrna (BOS) <myrna.melgar@sfgov.org>; Mahmood, Bilal (BOS) <bilal.mahmood@sfgov.org>; Chen, Chyanne (BOS) <Chyanne.Chen@sfgov.org>
Cc: MelgarStaff (BOS) <melgarstaff@sfgov.org>; Carroll, John (BOS) <john.carroll@sfgov.org>; ChenStaff <ChenStaff@sfgov.org>
Subject: File # 940927 Development Impact Fees and Requirements for Non-Residential to

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Dear Chair Melgar and Land Use Committee Members,

I am writing in support of the request by major stakeholders in SOMA to continue this item and urge you to hear their concerns.

Thank you for your consideration!

Sincerely,
Theresa Flandrich
North Beach Tenants Committee

From: [Carroll, John \(BOS\)](#)
To: [Brianna Morales](#); [Melgar, Myrna \(BOS\)](#); [ChenStaff](#); [MahmoodStaff](#)
Cc: [BOS Legislation, \(BOS\)](#)
Subject: RE: Support for Office to Residential Conversions (Item 2) - BOS File No. 240927
Date: Monday, February 10, 2025 4:54:00 PM
Attachments: [image001.png](#)

Thank you for your comment letter.

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From: Brianna Morales <brianna@housingactioncoalition.org>
Sent: Monday, February 10, 2025 12:25 PM
To: Melgar, Myrna (BOS) <myrna.melgar@sfgov.org>; ChenStaff <ChenStaff@sfgov.org>; MahmoodStaff <MahmoodStaff@sfgov.org>
Cc: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Support for Office to Residential Conversions (Item 2)

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Dear Members of the Land Use Committee,

I am writing on behalf of the Housing Action Coalition in support of the proposed ordinance which will waive costly development impact fees for office-to-housing conversion projects. This is a critical step toward making housing feasible to build in San Francisco, especially downtown, where underutilized office buildings sit empty while thousands of people struggle to find a home.

If we are serious about revitalizing downtown and addressing the housing crisis, we must take bold action to lower costs and encourage much-needed residential development. San Francisco needs 82,000 new homes by 2031 to meet our state-mandated Housing Element goals, but we are falling far behind. The high costs of construction and regulatory burdens have stalled housing production, leaving our city at risk of failing to meet its commitments and potentially losing control over its housing policies. The proposed fee waivers will help unlock projects that would otherwise remain financially infeasible, ensuring that more homes are built for those who need them.

Converting offices into housing is a win-win solution. It breathes new life into our struggling downtown, creating vibrant neighborhoods with new residents, local businesses, and economic activity. More people living in the area means more foot traffic for small businesses, restaurants, and retailers, helping to sustain the local economy and keep our commercial corridors thriving.

We urge the Committee to support this ordinance and remove unnecessary financial barriers to housing production. San Francisco cannot afford to miss this opportunity to create more homes and revitalize downtown. Thank you.

--

In support,

Brianna Morales | Pronouns: She/Her
San Francisco Organizer | Housing Action Coalition
555 Montgomery St, San Francisco, CA 94111
Cell: (619) 535-6182 | Email: brianna@housingactioncoalition.org

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From: [Carroll, John \(BOS\)](#)
To: emclitus@spur.org
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: FW: [Board File #240927] Letter of Support
Date: Monday, February 10, 2025 10:04:00 AM
Attachments: [Letter of Support - Impact Fees Reg Waiver.pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

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[Board of Supervisors File No. 240927](#)

John Carroll

Assistant Clerk

Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

(415)554-4445



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From: Erika McLitus < >

Sent: Friday, February 7, 2025 7:03 PM

To: Carroll, John (BOS) <john.carroll@sfgov.org>

Subject: [Board File #240927] Letter of Support

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Hello,

Please see the attached letter of support for BF 240927, an item on the agenda for the Land Use Committee meeting on 2/10/25. Please let me know if you have any questions.

