

File No. 150461

Committee Item No. _____

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date _____

Board of Supervisors Meeting

Date June 2, 2015

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Budget and Legislative Analyst Report
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OTHER

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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning CEQA Determination - May 14, 2015</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Housrath Economics Group Report - March 2007</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>SFDPH Healthy Development Measurement Tool</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Eastern Neighborhoods Nexus Study - May 2008</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Mission Area Plan Monitoring Report - 2006-2010</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Housing Balance Projections 2015</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning memo - Residential Pipeline</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Children's Healthwatch Report</u>
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<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>DPH Report - Unaffordable Housing: The costs to Public Health</u>
		<u>- June 2004</u>
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Completed by: John Carroll Date May 28, 2015

Completed by: _____ Date _____

[Zoning - Interim Moratorium on Certain New Residential Uses and Elimination of Production, Distribution, and Repair Uses in a Portion of the Mission Area Plan of the General Plan]

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, convert, or construct housing projects that result in the gain or loss of 5 or more residential units, or to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the moratorium for the issuance of permits for 100% affordable housing projects, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez Street from the east side of Valencia Street to the west side of Potrero Avenue; the west side of Potrero Avenue from the north side of Cesar Chavez Street to the south side of 20th Street; the south side of 20th Street from the west side of Potrero Avenue to the west side of Bryant Street; the west side of Bryant Street from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant Street to the east side of Valencia Street; the east side of Valencia Street from the south side of U.S. Route 101 to the north side of Cesar Chavez Street); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in single-underline italics Times New Roman font.
Deletions to Codes are in ~~strikethrough italics Times New Roman font~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

1
2 Section 1. Findings.

3 (a) **General Findings.**

4 (1) In 2008, the Board of Supervisors adopted the Eastern Neighborhoods Plan,
5 including the Mission Area Plan, as part of the General Plan. The Eastern Neighborhoods
6 Plan, specifically including the Mission Area Plan, must be revisited for the following reasons:

7 (A) The economic projections that serve as the foundation for the Eastern
8 Neighborhoods rezoning have changed, because the Great Recession and subsequent
9 recovery created very different market conditions than could have been anticipated in 2006-07
10 when the projections were made.

11 (B) Even though the economic projections could not have forecast the current
12 escalation in housing prices, the Hausrath Economics Group, in a 2007 study entitled "San
13 Francisco's Eastern Neighborhoods Rezoning Socioeconomic Impacts: A Report to Planning
14 Department City and County of San Francisco," on file with the Clerk of the Board of
15 Supervisors in File No. 150461 (the "Socioeconomic Impacts Report"), made a statement
16 about the need for systems and programs to ensure affordable housing: "[t]he socioeconomic
17 analysis indicates that land use regulation alone is not adequate to address the wide range of
18 community needs and planning goals. New financial resources, new programs, and
19 interagency coordination to better target existing programs and resources are required to
20 complement the proposed land use regulations."

21 (C) The Board of Supervisors adopted the Mission Area Plan of the Eastern
22 Neighborhoods in December 2008. The preface states: "[a]t their core, the Eastern
23 Neighborhoods Plans try to accomplish two key policy goals: 1) they attempt to ensure a
24 stable future for Production, Distribution and Repair (PDR) businesses in the City, mainly by
25 reserving a certain amount of land for this purpose; and 2) they strive to provide a significant

1 amount of new housing affordable to low, moderate and middle income families and
2 individuals, along with 'complete neighborhoods' that provide appropriate amenities for these
3 new residents." Despite the fact that there was a conceptual framework for the Eastern
4 Neighborhoods to provide "significant" affordable housing, there was not an adequate funding
5 strategy for purchasing sites or building affordable housing.

6 (D) One of the products of the Eastern Neighborhoods Plan was a project of the
7 San Francisco Department of Public Health to create the Eastern Neighborhoods Community
8 Health Impact Assessment (ENCHIA) "to analyze how development in several San Francisco
9 neighborhoods would affect attributes of social and physical environments that are most
10 important to health." This became the Healthy Development Measurement Tool in 2007 and in
11 2012 transformed into the Sustainable Communities Index. The measurements for housing
12 include: 1) Preserve and construct housing in proportion to demand with regards to size,
13 affordability and tenure; 2) Protect residents from involuntary displacement; 3) Decrease
14 concentrated poverty; 4) Assure access to healthy quality housing. But, since at least 2012,
15 the City has not held the Eastern Neighborhoods Plan to account under these measures for
16 ensuring development of healthy communities. The Sustainable Communities Index website
17 states: "Intense development pressures in San Francisco throughout the mid-late 1990's and
18 early 2000's generated a multitude of infrastructure, zoning, public safety and environmental
19 impacts, most especially a shortage of affordable housing. Many communities called on public
20 health officials to evaluate the health impacts of these development pressures and advocate
21 for healthy environments." The website further states, "The [Healthy Development
22 Measurement Tool] HDMT was subsequently applied to planning and development decisions
23 in San Francisco between 2007 and 2012, leading to a number of refinement[s] in the data
24 and application methods." The Healthy Development Measurement Tool is on file with the
25 Clerk of the Board of Supervisors in File No. 150461.

1 (E) The Impact Fees documented in the "San Francisco Eastern
2 Neighborhoods Nexus Study" published May 2008 by Seifel Consulting and on file with the
3 Clerk of the Board of Supervisors in File No. 150461 have been inadequate for mitigating the
4 impacts of market rate housing among other things. "Table A-2: Current and Future Need
5 (2025 - Option B Revised) Mission Neighborhood" details the needs, existing conditions,
6 current demand, existing need or surplus, the growth in need, the future conditions needed,
7 the net future conditions, and the need projection for a number of different community
8 infrastructure components such as open space, schools, libraries, police, fire, and affordable
9 housing. Page 31 of this report says "ABAG [Association of Bay Area Governments]
10 estimates that 64 percent of new housing production in San Francisco will need to be
11 affordable to very low, low and moderate income households as indicated in the
12 Socioeconomic Impacts Report. Within the Eastern Neighborhoods, this translates to 1,901
13 units affordable to very low income households, 771 to low income households and 2,044 to
14 moderate income households for a total of 4,716 of the 7,385 units anticipated" and the report
15 uses this same ratio of affordable to market rate to establish the needs for affordable housing
16 in each of the Eastern Neighborhoods Plan areas including the Mission.

17 (F) The Mission District in particular is losing its income diversity: Per census
18 data, since 2000, the Mission has lost 3,000 households earning less than 100% of the Area
19 Median Income (AMI) which is approximately 230 households per year. Since 2006, according
20 to the Rent Stabilization Board, the Mission has lost roughly 80 rent-controlled units per year
21 due to Ellis Act conversions, condo conversions and demolition. Also per Census data, 8,000
22 Latinos have been displaced from the Mission between 2000 and 2013.

23 According to the Socioeconomic Impacts Report, "The Eastern Neighborhoods
24 have a greater racial and ethnic mix than the City overall, and the mix varies among
25 neighborhoods. Almost 30 percent of the City's Latino residents live in the Eastern

1 Neighborhoods, almost all (90 percent) of them live in the Mission - an established Latino
2 cultural hub for San Francisco and the entire Bay Area." (p. 18). The report continues, "The
3 foreign-born in the Eastern Neighborhoods are less likely than the foreign-born elsewhere in
4 the City to have attained citizenship status. One in eight foreign-born non-citizen residents of
5 San Francisco lives in the Mission." (p. 18) And underscoring the vulnerability of immigrant
6 Latinos, "A high percentage of the people living in the Eastern Neighborhoods do not speak
7 English at home. One third of native Spanish speakers who have difficulty speaking English
8 live in the Mission." (p. 18). This vulnerability is underscored by the census data cited above
9 that shows the loss of Latinos from the Mission.

10 **(b) Findings Related to imposition of an interim moratorium.**

11 (1) California Government Code Section 65858 provides that local jurisdictions may
12 adopt as an urgency measure an interim ordinance to protect the public, health, safety and
13 welfare prohibiting any uses that may be in conflict with a contemplated zoning proposal.
14 Planning Code Section 306.7 provides for the imposition of interim zoning controls to
15 accomplish several objectives, including preservation of historic and architecturally significant
16 buildings and areas; preservation of residential neighborhoods; preservation of neighborhoods
17 and areas of mixed residential and commercial uses in order to preserve the existing
18 character of such neighborhoods and areas; and development and conservation of the City's
19 commerce and industry to maintain the City's economic vitality, provide its citizens with
20 adequate jobs and business opportunities, and maintain adequate services for its residents,
21 visitors, businesses and institutions.

22 (2) These controls are intended and designed to ameliorate the problems and
23 conditions associated with the overproduction of market rate housing resulting from the
24 implementation of the Eastern Neighborhoods Plan and a period of economic growth, both of
25

1 which have led to the under-production of affordable housing, particularly in the Mission Area
2 Plan.

3 (3) In order to evaluate these impacts, the San Francisco Planning Department, in
4 cooperation with the Mayor's Office, the Mayor's Office of Housing and Community
5 Development, and the Office of Economic and Workforce Development, is currently engaged
6 in a community-based planning effort for the Mission District called the "Mission Action Plan
7 2020." The purpose of the Mission Action Plan 2020 is to "stem displacement, to create more
8 affordable housing options for all income levels, and to protect and promote small and locally-
9 owned businesses and jobs that serve the community," according to the outreach flyer for the
10 April 22, 2015 community meeting of the Mission Action Plan 2020.

11 (4) In November 2014, the voters passed Proposition K, establishing as City policy that
12 at least 33% of all new housing be affordable to low and moderate income households, and
13 that at least 50% of all new housing be affordable to low, moderate and middle income
14 households.

15 (5) There is a current and immediate threat to the public health, safety, and welfare
16 caused by continuing to issue permits under and comply with the current Mission Area Plan of
17 the Eastern Neighborhoods Plan, specifically the approval of housing projects that are not
18 affordable, and continuing to comply with the Mission Area Plan and its implementing zoning,
19 harms the public health, safety and welfare for, among other reasons:

20 (A) The continued approval of market rate housing reduces options for securing
21 sites for affordable housing production: The Socioeconomics Impacts Report, page 1, states
22 that rezoning many of the former industrial lands of the Eastern Neighborhoods for residential
23 development "would almost double the housing development potential in San Francisco."
24 The report continues, "[w]ithout affirmative programs to preserve sites, one potential cost of
25

1 the proposed rezoning would be a reduction in options for securing sites for affordable
2 housing production.”

3 (B) There is very little affordable housing being produced in the Mission Area
4 Plan.

5 (i) The Planning Department published a report on housing production in
6 the Mission Plan Area from 2006 - 2010, and annually it publishes a Housing Inventory report.
7 These two documents show that market rate housing continues to be built but affordable
8 housing does not. According to the “Mission Area Plan Monitoring Report: 2006 - 2010,” and
9 the annual “Housing Inventory Reports,” from 2006 to 2014, the Mission gained 1,327 units
10 total with only 165 of these (12.4%) being affordable which is far less than the 64% goal from
11 the Association of Bay Area Governments (ABAG) as stated in the Socioeconomics Impacts
12 Report "San Francisco's Eastern Neighborhoods Rezoning Socioeconomics Impacts: A
13 Report to Planning Department City and County of San Francisco,"

14 (ii) In the past decade only 151 units of affordable housing have been
15 built in the Mission, and none have been entitled since the adoption of the Mission Area Plan
16 in December, 2008. The 2014 Housing Inventory reports in Section 3.3 that “At the time of the
17 Mission Plan adoption and approval” the Mission had only “5% of the citywide total of
18 affordable housing,” and no new affordable units, and no new affordable housing units
19 were in the pipeline. According to the “Mission Area Plan Monitoring Report: 2006 - 2010”
20 Section 3.4, the only net new affordable units were 151 units built at Mosaica on Alabama
21 Street and first occupied in 2009. These reports are on file with the Clerk of the Board of
22 Supervisors in File No. 150461.

23 (iii) There is very little future affordable housing development currently
24 planned. The Council of Community Housing Organizations (CCHO) has compiled information
25 from the Planning Department’s list of every project that has received Planning Approval or is

1 under construction including affordable housing developments, and a similar list published by
2 the Mayor's Office of Housing for inclusionary units. CCHO combined these lists and it shows
3 that the Mission has 478 total residential units in the pipeline, with none of these being
4 affordable units produced by nonprofit affordable housing developers, and only 34 (7%) are
5 Below Market Rate (BMR) units. These documents are on file with the Clerk of the Board of
6 Supervisors in File No. 150461.

7 (iv) San Francisco has over-built market rate units and has under-built
8 affordable units. The latest "Residential Pipeline: Entitled Housing Units 2007 to 2014 Q3"
9 report, on file with the Clerk of the Board of Supervisors in File No. 150461, which "represents
10 completed units and development project in the current residential pipeline" shows that San
11 Francisco had built and entitled 202.2% of its RHNA allocation of housing for "above
12 moderate income" households (above 120% AMI), only 30.4% of its RHNA allocation of
13 housing for "moderate income" households (80 - 120% AMI), and only 55.7% of its RHNA
14 allocation of housing for "low income" households (below 80% AMI).

15 (C) The lack of affordable housing leads to adverse impacts on the public
16 health, safety and welfare:

17 (i) Many households in San Francisco are living in overcrowded
18 conditions. According to the 2014 Housing Element, "A household is considered overcrowded
19 when there is more than one person per room in the dwelling unit. The 2012 Census reported
20 that 20,520 or 6% of all San Francisco households were overcrowded (Table I-43)." This
21 section continues "Asian-American and Hispanic/ Latino households make up a
22 disproportionate number of overcrowded households (14%) (Table I-44)." This section further
23 explains "High housing costs also forces overcrowding. To afford the cost of housing, many
24 low-income families crowd into smaller units." Overcrowding creates an adverse impact on the
25 public health, safety, peace and general welfare by increasing the likelihood of food insecurity

1 (Children's Healthwatch Policy Action Brief "Overcrowding and Frequent Moves Undermine
2 Children's Health" from November 2011, on file with the Clerk of the Board of Supervisors in
3 File No. 150461). According to the Robert Wood Johnson Foundation's "Issue Brief #5:
4 Exploring the Social Determinants of Health" published in April, 2011, on file with the Clerk of
5 the Board of Supervisors in File No. 150461: "Residential overcrowding has been linked both
6 with physical illness, including infectious diseases such as tuberculosis and respiratory
7 infections, and with psychological distress among both adults and children; children who live
8 in crowded housing may have poorer cognitive and psychomotor development or be more
9 anxious, socially withdrawn, stressed or aggressive."

10 (ii) The high cost of housing in the Mission is causing negative health impacts
11 documented in such public health reports as the San Francisco Department of Public Health
12 Research Report, dated June 2014: "Unaffordable Housing: the Costs to Public Health," on
13 file with the Clerk of the Board of Supervisors in File No. 150461, and.
14 California Newsreel produced in 2008 a series of video documentaries with the National
15 Association of County and City Health Officials called "Unnatural Causes: is inequality making
16 us sick?" A number of the publications and documentary segments aggregated into their
17 website www.unnaturalcauses.org clearly document the linkage between the lack of
18 affordable housing and adverse health impacts. A recent research study by sociologists from
19 Rice and Harvard Universities is "the first to examine the consequences of eviction from
20 housing in a nationally representative dataset" according to Amy McCaig writing for Rice
21 University News & Media in her article "Eviction can result in depression, poorer health and
22 higher stress."

23 Specifically, in the Mission Area Plan, the Mission District has long been home to
24 immigrants, many of whom depend on living in San Francisco, a Sanctuary City, in order to
25 access public health and other services. Many immigrants come to San Francisco because in

1 1989, the "City and County of Refuge" Ordinance was passed, and in 2007 was reaffirmed by
2 Mayoral Executive Order. This enables all City residents to safely access City services
3 including Healthy San Francisco and enrollment in the public school system. For immigrants
4 who are displaced from San Francisco, not only is their housing destabilized, and their
5 commute to work likely much longer and more expensive, but they might not be able to keep
6 their children in school, and also likely won't be able to access health services. The Mission
7 District has for decades been an important neighborhood for immigrants, especially from
8 Central and South America.

9 (6) There is a current and immediate threat to the public health, safety, and welfare
10 caused by the continued approval of permits to demolish or eliminate Production, Distribution,
11 and Repair facilities (PDR) and continuing to comply with the current zoning ordinance,
12 specifically the Mission Area Plan and its implementing zoning, harms the public health, safety
13 and welfare by eliminating PDR uses which, among other things leads to unemployment and
14 job loss. "Unemployed people are twice as likely as employed people to suffer from
15 psychological problems (34 percent to 16 percent), and blue-collar workers are more
16 distressed by unemployment than those who've lost a white collar job," according to
17 Healthline's "Depression After a Job Loss: Statistics & How to Cope" by Michael Kerr, 29
18 March 2012 and medically reviewed by George Krucik, MD. As stated in the Introduction to
19 the Mission Area Plan, "Retail is a significant business type in the Mission. Mission and 24th
20 Streets in particular offer a variety of shops and services including many small grocery stores,
21 beauty shops and restaurants that serve the local neighborhood and reflect the Latino
22 population. There are about 900 stores and restaurants in the Mission, employing nearly
23 5,000 people. Retail however, does not employ as many people as Production Distribution
24 and Repair (PDR) activities. PDR businesses, concentrated in the northeast Mission, provide
25 jobs for about 12,000 people, making PDR businesses the largest employers in the Mission.

1 These businesses support San Francisco's service and tourist industry and are comprised of
2 everything from furniture makers, sound and video recording studios, wholesale distributors,
3 auto repair shops, plumbing supply stores, lumber yards, and photography studios, to the
4 large PG&E and Muni facilities."

5 (7) This Board has considered the impact on the public health, safety, peace, and
6 general welfare if the interim controls proposed herein were not imposed.

7 (8) This Board has determined that the public interest will be best served by imposition
8 of these interim controls at this time in order to ensure that the legislative scheme that may be
9 ultimately adopted is not undermined during the planning and legislative process for
10 permanent controls, which process shall be conducted within a reasonable time.

11 (9) In order to extend beyond the initial 45-day period an Interim Moratorium that has
12 the effect of denying approvals needed for the development of projects with a significant
13 component of multifamily housing, the Board of Supervisors must make the following written
14 findings:

15 (A) The continued approval of the development of multifamily housing projects
16 would have a specific, adverse impact upon the public health or safety. As used in this
17 paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and
18 unavoidable impact, based on objective, identified written public health or safety standards,
19 policies, or conditions as they existed on the date that the ordinance is adopted by the
20 legislative body.

21 (B) The interim ordinance is necessary to mitigate or avoid the specific, adverse
22 impact identified pursuant to paragraph (A).

23 (C) There is no feasible alternative to satisfactorily mitigate or avoid the specific,
24 adverse impact identified pursuant to paragraph (A) as well or better, with a less burdensome
25 or restrictive effect, than the adoption of the proposed interim ordinance.

1 **(c) Planning Code Section 101.1 Findings.**

2 This interim zoning moratorium advances and is consistent with Priority Policy 2 of
3 Planning Code Section 101.1 in that it attempts to conserve and protect existing housing and
4 neighborhood character by preserving the cultural and economic diversity of the Mission Area
5 Plan neighborhood. This interim zoning moratorium advances and is consistent with Priority
6 Policy 3 of the Planning Code Section 101.1 in that it preserves and enhances the City's
7 supply of affordable housing. This interim zoning moratorium advances and is consistent
8 with Priority Policy 5 of the Planning Code Section 101.1 in that it preserves and enhances a
9 diverse economic base by protecting our industrial sectors, specifically PDR, from
10 displacement due to commercial office development, and thus enhances future opportunities
11 for resident employment and ownership in these sectors. With respect to Priority Policies 1, 4,
12 6, 7, and 8, the Board finds that the interim zoning moratorium does not, at this time, have an
13 effect upon these policies, and thus, will not conflict with said policies.

14 **(d) Environmental Findings.**

15 The Planning Department has determined that the actions contemplated in this
16 ordinance comply with the California Environmental Quality Act (California Public Resources
17 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
18 Supervisors in File No. 150461 and is incorporated herein by reference. The Board of
19 Supervisors hereby affirms this determination.

20
21 Section 2. The following interim zoning moratorium shall be adopted as an Urgency
22 Ordinance:

23 (a) This Interim Moratorium shall apply in the geographic area that is a portion of the
24 Mission Area Plan of the General Plan, comprising the area bounded by the north side of
25 Cesar Chavez Street from the east side of Valencia Street to the west side of Potrero Avenue;

1 the west side of Potrero Avenue from the north side of Cesar Chavez Street to the south side
2 of 20th Street; the south side of 20th Street from the west side of Potrero Avenue to the west
3 side of Bryant Street; the west side of Bryant Street from the south side of 20th Street to the
4 south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant
5 Street to the east side of Valencia Street; the east side of Valencia Street from the south side
6 of U.S. Route 101 to the north side of Cesar Chavez Street.

7 (b) In the geographic area covered:

8 (1) No City department shall issue any permit for:

9 (A) any residential demolition in any housing project, resulting in the net
10 loss of five or more residential units.

11 (B) the construction of a housing project that results in the net addition of
12 5 or more residential units;

13 (C) any residential conversion resulting in the net loss of five or more
14 residential units.

15 (2) No City Department shall issue any permit to demolish, convert, or eliminate
16 Production, Distribution and Repair (PDR) use, as defined in Planning Code Section 102,
17 unless the elimination of the PDR use is necessary to construct a project that consists of
18 100% affordable housing, as defined in subsection (d), on the site.

19 (c) This Interim Moratorium shall not apply to the issuance of permits for:

20 (1) Any project for which the Department of Building inspection issued a First
21 Construction Document on or before May 19, 2015; or

22 (2) 100% affordable housing projects, as defined in subsection (d).

23 (d) For purposes of this urgency ordinance, the following definitions shall apply:

24 (1) "First construction document" shall be as defined in San Francisco Building
25 Code Section 107A.13.1.

1 (2) "Housing project" shall mean any development that includes residential use
2 as defined in Planning Code Section 102, including but not limited to Dwellings, Group
3 Housing, Single Room Occupancy Units, independent living units, live/work units, and other
4 forms of development which are intended to provide long-term housing to individuals and
5 households.

6 (3) "100% affordable housing project" shall mean a project where, except for a
7 dedicated manager's unit, every unit in the residential portion of the project is: (1) affordable to
8 a household at or below 120% of the Area Median Income (as published by HUD), including
9 units that qualify as replacement Section 8 units under the HOPE SF program; (2) subsidized
10 by the Mayor's Office of Housing and Community Development ("MOHCD"), the San
11 Francisco Housing Authority, and/or the Office of Community Investment and Infrastructure
12 ("OCII"); and (3) subsidized in a manner that maintains its affordability for a term no less than
13 55 years, whether it is a rental or ownership opportunity. Project sponsors must demonstrate
14 to the Planning Department staff that a governmental agency will be enforcing the term of
15 affordability and reviewing performance and service plans as necessary.