Thank you for your time,

--

Erika McLitus (she • they)

Housing & Planning Policy Manager | [SPUR](#)

emclitus@spur.org

415.644.4283

SPUR

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February 10, 2025

John Carrol, Committee Clerk
Land Use and Transportation Committee
City and County of San Francisco

Re: BF 240927 - Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects

Dear Supervisors Chen, Mahmood, and Melgar:

On behalf of SPUR, I am writing in support of the proposed ordinance to amend the Planning Code to exempt certain types of projects in the downtown area that replace non-residential uses with residential uses from development impact fees and requirements, including the Inclusionary Housing fee. We commend Planning Dept staff and the Board of Supervisors for their work over the last year identifying and mitigating barriers to commercial to residential conversions.

SPUR is a public policy organization dedicated to making San Francisco and the Bay Area prosperous, equitable, and sustainable. Our research indicates that impact fees and inclusionary requirements, along with real estate transfer taxes and local property taxes, represent policy levers that the City can adjust to help make conversion projects financially feasible.

Commercial to residential conversions, particularly redeveloping obsolete office buildings into housing, can help solve two issues that have hindered downtown San Francisco's recovery - the lack of diversity of land uses, and the lack of workforce housing near employment and transit. Other American and international cities have used office to residential conversions to transform their central business districts into mixed-use, 24/7 social hubs with housing, restaurants, retail, entertainment, and cultural institutions. These cities have made this happen by providing incentives, including lowering inclusionary rates and fees and reducing property tax.

Here, these conversion projects could create workforce housing in an area that already has high quality transit connections in place, and new residents will support the small businesses and cultural institutions that have been struggling with fewer people and less activity downtown. Therefore, SPUR supports reducing impact fees and inclusionary requirements to incentivize commercial to residential conversions, at least for the first phase of conversion projects until the downtown market is a little healthier.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Erika McLitus". The script is cursive and fluid, with the first letters of each word being capitalized and slightly larger than the rest of the letters.

Erika McLitus
Housing & Planning Policy Manager, SPUR

From: [Carroll, John \(BOS\)](#)
To: [Dan Fedder](#)
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: RE: Letter of Support for #BF240927
Date: Friday, February 7, 2025 5:03:00 PM
Attachments: [Wilson Meany Support Letter for BF 240927 - 2025.02.07.pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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From: Dan Fedder <DFedder@wilsonmeany.com>
Sent: Friday, February 7, 2025 3:26 PM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Letter of Support for #BF240927

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hi John,

Please pass along the attached letter of support for BF 240927.

Best,

Dan Fedder

—

Wilson Meany

555 Montgomery Street
Suite 600
San Francisco, CA 94111

C: 610 420 5558
wilsonmeany.com

February 7, 2025

John Carroll
Committee Clerk
Land Use and Transportation Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

Re: Support for Board File #BF240927

Dear Committee Members,

Thriving downtowns need a mix of complementary uses that build activity in the neighborhood, lengthen the hours the neighborhood is busy, and economically support amenities that make the place desirable.

In the past, San Francisco's core mixed office, retail and residential and was the region's vibrant heart. Over time, those uses separated somewhat into distinct districts, but the small size of the city kept the different uses close and synergistic. Together, the office, retail and residential uses supported a rich array of downtown hotels, restaurants, bars, clubs, theaters and other amenities. But the emptying of San Francisco's central business district over the past four years eliminated a vital element of downtown's synergistic mix – downtown San Francisco is no longer vibrant, but empty.

Replacing the vanished office workers with new residents that want to participate in downtown life can build back activity. Converting vacant office buildings that have little economic prospect to thriving residential communities is sustainability at its best.

Converting obsolete commercial-to-residential makes sense in many places – it makes even more sense in Union Square. The typical Union Square building is a historic structure with retail on the lower floors and office or other commercial above. Because many of these buildings pre-date mechanical air-conditioning, they have smaller footprints and large operable windows that provide ample natural light. These characteristics make the buildings prime candidates for commercial-to-residential conversion. A cluster of conversions in the northeast quarter of the Hospitality Zone, combined with Union Square's restored retail, would offer the vibrancy of downtown neighborhoods found in New York, London and Madrid.

Unfortunately, extensive analysis over the last few years has shown that commercial-to-residential conversion projects are currently economically infeasible in San Francisco due to a combination of high construction costs, City-imposed impact fees, property taxes, and costly code and process requirements at today's rent levels.