16 (4) "Residential conversion," "residential demolition," and "residential unit," shall
17 be as defined in Planning Code Section 317.

18 (e) This interim zoning moratorium shall remain in effect for 45 days unless extended
19 in accordance with California Government Code section 65858 or permanent controls are
20 adopted to address changes in use that better conserve neighborhood character in the
21 identified area, whichever first occurs.

22 (f) Due to the urgency of establishing this interim zoning moratorium and
23 notwithstanding the requirements of Planning Code Section 306.7(g), the Board of
24 Supervisors finds that the standard public notice for Board of Supervisors hearings is
25 adequate to inform the public of any hearing(s) on this ordinance.

1
2 Section 3. Within 25 days of the Board's adoption of this ordinance, the Planning
3 Department shall submit to the Clerk of the Board a written report describing the measures
4 taken to alleviate the conditions that led to the adoption of the ordinance. Upon receipt of the
5 report, the Clerk shall calendar a motion for the full Board to consider and approve said report.
6 Said hearing and the action taken thereon shall be no later than 35 days after this ordinance
7 is effective.
8

9 Section 4. Effective Date. This urgency ordinance shall become effective immediately
10 after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns
11 the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the
12 Board of Supervisors overrides the Mayor's veto of the ordinance by a 4/5ths vote.

13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By:


16 SUSAN CLEVELAND-KNOWLES
17 Deputy City Attorney

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LEGISLATIVE DIGEST
(Substituted 5/19/2015)

[Zoning - Interim Moratorium on Certain New Residential Uses and Elimination of Production, Distribution, and Repair Uses in a Portion of the Mission Area Plan of the General Plan]

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, convert, or construct housing projects that result in the gain or loss of 5 or more residential units, or to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the moratorium for the issuance of permits for 100% affordable housing projects, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez Street from the east side of Valencia Street to the west side of Potrero Avenue; the west side of Potrero Avenue from the north side of Cesar Chavez Street to the south side of 20th Street; the south side of 20th Street from the west side of Potrero Avenue to the west side of Bryant Street; the west side of Bryant Street from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant Street to the east side of Valencia Street; the east side of Valencia Street from the south side of U.S. Route 101 to the north side of Cesar Chavez Street); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

Existing Law

Planning Code Section 306.7 establishes procedures for adopting interim zoning controls. If the interim zoning control is a moratorium, the legislation also must comply with California Government Code Sections 65858 et seq., which establishes requirements related to the initial adoption of the moratorium and any extensions thereof. An interim moratorium takes the form of an urgency ordinance, has only one reading of the Board of Supervisors, requires a 4/5ths vote of the Board of Supervisors for approval, and is effective under the same terms as a Board of Supervisors resolution.

Amendments to Current Law

The interim zoning moratorium urgency ordinance applies to a defined area of the Mission Area Plan of the General Plan. It would prevent the City from issuing any permits for: (1) any residential demolition in any housing project, resulting in the net loss of five or more residential units; (2) the construction of a housing project that results in the net addition of 5 or more residential units; or (3) any residential conversion resulting in the net loss of five or more residential units. It would also prohibit the City from issuing any permits to demolish, convert,

or eliminate Production, Distribution and Repair (PDR). It creates an exception from the interim zoning moratorium for the issuance of permits for 100% affordable housing projects, as defined, and allows the elimination of PDR uses where necessary to permit 100% affordable housing projects. The ordinance also adopts various required findings and affirms the Planning Department's determination under the California Environmental Quality Act.

The legislation requires the Planning Department to prepare a report on measures that could address the zoning concerns identified in the ordinance and the Clerk to schedule a hearing on the Department's report. If adopted, the interim zoning moratorium urgency ordinance will be in effect for 45 days. In order to extend the ordinance, if the effect of the extension would be to deny approvals needed for the development of projects with a significant component of multifamily housing, as defined in State law, under State law the Board of Supervisors must make certain findings including: (1) that the continued approval of the development of multifamily housing projects would have a specific, adverse impact upon the public health or safety; (2) the interim ordinance is necessary to mitigate or avoid the specific, adverse impact identified; and (3) there is no feasible alternative to satisfactorily mitigate or avoid the specific, adverse impact with a less burdensome or restrictive effect.

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**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102
(415) 552-9292 FAX (415) 252-0461

Policy Analysis Report

To: Supervisor Campos
From: Budget and Legislative Analyst's Office 
Re: Housing Development in the Mission District
Date: May 29, 2015

Summary of Requested Action

Your office requested that the Budget and Legislative Analyst research the following items regarding housing development in the Mission District:

- (1) The number of market rate units that have been built in the Mission in the past five years;
- (2) The number of affordable units that have been built in the Mission in the past five years;
- (3) The number of sites remaining in the Mission where five units or more of housing can be developed;
 - a. The number of affordable units that could be built if these sites were built to capacity for 100 percent affordable units;
 - b. The number of affordable units that could be built if these sites were built to capacity by market rate developers complying with the 12 percent Inclusionary Housing requirement;
 - c. The number of affordable units that could be built if these sites were built to capacity by a market rate developer at the BMR rate over the past five years of 9.6 percent;
- (4) The number of sites remaining in the Mission where 40 units or more of housing can be developed;
 - a. Additional questions as noted in (3) a, (3) b and (3) c.
- (5) The City's ability to meet Proposition K goals in the next five years, given the current development pipeline; and
- (6) The average sale price for units sold in the Mission in the last five years.

Your office requested that we review available sites for the development of 40 or more units based on the assumption that affordable housing financing, provided through the Mayor's Office of Housing and Community Development and Federal low income housing tax credits, typically requires a minimum threshold of 40 units.

Budget and Legislative Analyst

Recent Development in the Mission District

According to the annual Housing Inventory reports produced by the City Planning Department, since 2010, housing development in the Mission District has yielded a net gain of 627 residential units. This includes new units completed and units gained through alterations of existing buildings, less the number of units demolished.

Exhibit 1: Residential Construction, Mission District, 2010-2014

Year	Units Completed	Units Demolished	Units Altered	Net Gain Housing Units
2010	93	0	26	119
2011	0	14	1	-13
2012	88	0	90	178
2013	242	1	17	258
2014	75	1	11	85
Total	498	16	145	627

Source: Planning Department Housing Inventory Reports, 2010-2014

The San Francisco Planning Department defines affordable as housing that is either rented or owned at prices affordable to households with low or moderate incomes. Thresholds for these income levels are determined by the US Department of Housing and Urban Development (HUD), measured on a scale from Extremely Low Income (a household at or below 30 percent of the Area Median Income) to Moderate Income (a household at or below 120 percent of the Area Median Income).¹

The San Francisco Inclusionary Affordable Housing Program, as codified in Section 415 of the San Francisco Planning Code, requires developers building residential projects with 10 or more units to comply with one of three mandates: pay an Affordable Housing Fee; ensure that 12 percent of the project units on-site are below market rate; or build 20 percent of the project units off-site (within a one mile radius) and ensure below market rates on those units.

The City uses the in-lieu fees paid by developers opting not to build below market rate units to subsidize affordable housing development throughout the City. The fees are not restricted for spending within the planning area of the project source.

As shown below, 60 (or 9.6 percent) of the 627 units constructed in the Mission in the past five years were affordable.

¹ According to the Mayor's Office of Housing and Community Development, the Area Median Income (AMI) for a four-person household in San Francisco is \$101,900. Therefore, 30 percent of AMI is \$30,550 and 120 percent of AMI is \$122,300.

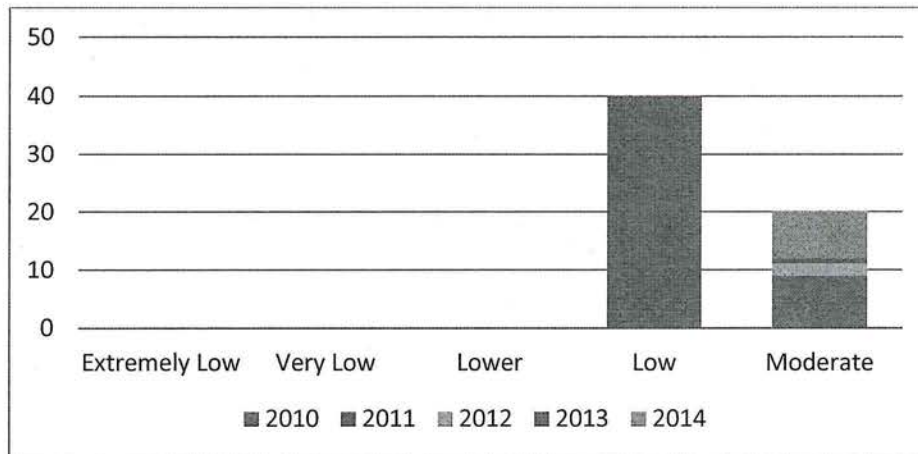
Exhibit 2: Affordable vs Market Rate Construction, Mission District, 2010-2014

Year	Net Gain Housing Units	New Affordable Units Constructed	New Market Rates Units Constructed	% Affordable	% Market Rate
2010	119	9	110	7.6%	92.4%
2011	-13	0	0	0.0%	0.0%
2012	178	2	176	1.1%	98.9%
2013	258	43	215	16.7%	83.3%
2014	85	8	77	9.4%	90.6%
Total	627	60	567	9.6%	90.4%

Source: Planning Department Housing Inventory Reports, 2010-2014

Of the affordable residential units created in the past five years in the Mission District, 40 (or 67 percent) meet the threshold for Low Income and 20 (or 33 percent) meet the threshold for Moderate Income affordability.

Exhibit 3: Affordability Thresholds for New Affordable Units, Mission, 2010-2014

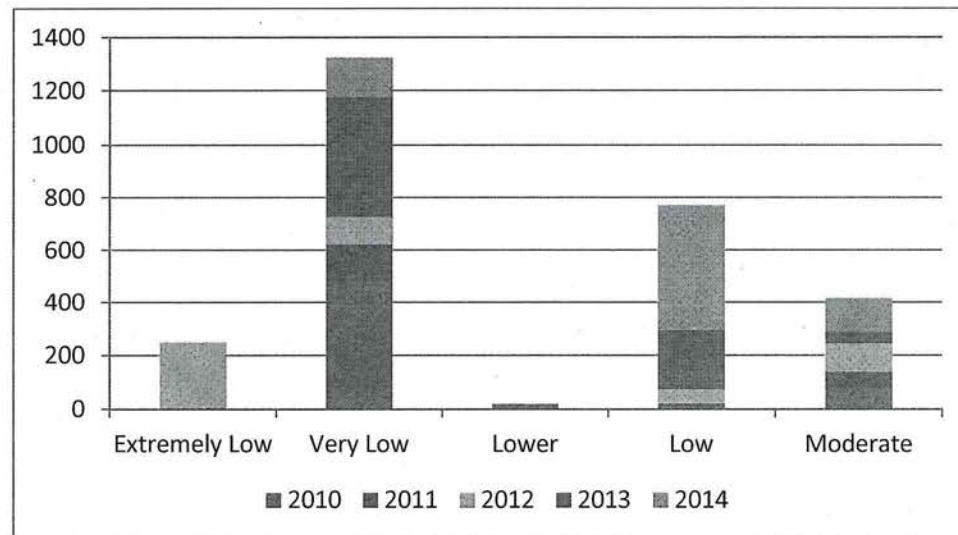


Source: Planning Department Housing Inventory Reports, 2010-2014

As shown above, no new units were built in the Mission between 2010 and 2014 to serve Extremely Low, Very Low or Lower Income households.

This does not reflect overall trends in citywide affordable housing development. The chart below shows that nearly half of the affordable units developed citywide between 2010 and 2014 serve Very Low Income households.

Exhibit 4: Affordability Thresholds for New Affordable Units, Citywide, 2010-2014



Source: Planning Department Housing Inventory Reports, 2010-2014

Land Available for the Development of Five or More Units

Based on data provided by the City Planning Department, there are currently 324 sites located in the Mission District on which five or more units of additional housing could be developed. This number excludes sites which have been identified as active in the permitting process or unlikely for near-term development.

Exhibit 5: Locations of Available Sites to Develop 5 or More Units in the Mission



Source: Planning Department data

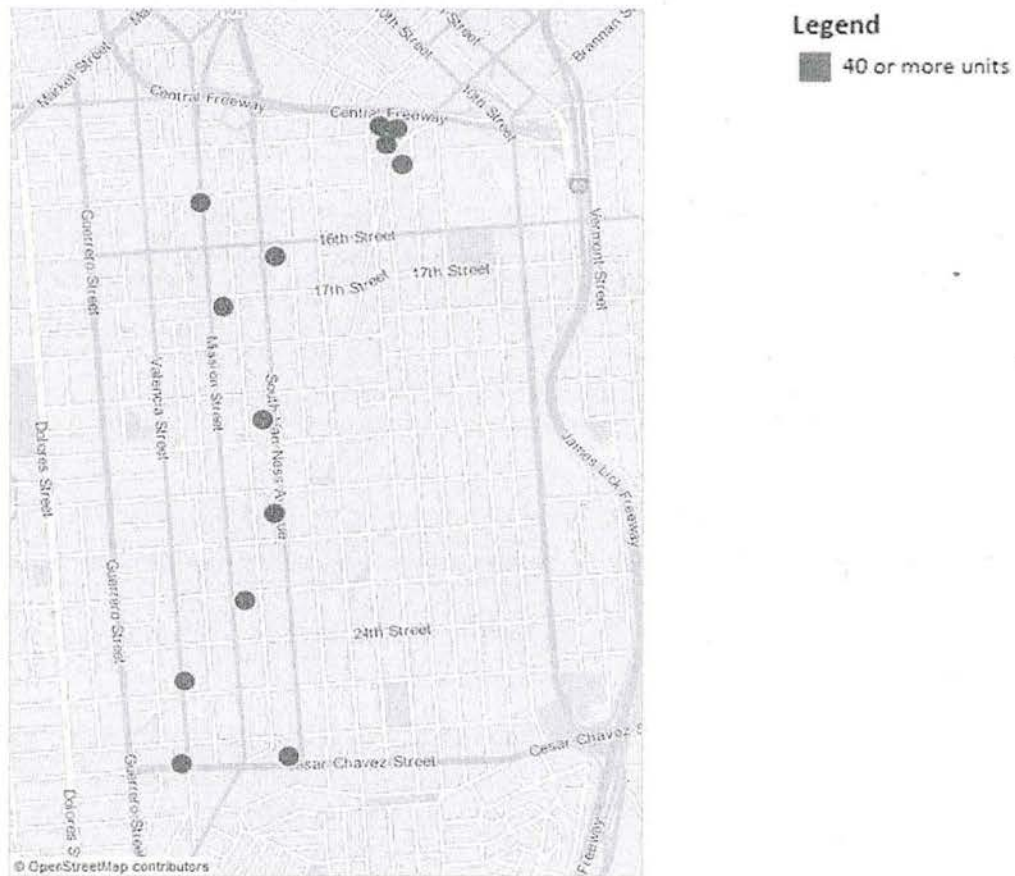
If each site above was to be developed to produce the maximum number of residential units, with every unit at an affordable level, this would yield 4,240 more affordable units in the Mission. This total includes potential unit development from the sites on which 40 or more units of new housing could be developed, discussed separately below.

Of these sites, 140 can support 10 or more additional housing units. If the sites were developed by market rate developers who adhered strictly to the City's current BMR mandate of 12 percent affordability for developments that produce 10 or more net new units, 366 affordable units could be developed.

Land Available for the Development of 40 or More Units

Based on data provided by the City Planning Department, there are currently 13 sites located in the Mission District on which 40 or more units of additional housing could be developed. This number excludes sites which have been identified as active in the permitting process or unlikely for near-term development.

Exhibit 6: Locations of Available Sites to Develop 40 or More Units in the Mission



Source: Planning Department data

If each site above was to be developed to produce the maximum number of residential units, and every unit was at an affordable level, this would yield 851 more affordable units.

If the sites were developed by market rate developers who adhered strictly to the City's current BMR mandate of 12 percent, 102 affordable units could be developed.

The table below provides a summary of potential development opportunities given the current number of sites available, using three goals for affordable

development: 100, 12 and 9.6 percent (based on the percentage of affordable housing built in the Mission over the past five years, as shown in Exhibit 2).

Exhibit 7: Summary of Current Affordable Housing Development Opportunities in the Mission

Housing Units Supported on Available Land	Potential Affordable Units		
	100% Affordable	12% Affordable	9.6% Affordable
5+ units*	4,240	366	293
10+ units	3,047	366	293
40+ units	851	102	82

Source: Planning Department data

*The City does not have affordability requirements for developments of 5 to 9 units. Only developments with a net increase of 10 or more units are subject to City affordability requirements. Therefore, the 366 units and 293 units reflected for 5+ units in the table above only include the affordable units mandated for developable sites with 10 or more units.

Housing Pipeline

According to the Planning Department, new construction developments with over ten units, or rehabilitation projects with a net increase of ten or more units, are subject to the City's requirement that 12 percent of units in the development be set aside as affordable. As of Q4 2014, there are currently 90 developments and 1,227 net new units in the pipeline in the Mission planning area. Of the 1,227 net new units, 1,060 units are subject to the City's affordability requirement.

If developers select to meet the affordable housing requirement by setting aside 12 percent of new units as affordable, 127 new affordable units will be on the market once these developments are complete. If these developers contribute affordable units at the 9.6 percent rate observed over the past five years, 102 new affordable units will be on the market once these developments are complete.

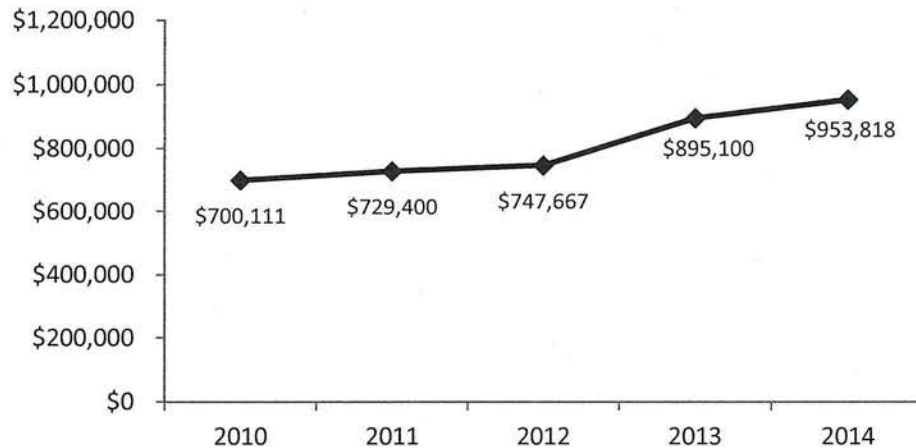
Proposition K Goals

Passed in November 2014 by San Francisco voters, Proposition K established new City policy requiring the construction or rehabilitation of at least 30,000 homes by 2020. More than 50 percent of the housing will be affordable for middle-class households, with at least 33 percent affordable for low- and moderate-income households. At a minimum, this policy requires an additional 9,900 affordable units to come on line in San Francisco by 2020.

Average Sales Price

Median sales prices of housing units in the Mission have increased since 2010. In 2010, the average of median sales prices by month was \$700,111. In 2014, the average of median sales prices by month rose to \$953,818, a 36 percent increase, as shown in Exhibit 8 below.

Exhibit 8: Average Median Sales Price of Housing Units in the Mission (2010-2014)



Source: Zillow

According to Zillow, as of April 30, 2015, the average home value in the Mission district is currently \$1,188,900. As of March 31, 2015, the median sales price in the Mission is \$1,300,000, which is nine percent higher than the average home value.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 14, 2015

File No. 150461

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On May 12, 2015, Supervisor Campos introduced the following legislation:

File No. 150461

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, merge, convert, or construct housing projects, as defined, on the issuance of any permits to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the interim zoning moratorium for the issuance of permits for 100% affordable housing projects, as defined, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez from the east side of Valencia to the west side of Potrero; the west side of Potrero from the north side of Cesar Chavez to the south side of 20th Street; the south side of 20th Street from the west side of Potrero to the west side of Bryant; the west side of Bryant from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant to the east side of Valencia; the east side of Valencia from the south side of U.S. Route 101 to the north side of Cesar Chavez); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it does not result in a physical change in the environment.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A. Ausberry".

By: Andrea Ausberry, Assistant Clerk

Joy
Navarrete

Digitally signed by Joy Navarrete
DN: cn=Joy Navarrete, o=Planning,
ou=Environmental Planning,
email=joy.navarrete@sfgov.org,
c=US
Date: 2015.05.28 16:58:55 -07'00'

Attachment

cc: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: John Rahaim, Director, Planning Department
Tiffany Bohee, Executive Director, Community Investment & Infrastructure
Theo Miller, Director, HOPE SF
Olson Lee, Director, Mayor's Office of Housing & Community Development
Barbara Garcia, Director, Department of Public Health

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee,
Board of Supervisors

DATE: May 13, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced by Supervisor Campos on May 12, 2015:

File No. 150461

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, merge, convert, or construct housing projects, as defined, on the issuance of any permits to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the interim zoning moratorium for the issuance of permits for 100% affordable housing projects, as defined, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez from the east side of Valencia to the west side of Potrero; the west side of Potrero from the north side of Cesar Chavez to the south side of 20th Street; the south side of 20th Street from the west side of Potrero to the west side of Bryant; the west side of Bryant from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant to the east side of Valencia; the east side of Valencia from the south side of U.S. Route 101 to the north side of Cesar Chavez); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: AnMarie Rodgers, Planning Department
Aaron Starr, Planning Department

Scott Sanchez, Zoning Administrator
Sarah Jones, Acting Environmental Review Officer
Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning
Claudia Guerra, Executive Assistant
Natasha Jones, Commission Secretary
Barbara Amaro, HOPE SF
Eugene Flannery, Secretary
Sophie Hayward, Policy Legislative Affairs
Colleen Chawla, Policy & Planning

BOARD of SUPERVISORS



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Tel. No. 554-5184
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MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee,
Board of Supervisors

DATE: May 14, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Land Use and Transportation Committee

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150461

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, merge, convert, or construct housing projects, as defined, on the issuance of any permits to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the interim zoning moratorium for the issuance of permits for 100% affordable housing projects, as defined, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez from the east side of Valencia to the west side of Potrero; the west side of Potrero from the north side of Cesar Chavez to the south side of 20th Street; the south side of 20th Street from the west side of Potrero to the west side of Bryant; the west side of Bryant from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant to the east side of Valencia; the east side of Valencia from the south side of U.S. Route 101 to the north side of Cesar Chavez); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ No Comment

_____ Recommendation Attached

Chairperson, Small Business Commission

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

May 14, 2015

File No. 150461

Sarah Jones
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones:

On May 12, 2015, Supervisor Campos introduced the following legislation:

File No. 150461

Urgency Ordinance approving an interim zoning moratorium on the issuance of any permits to demolish, merge, convert, or construct housing projects, as defined, on the issuance of any permits to demolish, convert, or eliminate Production, Distribution, and Repair (PDR), and to create an exception from the interim zoning moratorium for the issuance of permits for 100% affordable housing projects, as defined, and to allow the elimination of PDR uses where necessary to permit 100% affordable housing projects, in a portion of the Mission Area Plan of the General Plan (comprising the area bounded by the north side of Cesar Chavez from the east side of Valencia to the west side of Potrero; the west side of Potrero from the north side of Cesar Chavez to the south side of 20th Street; the south side of 20th Street from the west side of Potrero to the west side of Bryant; the west side of Bryant from the south side of 20th Street to the south side of U.S. Route 101; the south side of U.S. Route 101 from the west side of Bryant to the east side of Valencia; the east side of Valencia from the south side of U.S. Route 101 to the north side of Cesar Chavez); affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the eight priority policies of Planning Code, Section 101.1.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

A handwritten signature in cursive script, appearing to read "A. Ausberry".