In recent months, policymakers have acknowledged that creating more housing in downtown San Francisco will require both relief from exactions and subsidies:

- Prop C eliminated burdensome transfer taxes.
- AB2488, authorizing a Downtown Revitalization and Economic Recovery Financing District to fund commercial-to-residential conversion projects specifically in downtown San Francisco was a major step forward in reducing property taxes for conversions
- **Finally, #BF240927 removes the final significant obstacle in making conversions feasible by waiving inclusionary housing requirements and impact fees.**

We are sensitive to the message that waiving inclusionary housing requirements and impact fees might send. Some might believe that San Francisco does not care about those who stand to benefit from these specific programs. However, those that stand to benefit from the units and revenues generated by inclusionary housing requirements and impact fees for conversions will not be affected, because if these fees stand, no conversions will take place, and no inclusionary units or impact fees will be generated. An inclusionary housing requirement applied to 0 new units equates to 0 new inclusionary homes. An impact fee applied to 0 new units equates to \$0 in impact fees. We must focus on the production of new housing at any level to address the revitalization and reestablishment of our downtown core.

With your approval, we can remove the final roadblock for commercial to residential conversions and support the revitalization of our great City.

Please vote to approve #BF240927

Sincerely,

Dan Fedder

A handwritten signature in black ink, appearing to be 'Wilson Meany', with a stylized 'W' and 'M'.

Wilson Meany

From: [David Woo](#)
To: [Melgar, Myrna \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#)
Cc: [Low, Jen \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Cooper, Raynell \(BOS\)](#); [Carroll, John \(BOS\)](#); [Hillis, Rich \(CPC\)](#); [Langlois, Lily \(CPC\)](#); [Chion, Miriam \(CPC\)](#); [Raquel Redondiez](#); [DPH-acabande](#)
Subject: File No. 240827 Non-Res to Res Conversion Impact Fees
Date: Friday, February 7, 2025 3:17:44 PM
Attachments: [Non-Res to Res Conversion Impact Fees Letter to Land Use Committee.pdf](#)

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Hello Chair Melgar and members of the Land Use Committee, please see a letter below and attached from SOMA Pilipinas and SOMCAN regarding File No. 240827 "Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects" which will be before you on Monday at the Land Use and Transportation Committee. **We ask that this item be continued until stakeholders and policymakers have more information on the potential impacts of the ordinance.**

Thank you,
David Woo
SOMA Pilipinas

February 7, 2024

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

Re: Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects (File No. 240927)

Dear Chair Melgar and Members of the Land Use and Transportation Committee,

SOMA Pilipinas and the South of Market Community Action Network are concerned about the proposed legislation Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects (Board File No. 240927) that would exempt non-residential to residential conversion projects from all impact fees including the Affordable Housing Fee in C-3 and C-2 districts, impacting SOMA, SOMA Pilipinas, and surrounding neighborhoods.

This legislation would allow projects that are 100% market rate, with zero affordable housing. The legislation would completely remove the following impact fees for conversion projects:

- Affordable Housing Fee
- Child Care Impact Fee
- Downtown Park Fee

- Public Art Fee
- School Impact Fee

It appears that the legislation applies to new construction projects as well, as “eligible projects” include projects that demolish the existing non-residential building and construct a new residential building. This is different from “adaptive reuse” as this ordinance has been described.

This legislation was originally put forward in the Fall of 2024 by Mayor Breed as part of a rush of policy proposals that purported to “revitalize downtown.” Numerous policies were introduced at the end of Mayor Breed’s administration without outreach to stakeholders like impacted neighborhoods and communities and not even developers. There is a lack of detailed analysis on actual impacts and substantive racial and social equity implications.

We have submitted additional questions to the Planning Department to help us understand the scope and impact of the legislation. **We ask that this item be continued until stakeholders and policymakers have more information on the potential impact of the ordinance.**

Despite the letter we sent to the Planning Department and Commission on December 11, 2024 expressing our strong opposition to the ordinance, we were not notified that it was moving forward, and just learned recently that this legislation was scheduled at the Land Use Committee.