By: Andrea Ausberry, Assistant Clerk

Attachment

cc: Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning



RECEIVED
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2015 MAY 14 PM 2:45
BY: EBB

SAN FRANCISCO'S EASTERN NEIGHBORHOODS REZONING SOCIOECONOMIC IMPACTS

DRAFT FOR PUBLIC REVIEW

A Report to

**PLANNING DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO**

Prepared by

HAUSRATH ECONOMICS GROUP

March 2007

1212 BROADWAY, SUITE 1500, OAKLAND, CA 94612-1817
T: 510.839.8383 F: 510.839.8415

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REZONING IN SAN FRANCISCO'S EASTERN NEIGHBORHOODS

SOCIOECONOMIC ANALYSIS

SUMMARY

This report presents the results of a socioeconomic analysis of the proposed rezoning for the Eastern Neighborhoods. The analysis evaluates proposed land use regulations that would affect the supply of housing and the production of affordable housing in the Eastern Neighborhoods and would change the land supply for PDR business activity. The analysis describes how the proposed rezoning actions would affect housing supply and location options for businesses in the Eastern Neighborhoods and compares these outcomes to what would otherwise be expected without the rezoning, assuming a continuation of recent development trends and *ad hoc* land use change. This comparison enables conclusions about what these different outcomes would mean for existing residents, workforce, and businesses in the Eastern Neighborhoods. The socioeconomic analysis of the rezoning proposal concludes generally that conditions would be better than otherwise expected for the Eastern Neighborhoods' residents and workforce and for PDR businesses and employment.

The proposed rezoning would almost double the housing development potential in San Francisco. This would mean more supply relative to demand and more housing choices for newcomers and for existing residents of the Eastern Neighborhoods. There would be less housing market pressure in these neighborhoods and therefore less displacement than otherwise expected. Without affirmative programs to preserve sites, one potential cost of the proposed rezoning would be a reduction in options for securing sites for affordable housing production.

By providing a stable land supply with restrictions that limit development of incompatible uses, the proposed rezoning would also result in better long-term outcomes for many PDR businesses. There would be some PDR displacement, but this would also be expected without the proposed rezoning. There would be a more diverse economic base and potentially more job opportunities in a more diverse range of activity than otherwise expected without the rezoning. The proposed land use regulations do not resolve the lingering tension between the need for incubator locations for emerging enterprises and the need to reserve a land supply for PDR where demand from higher-value uses and speculation do not disrupt traditional PDR clusters.

The socioeconomic analysis indicates that land use regulation alone is not adequate to address the wide range of community needs and planning goals. New financial resources, new programs, and interagency coordination to better target existing programs and resources are required to complement the proposed land use regulations.

The separate analysis of baseline data describing the characteristics of people living in the Eastern Neighborhoods, housing market conditions in the neighborhoods, business activity and employment located there, and development trends that have influenced the land use and socioeconomic characteristics of this part of the City documents existing needs, many of which would persist with or without the change in land use regulation represented by the rezoning. This analysis can be used to explore other policy options and implementation strategies to broaden the scope of the area plans.

INTRODUCTION

Purpose of this Report

This report has a twofold purpose. First, the report presents a socioeconomic analysis of the proposed rezoning for the Eastern Neighborhoods. The topics of that analysis include implications for housing supply and for housing options in the Eastern Neighborhoods; housing market implications, including discussion of displacement of existing residents; implications for land use mix and neighborhood character; implications for PDR business activity and employment, for economic diversity, and for job opportunities in San Francisco, particularly jobs for unskilled, low-wage workers, and the economically disadvantaged. The approach of the analysis is to compare conditions under the proposed rezoning to what would otherwise be expected if there were no rezoning and recent market trends and development patterns persisted.

The priority policies of San Francisco's General Plan—the master plan for guiding private development and allocating public resources to fulfill a common vision for the future—demand consideration of these topics. Specifically, the relevant priority policies are:

- ♦ Conserve and protect existing housing and neighborhood character to preserve the cultural and economic diversity of our neighborhoods;
- ♦ Preserve and enhance the City's supply of affordable housing;
- ♦ Maintain a diverse economic base by protecting industrial and service sectors from displacement and enhance future opportunities for resident employment and ownership in these sectors; and
- ♦ Preserve and enhance neighborhood-serving retail uses and future opportunities for resident employment in and ownership of such businesses.

Focusing on these concerns, the socioeconomic analysis of the proposed rezoning thereby provides the community, City staff, and decision-makers with a basis for refining proposed land use regulations during the on-going community planning process, to better achieve agreed upon goals.

The second purpose of this socioeconomic analysis is to describe existing conditions and trends for land use and development patterns, housing, population, business activity, and jobs in the Eastern Neighborhoods. This assessment provides baseline information to inform on-going community planning efforts, documenting existing needs in the Eastern Neighborhoods—existing deficits in terms of housing and job options for people living in these areas and suitable location options for businesses. Both the Housing Element and the Commerce and Industry Element of San Francisco's General Plan establish City policy to meet these types of needs.

The analysis of existing conditions and trends also establishes the context in which the rezoning proposals seek to balance competing demands for land. The description of land use trends, development patterns, land use conflicts, and housing and land market pressures in the Eastern Neighborhoods provides an indication of what would be expected to continue in the absence of rezoning proposals, at the same time that it makes the case for revising land use policies and zoning to better manage growth and change in this part of the City.

There are two things the analysis in this report is not. The report is not a needs assessment for community facilities and services in the Eastern Neighborhoods. In a separate effort, the Planning Department is evaluating existing needs and the impact of growth on the need for transportation, public protection, health care and human services, libraries, schools, child care, parks, open space, recreation, and neighborhood shops and services. The existing conditions and trends data analysis presented in this socioeconomic report provides important baseline information for use in that community needs assessment and in the public benefits proposals that will be proposed for adoption in concert with the Eastern Neighborhoods area plans and zoning controls.

This report is also not the environmental impact analysis of the proposed Eastern Neighborhoods rezoning, although the socioeconomic evaluation does present the type of data and analysis typically found in the Housing, Population, and Employment sections of an environmental impact report (EIR) in San Francisco. This report presents a greater depth and breadth of socioeconomic information than generally expected in EIRs, however. This analysis will form the basis for the relevant chapters of the Eastern Neighborhoods EIR.

This analysis is one of several consultant studies and staff and task force efforts that inform the community planning process and ultimately the resultant area plans, permanent zoning, benefits package, and implementation strategy for the Eastern Neighborhoods. Other inputs to the planning process include:

- ♦ Eastern Neighborhoods community needs assessment
- ♦ Eastern Neighborhoods public benefits package
- ♦ Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods
- ♦ Eastern Neighborhoods Environmental Impact Report
- ♦ Eastern Neighborhoods Community Health Impact Assessment (Department of Public Health)
- ♦ Findings and recommendations of the San Francisco Arts Task Force
- ♦ Findings and recommendations of the Back Streets Advisory Board
- ♦ Findings and recommendations of the Bioscience Task Force

- ♦ San Francisco's Economic Strategy (Mayor's Office of Economic and Workforce Development)
- ♦ Coordination with the Mayor's Office of Housing

The focus of this socioeconomic analysis is the land use regulation represented by the rezoning proposal. Land use regulations guide development patterns and the mix of uses in the City by defining the locations of allowed uses and the form and density of new development and by establishing controls on the demolition or conversion of existing buildings and uses. Land use regulations influence land value by conferring or limiting development rights on land parcels. Changes in land use regulations can be used to produce incentives to stimulate the private market to contribute to socially desirable objectives, such as producing affordable housing and preserving historic resources or open space.

Land use regulation is only one tool for achieving a city's goals and objectives for economic vitality, social equity, and environmental quality, however. Other tools include resource allocation through the annual budget process that prioritizes programs for workforce and business development, public protection, social services, housing, and education; public capital investment decisions; pricing policies implemented through taxes, fees, and other exactions; streamlining administrative procedures to encourage desired outcomes; and imposing performance standards on new development. Ultimately, the area plans could identify the full range of tools and interagency coordination that would be applied to achieve community goals for managing growth and change and improving existing conditions in the Eastern Neighborhoods.

Background on the Eastern Neighborhoods Planning and Rezoning Effort

For over a decade, the Eastern Neighborhoods have experienced some of the City's most dramatic changes in terms of land use, housing stock, population, and employment. These areas have been the focus of intense public policy debates over several different types of needs and appropriate tools to meet those needs: to manage industrial land conversion, to increase housing development potential, to increase affordable housing production, and to expand and improve housing options and job opportunities for existing residents, many of whom are economically disadvantaged.

There are about 1,500 acres of developable land (land area exclusive of streets, alleys, and other public rights-of-way) in the Eastern Neighborhoods that are the subject of the proposed area plans and rezoning (Central Waterfront, East SoMa, the Mission, and Showplace Square/Potrero Hill)—seven percent of the City's land supply. Most of this land is zoned for industrial, heavy commercial, and home and business service use (the latter limited to the South of Market areas). The businesses that find the location options in these traditionally "industrial" districts optimal

for their location needs are an important component of San Francisco's economic diversity—supporting economic base sectors in the City, providing needed goods and services to other local business activity and to resident consumer markets, and providing important job resources for the local labor force. Production, distribution, and repair land use (land area used by PDR business activity) is the predominant land use in the Eastern Neighborhoods, representing 36 percent of the citywide PDR land use. Adding adjacent Western SoMa, these areas combined account for 40 percent of citywide PDR land use. Bayview / Hunter's Point is the other part of the City where PDR is a dominant land use.

Land use regulations are more relaxed in these industrial and heavy commercial districts than they are in most other parts of San Francisco. Therefore, while these areas are uniquely attractive to what San Francisco has labeled production, distribution, and repair business activities, under the right market conditions, development in these areas of market-rate housing and other uses that represent higher land values threatens the integrity and function of a land supply that, once converted, is unlikely to be recovered for its original use.