Removing all impact fees from conversion projects hurts residents in the South of Market, sets a dangerous policy precedent, and undermines the City’s commitment to building complete neighborhoods. The impact fees support desperately needed affordable housing, childcare, schools, parks and other community serving infrastructure. The fees are the result of the City’s policy that new construction should help contribute to the infrastructure impacts that come with new development, new residents, and new workers, and acknowledges that market-rate housing has an infrastructure impact on a neighborhood. These conversion projects need to pay their fair share to create the infrastructure needed to match the increased needs from new residents. The City is entering a budget deficit and there are stalled affordable housing projects in the South of Market such as 967 Mission St that have no funding. Exempting projects will exacerbate the existing underfunded affordable housing, parks, schools, childcare, and other badly needed neighborhood amenities in SOMA.

The proposed legislation contradicts the goals of the Housing Element and is in violation of state law to Affirmatively Further Fair Housing. The legislation targets Cultural Districts and Priority Equity Geographies, and reduces the amount of affordable housing and infrastructure that would be created, directly contradicting the city’s Housing Element. The legislation is also in violation of state law to Affirmatively Further Fair Housing as described in the Housing Element (*Housing Element Update 2022*, p.27, 30-31, 34-38). The Housing Element details the state law Affirmatively Furthering Fair Housing which requires that “all public agencies administer programs and activities related to housing and community development in a manner that promotes fair housing... ‘taking meaningful actions, in addition to combating

discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity.’ The California Department of Housing and Community Development (HCD) prescribes that in order to prevent further segregation and concentration of poverty, and to increase access to opportunity and redress past actions that led to current inequities, city agencies and decision-makers ‘must...bring additional resources to traditionally under-resourced neighborhoods.’...The goal of greater integration, and racially and socially inclusive neighborhoods, relies on building intergenerational wealth within areas with high concentration of American Indian, Black, or other communities of color. This goal requires the City to ensure low-income communities and communities of color can also benefit from investment in housing, including the opportunity to build wealth” (*Housing Element Update 2022*, p.34-35).

Additionally, the legislation goes against the goals of the Housing Element to create new affordable housing. The Housing Element has set a goal that 57% of all new housing must be affordable to low and moderate income households. Policies were already implemented that reduced existing affordable housing levels. Residential impact fees were reduced in 2023 under the Housing Stimulus and Fee Reform Plan as part of the “Housing for All Plan.” Under the reform plan, inclusionary housing fees were significantly reduced, and all other impact fees were reduced by 33%. To take this further and completely remove all fees goes against the Housing Element and the city’s goals to provide housing at levels affordable to those who are low-income and working class. We must ensure equitable development that supports affordable housing, parks, schools, childcare and other critical infrastructure needs by retaining these impact fees.

Thank you,

Angelica Cabande, Executive Director, South of Market Community Action Network
Raquel Redondiez, Director, SOMA Pilipinas

--

David Woo
Community Development and Policy Coordinator
SOMA Pilipinas Cultural Heritage District



February 7, 2024

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

Re: Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects (File No. 240927)

Dear Chair Melgar and Members of the Land Use and Transportation Committee,

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We have submitted additional questions to the Planning Department to help us understand the scope and impact of the legislation. **We ask that this item be continued until stakeholders and policymakers have more information on the potential impact of the ordinance.** Despite the letter we sent to the Planning Department and Commission on December 11, 2024 expressing our strong opposition to the ordinance, we were not notified that it was moving forward, and just learned recently that this legislation was scheduled at the Land Use Committee.

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Thank you,

Angelica Cabande, Executive Director, South of Market Community Action Network
Raquel Redondiez, Director, SOMA Pilipinas

From: [Carroll, John \(BOS\)](#)
To: [Marc Babsin](#)
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: RE: Letter of Support for #BF240927
Date: Friday, February 7, 2025 9:31:00 AM
Attachments: [Emerald Fund letter of support, #BF240927.pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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From: Marc Babsin <marc@emeraldfund.com>
Sent: Thursday, February 6, 2025 6:28 PM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Letter of Support for #BF240927

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Hi John

Please pass along the attached letter of support.

Thank you,
Marc Babsin

Marc Babsin
President

Emerald Fund, Inc.

155 Montgomery St., Suite 1100

San Francisco, CA 94104

415.794.9083 (cell)

www.emeraldfund.com

February 6, 2025

John Carroll
Committee Clerk
Land Use and Transportation Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

Re: Support for Board File #BF240927

Dear Members of the Land Use and Transportation Committee

Emerald Fund strongly supports Board File #BF240927. Emerald Fund has been developing housing in San Francisco for the past 45 years. In that time, we've developed 35 projects totaling over 5,000 housing units.