Other parts of the Eastern Neighborhoods are zoned for residential and neighborhood commercial use. The Mission, South of Market, Potrero Hill, and Dogpatch in the Central Waterfront are some of the oldest residential neighborhoods in San Francisco and have provided important affordable housing supply for working class households and newcomers to the City, including many immigrants.

In the face of marked increases in development activity and private investment in these areas, the Eastern Neighborhoods Community Planning process began in January 2002. The Planning Department analyzed development trends; researched production, distribution, and repair business activity; and convened community workshops. The Planning Department published zoning alternatives for subareas of the Eastern Neighborhoods, focusing on land use designations and height controls in 2003 (*Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook*). The EIR process was initiated, and interim controls were adopted to stabilize the areas while the analysis was completed (*Resolution 16727, Eastern Neighborhoods Policies*).

To better understand the issues associated with managing growth and land use change in this part of the City, in 2004 when the interim controls were adopted, the Planning Commission and the Board of Supervisors requested a socioeconomic report on the Eastern Neighborhoods. The PDR study—*Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods* (Economic & Planning Systems, April 2005) and this socioeconomic analysis are the products generated in response to that request.

Initially, the socioeconomic analysis was to focus on Option B from the *2003 Rezoning Options Workbook*, representing the middle ground among options for promoting housing and stabilizing PDR land in the Eastern Neighborhoods. After a hiatus, the community planning process has resumed and rezoning proposals (as well as more robust area planning proposals) have evolved since publication of the *2003 Rezoning Options Workbook*. In the interest of providing more relevant and timely analysis, the socioeconomic analysis evaluates land use and zoning proposals that incorporate elements of the most recent proposals presented by the Planning Department at community workshops in 2006. The proposals analyzed remain most closely related to Option B in the *Rezoning Options Workbook*. It is expected that more refined policies, zoning controls, and implementation strategies will emerge over the course of the next months of the planning process.

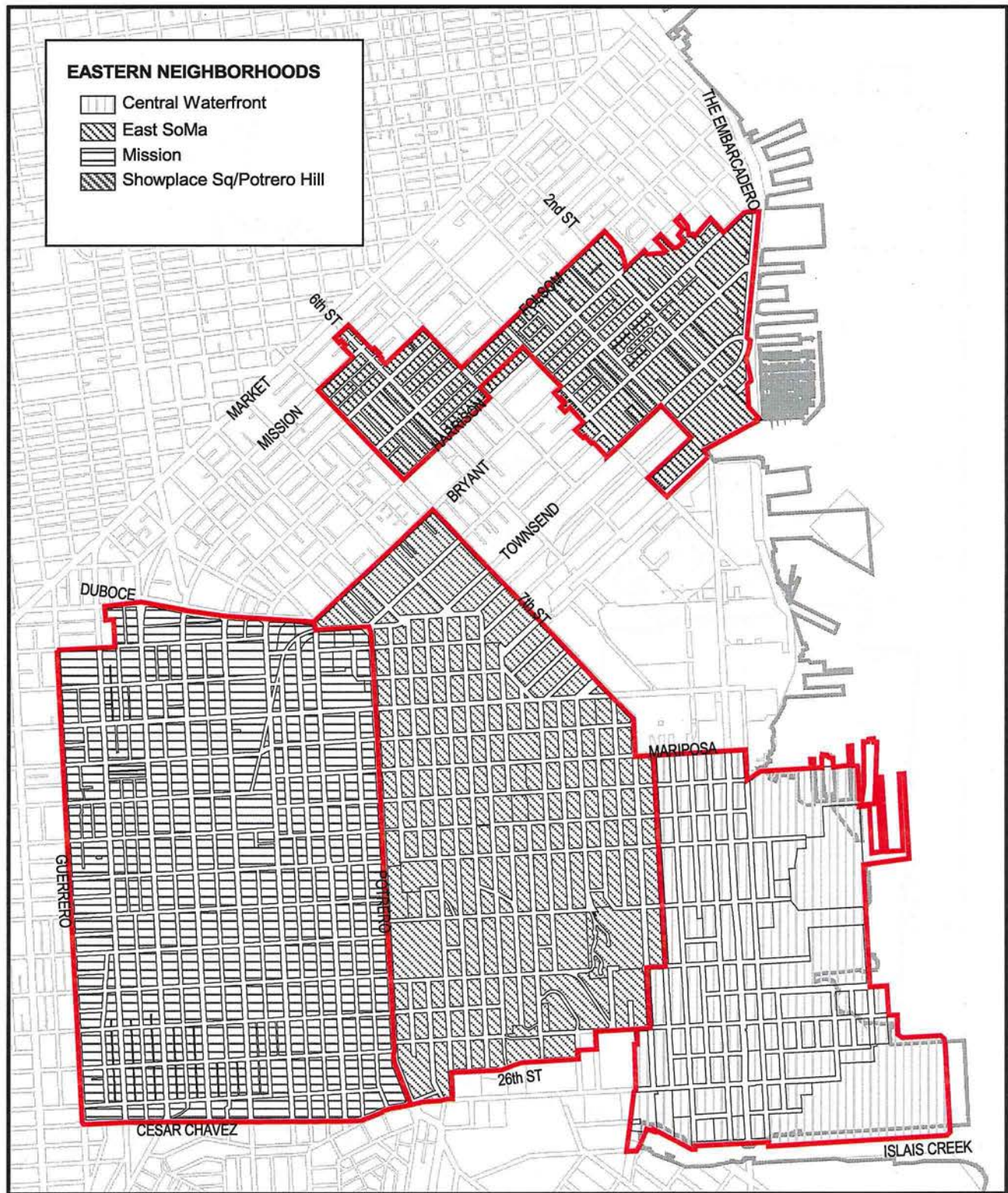
Notes on Geography

The planning area for this analysis

This report analyzes the following Eastern Neighborhoods: East SoMa, the Mission, Showplace Square/Potrero Hill, and the Central Waterfront (**Map 1**). The Central Waterfront—part of the Better Neighborhoods Program—is combined with the remaining Eastern Neighborhoods for this socioeconomic analysis and for the EIR. It is adjacent to Showplace Square/Potrero Hill and the proposed area plan and zoning controls address the same land use planning and economic issues at stake in the other Eastern Neighborhoods. Bayview/Hunters Point is part of the Eastern Neighborhoods planning effort but is not analyzed here because the planning and environmental review process were completed separately as part of a Redevelopment Plan adoption. Visitacion Valley is also now part of a joint community planning process involving the San Francisco Redevelopment Agency and the Planning Department.

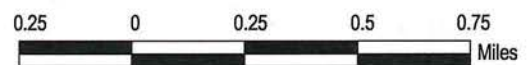
Treatment of Western SoMa

Western SoMa was originally included with East SoMa as part of the South of Market planning area in the community-based rezoning effort for the Eastern Neighborhoods that the Planning Department initiated in 2002 (**Map 2**). During this process, community members in Western SoMa requested a separate community planning process. Therefore, no rezoning is proposed for Western SoMa at this time, while a citizens' taskforce develops a plan for Western SoMa. The analysis in this report includes data summaries for existing baseline Western SoMa housing, population, economic activity, and land use characteristics. The report also includes Western SoMa in the discussion of development trends. The report does not analyze potential rezoning in Western SoMa, but does give special attention to the characteristics of residents and businesses there.



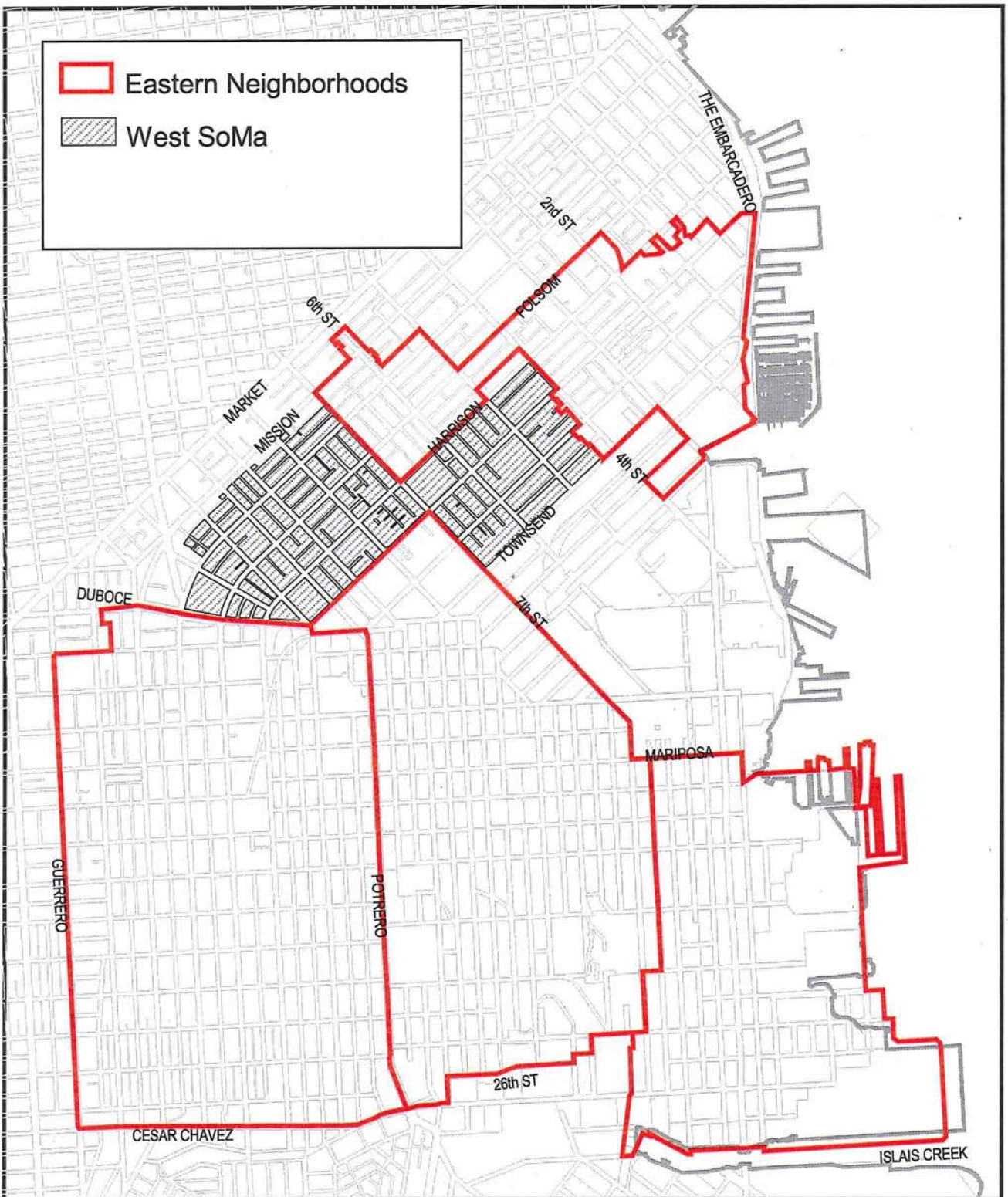
Map 1

**EASTERN NEIGHBORHOODS
PLANNING AREAS**



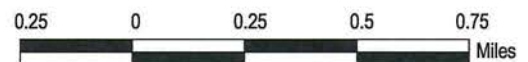
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Map 2

**WEST SOMA
AND EASTERN NEIGHBORHOODS
PLANNING AREAS**



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Notes on Data Sources

The purpose of the socioeconomic data analysis in this report is to highlight similarities and differences between the neighborhoods and to compare the Eastern Neighborhoods as a whole to the rest of the City. For much of the analysis, indicators, rather than precise counts, are adequate and appropriate. This type of information is presented graphically (charts) as opposed to in tables.