Today, new market-rate housing development in San Francisco is not financially feasible. Construction costs and fees are among the highest in the world while, on the revenue side, rents are still 15% below pre-COVID rents. It costs more to build new housing in San Francisco than the housing is worth once complete. As a result, it is not possible to attract the necessary debt or equity, as a potential project would be unable to illustrate how the investment or loan funds will be paid back. This is why San Francisco has no tower cranes up today and is producing less housing than any major city in the country.

Simultaneously, our downtown core has been hollowed out by a lack of office workers. Office visits are still hovering around 40% of pre-COVID rates. The lack of foot traffic downtown has decimated retail businesses, cafes and restaurants. The downtown is also littered with zombie Class B and C office buildings. These buildings are suffering from paltry occupancy and, given the 35% vacancy across the office market, little prospect of filling up anytime in the coming years.

Emerald Fund has done a thorough analysis of 15 Class B & C office buildings in downtown San Francisco. The analyses have included architectural, structural and mechanical/electrical/plumbing plans. Each set of plans has been priced by one or more leading general contractors. Market studies were conducted to assess rents, and all of the information was assembled into project proformas.

Our analyses have gleaned that approximately 1/3 to 1/2 of the potential office-to-residential conversions could reach financial feasibility if the following public policy levers are pulled: federal historic tax credits (available for most of the buildings we studied), elimination of transfer taxes (accomplished with Prop C in March 204), reduction of property tax increment (made possible through Assemblymember Ting's AB 2488), and the elimination of affordable housing requirements.

#BF240927 accomplishes the final pillar. By removing the affordable housing burden from conversion projects, approximately \$75,000 per housing unit is saved. This is approximately 1/3 of the feasibility gap. Along with the other measures, which either exist or are in motion, the relief from affordable housing requirements will directly lead to new housing units downtown. As

Lower Manhattan in the 1990s has illustrated, office to housing conversion incentive programs can lead to activation and vitality of once moribund office districts.

Please vote to approve #BF240927.

With gratitude,

Marc Babsin

Marc Babsin
President

From: [John Avalos](#)
To: [Melgar, Myrna \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Carroll, John \(BOS\)](#)
Cc: [Sciammas, Charlie \(BOS\)](#); [Low, Jen \(BOS\)](#); [Cooper, Raynell \(BOS\)](#); [Mandelman, Rafael \(BOS\)](#)
Subject: File # 940927
Date: Thursday, February 6, 2025 5:31:26 PM

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February 6, 2025

San Francisco Land Use and Transportation Committee
1 Dr Carlton B Goodlett Pl
San Francisco, CA 94102

Dear President Chair Melgar and Members of the Land Use and Transportation Committee,

The Council of Community Housing Organizations is writing to express our opposition Legislative File #240927, *Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects* (File #240927). This legislation is emblematic of race to the bottom of standards for development and would pave the way for private development with lower public benefits and no level of affordability. Moreover, this legislation overrides the City's Regional Housing Needs Assessment goals to build affordable housing at a faster rate than market rate housing. While we support efforts to convert commercial to residential uses, these efforts should align with the City's affordable housing strategies. This legislation would subvert them.

A key rationale for this legislation, as cited in the findings, is to address the "twin problems of under-utilized office space and lack of affordable and available housing in San Francisco." However, it is puzzling that in contending to address housing affordability, the legislation eliminates the affordable housing requirement for these conversion projects. We challenge the notion that any new housing is affordable housing, when market rates consistently require incomes significantly above the median income of everyday San Franciscans.

A critical strategy to facilitate the production of affordable housing units, particularly in a moment of public budget scarcity such as the one we are currently facing, is through inclusionary housing requirements. Recently we have seen a trend in city planning to dilute inclusionary standards, and this legislation is only the latest example. Policies such as these set the city up to the inevitable outcome of failing to achieve our affordable housing goals even as everyday San Franciscans continue to struggle with housing insecurity.