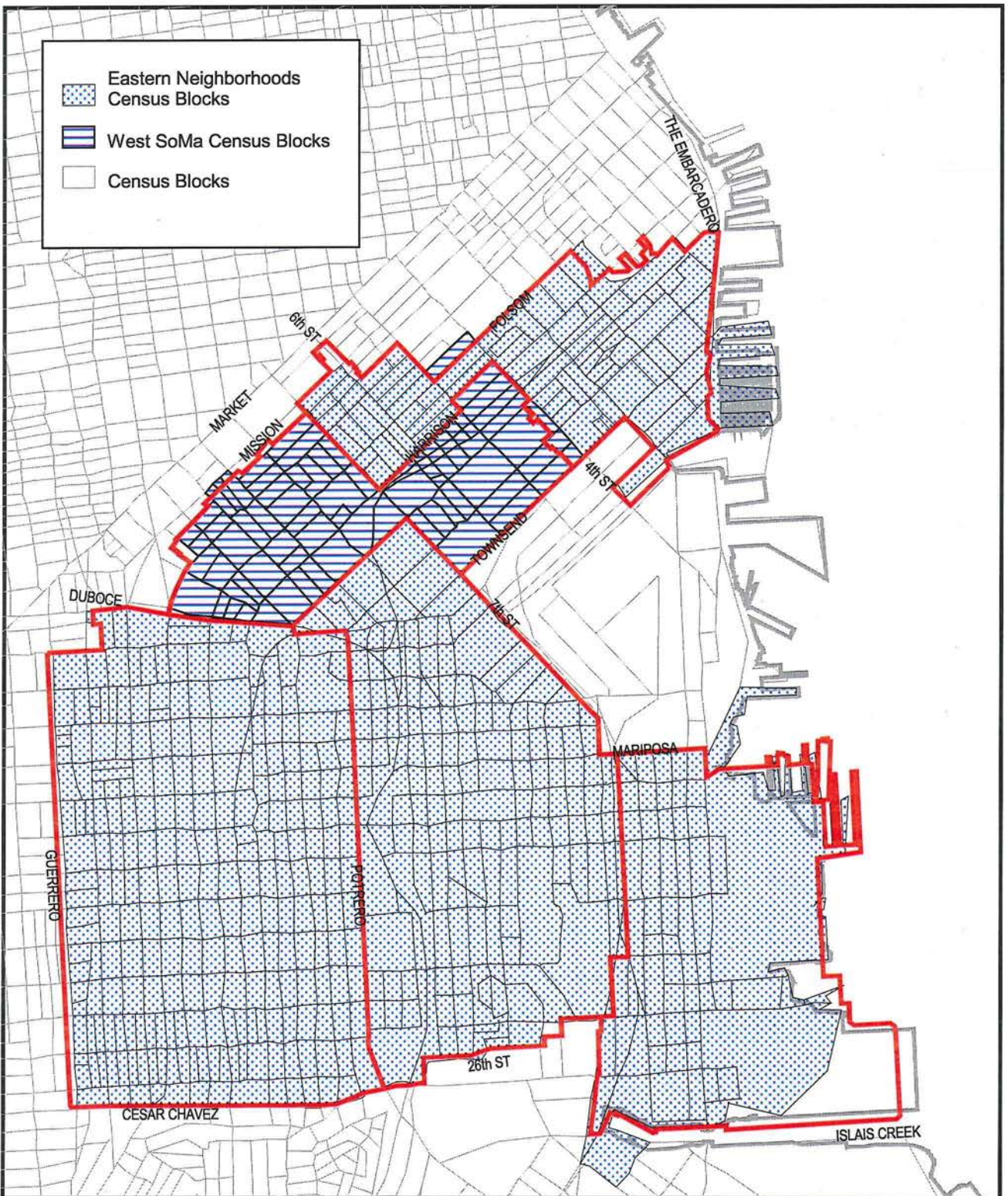
Much of the data describing the characteristics of residents and of the workforce are from the U.S. Census. Census data are the most reliable for small area analysis of housing stock, population, households, and workers by place of residence. Census 2000 is the most recent, reliable source of data for this type of analysis. Since 2000, the U.S. Census Bureau has produced updates of 2000 Census data with its American Community Survey (ACS). These updates of characteristics are only available at the geographic level of city totals, so they are not useful for an analysis that has subareas of the city as its primary focus. Moreover, the Census Bureau recommends using this ACS information (from a sample survey) to compare changes in characteristics over time, using relative measures as opposed to absolute quantities.

Use of 2000 as a baseline for much of the demographic analysis is not invalidated by the fact of what has occurred since then—especially the dot-com bust. Where possible, e.g., in describing job opportunities, unemployment, development trends, the housing market, and housing affordability, the analysis uses updated data.

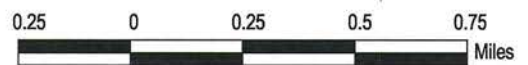
The boundaries for the detailed subarea analyses are necessarily defined by the smallest unit available from the relevant data sources—Census block or block group, zip code in the case of some market data and other City data summaries, and traffic analysis zone (TAZ) for small area projections. Although these data analysis boundaries are not coterminous with the planning areas, we have taken care to match the boundaries as closely as possible. The following **maps** show how analysis areas defined to summarize data from various sources align with the boundaries of the Eastern Neighborhoods:

- ♦ **Map 3** Eastern Neighborhoods and West SoMa: 2000 Census Blocks
- ♦ **Map 4** Eastern Neighborhoods and West SoMa: 2000 Census Block Groups
- ♦ **Map 5** Eastern Neighborhoods and West SoMa: Traffic Analysis Zones (TAZ)
- ♦ **Map 6** Eastern Neighborhoods and West SoMa: ZIP Code Boundaries
- ♦ **Map 7** Eastern Neighborhoods and West SoMa: MetroRent Boundaries

Data describing land use and the pipeline of development projects under review, approved, or under construction were provided by the Planning Department. Most of this data is current