This legislation completely absolves private developers of the long held principle that they must contribute towards mitigating the impacts that arise as a direct result of their

development projects, whether it be affordability, open space, transit, essential services such as childcare, or infrastructure. The city already has taken significant steps to reduce inclusionary requirements and impact fees. We believe this legislation goes too far.

Respectfully,



JOHN AVALOS (he/him/his)

Executive Director

Council of Community Housing Organizations

john@sfccho.org

Phone: 415-359-8367

Pronouns: He/Him/His



From: [Carroll, John \(BOS\)](#)
To: [Lisa Follman](#)
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#); [MelgarStaff \(BOS\)](#); [ChenStaff](#); [MahmoodStaff](#)
Subject: FW: Letter of support for BF #240927
Date: Monday, February 3, 2025 11:34:00 AM
Attachments: [Support Letter for BF240927.pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll

Assistant Clerk

Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

(415)554-4445



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From: Lisa Follman <lisa.follman@som.com>
Sent: Monday, February 3, 2025 8:00 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Letter of support for BF #240927

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

John,

Please find my letter of support for BF #240927 attached to this email. Kindly forward to the members of the Land Use and Transportation Committee for review.

Many thanks,

Lisa

LISA FOLLMAN, AIA
ASSOCIATE PRINCIPAL
ARCHITECT

SKIDMORE, OWINGS & MERRILL
ONE MARITIME PLAZA
SAN FRANCISCO, CALIFORNIA 94111
M +1 (415) 359-7088
WWW.SOM.COM

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03 FEB 2025

John Carroll
Committee Clerk
Land Use and Transportation Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

RE: Support for Board File #BF240927

Dear Members of the Land Use and Transportation Committee,

I am writing to express my strong support for BF 240927, which proposes waiving the inclusionary and impact fee requirements for downtown commercial-to-housing conversions. This initiative is a crucial step forward in addressing the housing crisis while revitalizing our downtown core.

The COVID-19 pandemic has fundamentally changed the way we work, leading to a decrease in demand for office space and a shift towards hybrid work models. By supporting the conversion of underutilized commercial spaces into much-needed housing, we can make better use of existing infrastructure and contribute to creating vibrant, mixed-use communities in our downtown core.

Over the past few years, we have identified a number of existing assets in our downtown area that would be ideal for conversion, but due to the high cost of construction regionally these projects remain economically infeasible. Waiving these fees will help alleviate financial constraints on these conversions, making them more feasible and encouraging private developers to invest in these critical projects. The result will be more housing options for our residents, increased foot traffic in our downtown areas, and a more sustainable, 24/7 urban environment.

I encourage you to support BF 240927 and to continue fostering policies that incentivize adaptive reuse and make it easier to meet the city's housing goals. I look forward to the opportunity to attend the committee meeting and offer my public comment.

Thank you for your consideration.

Sincerely,



Lisa Follman, AIA
Associate Principal
Adaptive Reuse Practice Leader

From: [Carroll, John \(BOS\)](#)
To: [Jackson Nutt-Beers](#)
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: FW: Letter of Support for File #240927
Date: Thursday, January 30, 2025 10:51:00 AM
Attachments: [Outlook-A blue sig.png](#)
[Re File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects \(1\).pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

-

[Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

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From: Jackson Nutt-Beers <jnuttbeers@sfchamber.com>
Sent: Thursday, January 30, 2025 10:42 AM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Letter of Support for File #240927

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good morning,

Please find the San Francisco Chamber of Commerce's letter of support for File #240927 attached to this email.

Thank you!



Jackson Nutt-Beers, M.A. ([They/Them](#))

Public Policy Program Manager

San Francisco Chamber of Commerce

235 Montgomery St., Ste. 760, San Francisco, CA

(E) jnuttbeers@sfchamber.com | [LinkedIn](#)



235 Montgomery St., Ste. 760, San Francisco, CA 94104
tel: 415.392.4520 • fax: 415.392.0485
sfchamber.com

January 30th, 2025

Land Use and Transportation Committee
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: File #240927 – Development Impact Fees and Requirements for Non-Residential to Residential Conversion Projects

Dear Members of the Land Use and Transportation Committee,

On behalf of the San Francisco Chamber of Commerce, I am writing to express our support for **File #240927**, which proposes modifications to development impact fees and requirements for the conversion of non-residential buildings into residential use. This legislation is an important step toward revitalizing San Francisco's downtown core, increasing much-needed housing supply, and ensuring the city remains a competitive and thriving place for businesses and residents alike.

San Francisco continues to face significant challenges in both commercial real estate vacancies and housing affordability. Streamlining the conversion process and reducing financial barriers for developers will incentivize much-needed adaptive reuse of underutilized office space, fostering economic vitality and residential growth. By aligning impact fees with the economic realities of these projects, this legislation will help unlock opportunities for new housing, support local businesses, and contribute to the long-term sustainability of our city's economy.

The Chamber urges the Committee and the Board of Supervisors to approve this legislation to facilitate a more efficient and feasible path for office-to-residential conversions.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Fong".

Rodney Fong
President & CEO
The San Francisco Chamber of Commerce

From: [Carroll, John \(BOS\)](#)
To: ["Jack@sylvandevgroup.com"](#)
Cc: [Melgar, Myrna \(BOS\)](#); [Low, Jen \(BOS\)](#); [Chen, Chyanne \(BOS\)](#); [Sciammas, Charlie \(BOS\)](#); [Mahmood, Bilal \(BOS\)](#); [Cooper, Raynell \(BOS\)](#)
Subject: FW: Support letter for BF 240927
Date: Wednesday, February 5, 2025 4:18:00 PM
Attachments: [BOS LUC support ltr SDG 25.02.05.pdf](#)
[image001.png](#)

Thank you for your comment letter.

I am forwarding your comments to the members of the LUT committee, and I will include your comments in the file for this ordinance matter.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

- [Board of Supervisors File No. 240927](#)

John Carroll
Assistant Clerk

Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445



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From: Jack Sylvan <>
Sent: Wednesday, February 5, 2025 1:00 PM
To: Carroll, John (BOS) <john.carroll@sfgov.org>
Subject: Support letter for BF 240927

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Hello Mr. Carroll, please find attached a support letter for BF 240927. Please confirm receipt. Thank

you.

Regards

Jack Sylvan

.....
JACK SYLVAN
FOUNDER & MANAGING PRINCIPAL
SDG

February 5, 2025

John Carroll
Committee Clerk
Land Use and Transportation Committee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689

RE: Support for Board File #BF240927

Dear Members of the Land Use and Transportation Committee,

I am writing to express my strong support for BF 240927. This initiative is an essential tool to enable a crucial strategy in transforming downtown San Francisco into a more activated, diversified, and resilient district – the conversion of functionally obsolete, commodity office buildings into homes.

The COVID-19 pandemic has fundamentally changed the way we work, leading to a decrease in demand for office space and a shift towards hybrid work models. Quality office buildings have gained an even greater share of office user demand, leaving functionally obsolete, commodity Class B/C office buildings to languish with decreasing levels of occupancy – unoccupied space is currently at an all-time high of 40%, or nearly 10 million square feet. Based on an analysis by SPUR, it could take 40-50 years for the 25 million square feet of Class B/C commodity office in downtown San Francisco to return to normal vacancy levels. These are the types of buildings that could be resurrected by conversion to residential. By supporting the conversion of underutilized commercial spaces into much-needed housing, we can make better use of existing infrastructure and contribute to creating vibrant, mixed-use communities in our downtown core.

As SPUR has noted in their report “From Workspace to Homebase”, cities throughout the country are proactively establishing policy platforms to enable the financial feasibility of such conversions. New York City, the leader in office-to-residential conversions, created approximately 30,000 homes from the initiative they enacted in the mid-1990s in response to a similar condition – large swaths of functionally obsolete, older office buildings with increasingly high vacancy rates. The policy platform that created the momentum for the conversions included the exact same policies as are proposed in BF 240927.

Finally, these languishing buildings neither currently contribute nor will contribute fees, inclusionary housing units, much property tax or foot traffic to support small businesses and retail downtown. So, in enacting this legislation, the City is not “giving up” anything that it has or would have otherwise gained. It is instead actively stimulating investment in the transformation of downtown to a place that will be more resilient, more active, and more lived in.

Sincerely,

A handwritten signature in black ink that reads "Jack Sylvan". The script is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jack Sylvan
SPUR Board Member
Founder & Principal, SDG