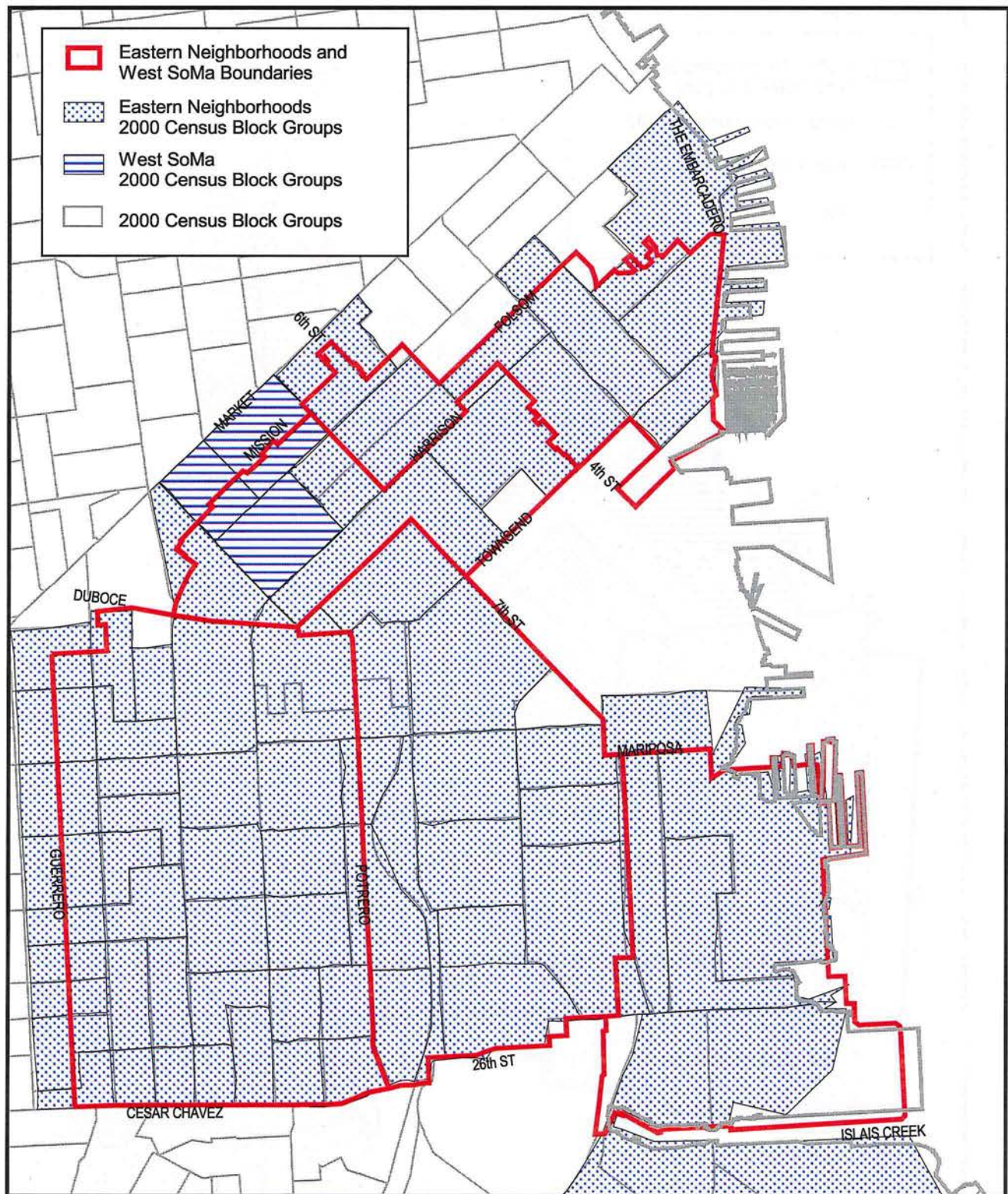


Map 3
EASTERN NEIGHBORHOODS
AND WEST SOMA
2000 CENSUS BLOCKS

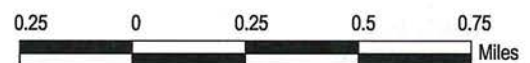


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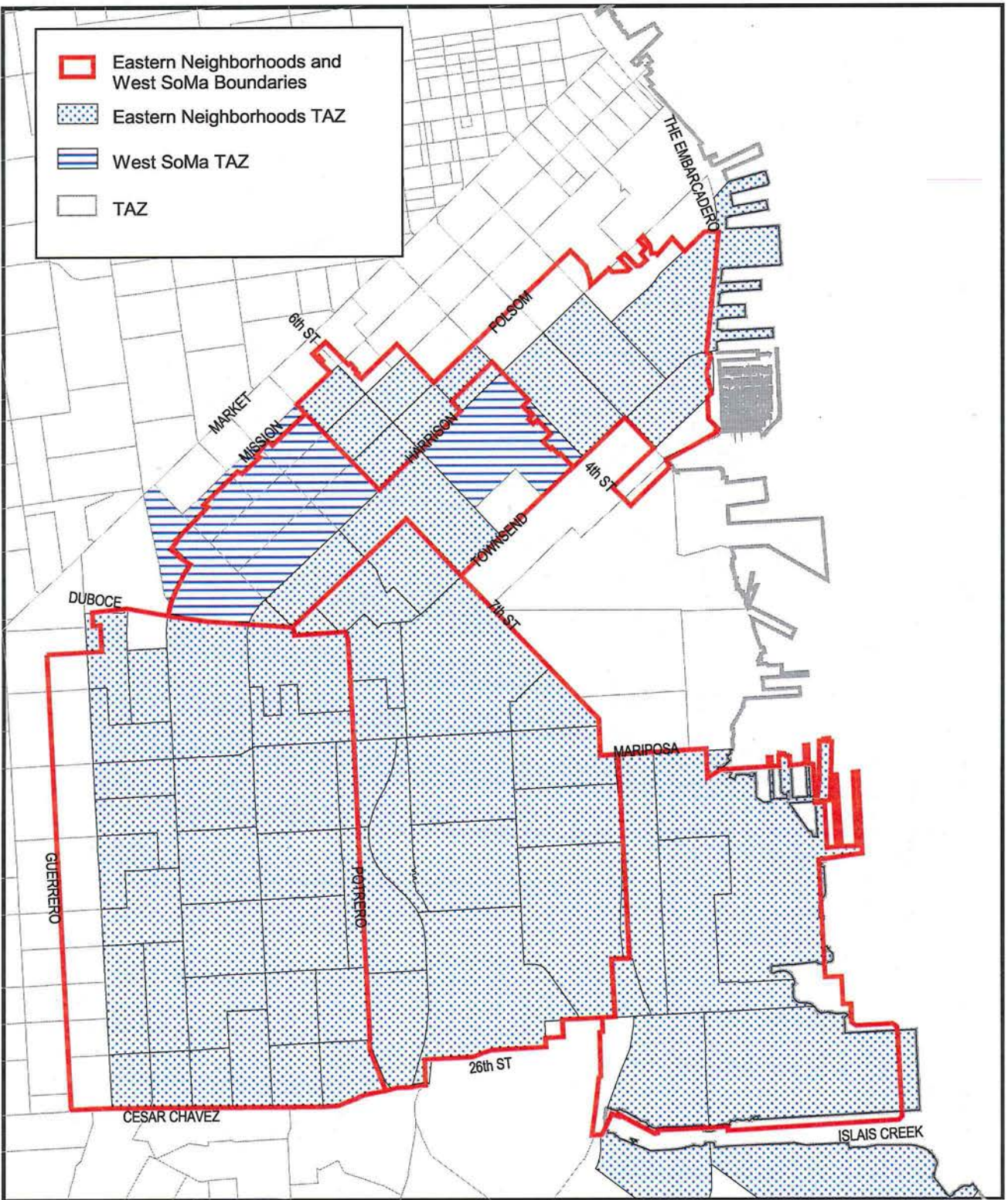


Map 4
EASTERN NEIGHBORHOODS
AND WEST SOMA
2000 CENSUS BLOCK GROUPS

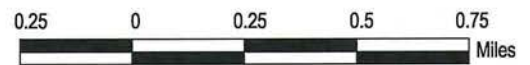


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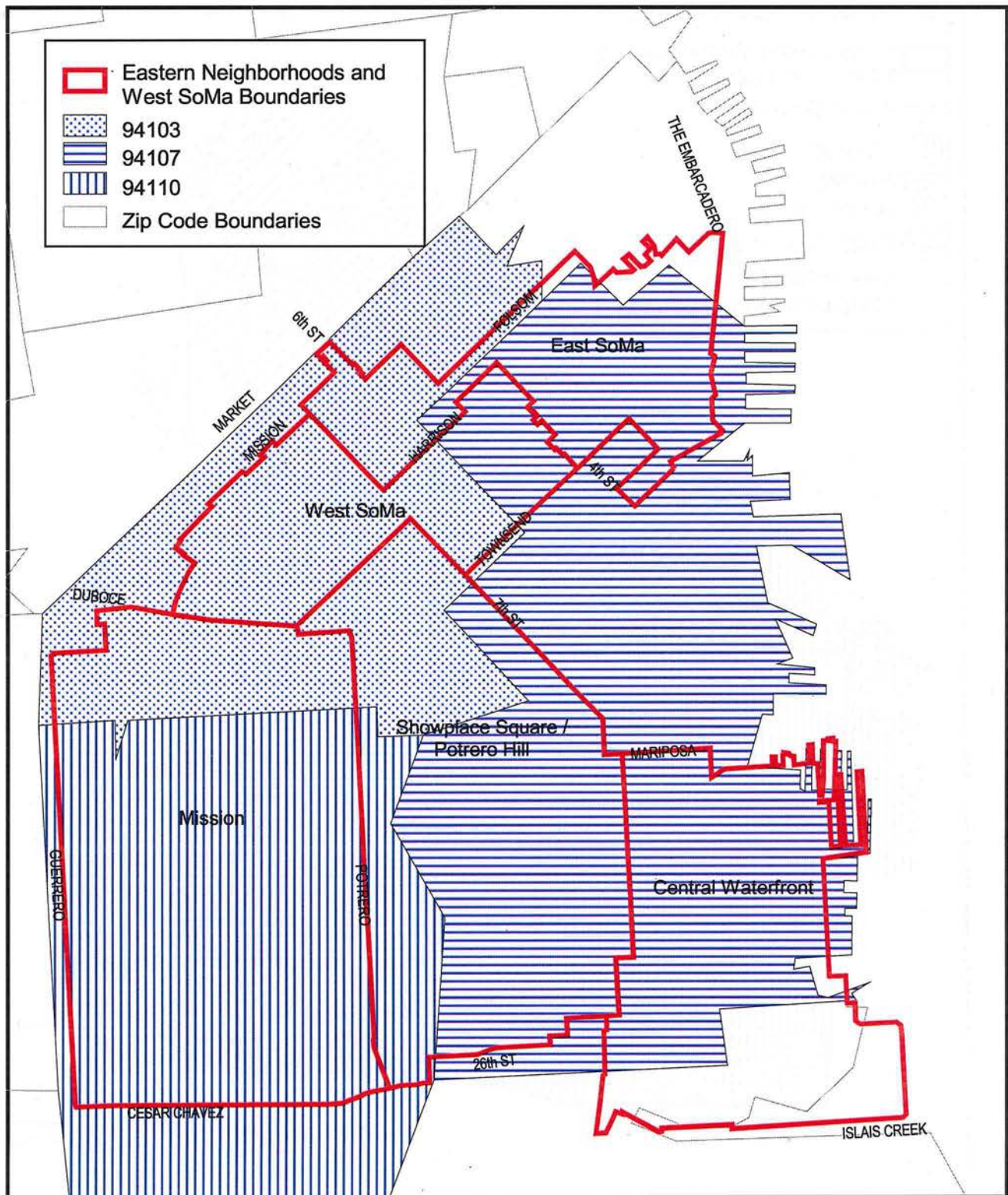


Map 5
EASTERN NEIGHBORHOODS
AND WEST SOMA
TAZ

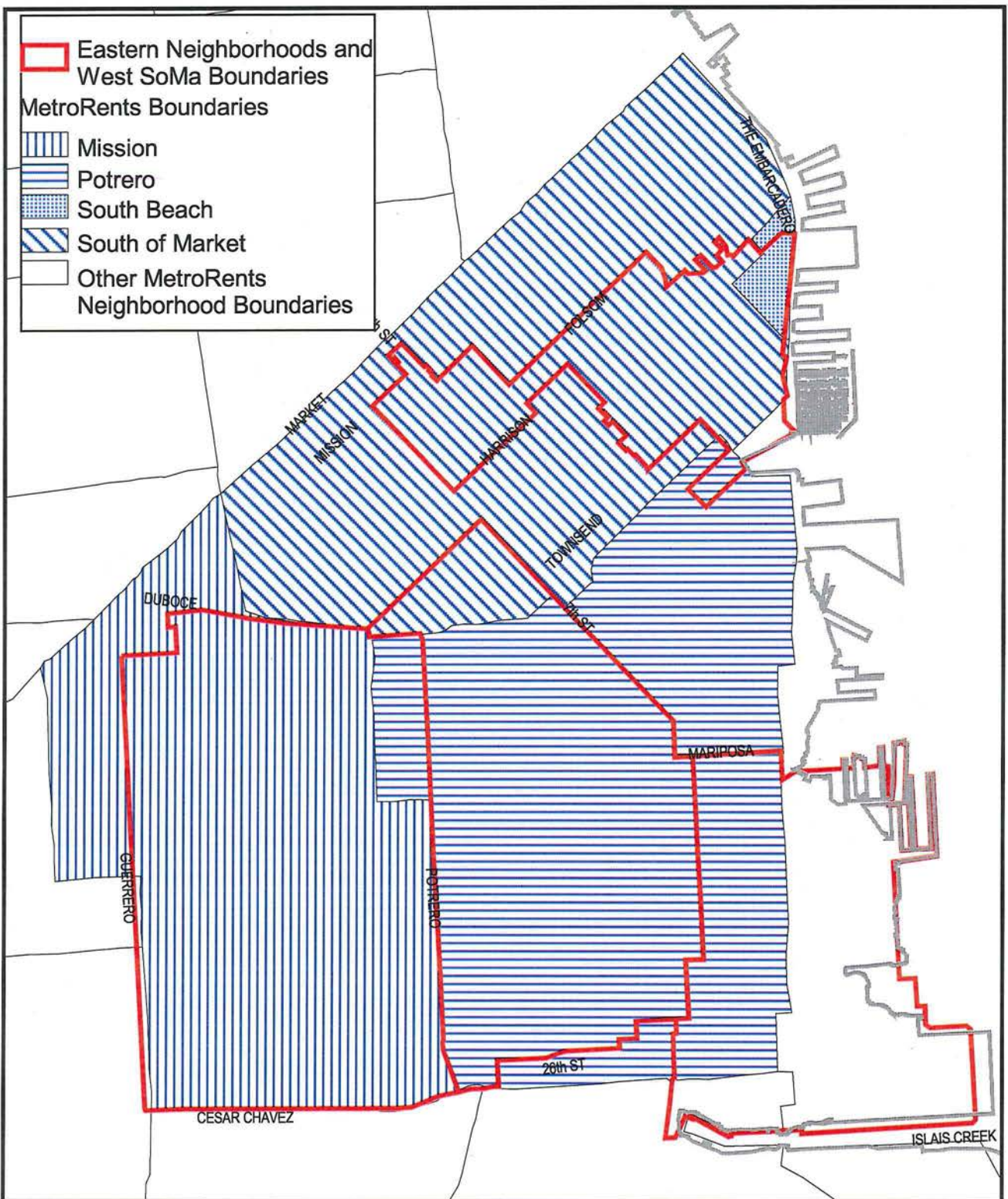


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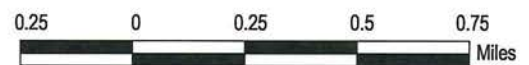




Map 6
EASTERN NEIGHBORHOODS
PLANNING AREAS AND WEST SOMA
ZIP CODE BOUNDARIES



Map 7
EASTERN NEIGHBORHOODS
PLANNING AREAS AND WEST SOMA
MetroRents Boundaries



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through 2004 and 2005. Planning Department staff provided summaries for the geographic areas defined for the socioeconomic analysis.

Several reports have documented existing conditions and trends for PDR activity in San Francisco. In 2002, the Planning Department published *Industrial Land in San Francisco: Understanding Production, Distribution, and Repair*. That report expanded upon an effort undertaken in 1998—the *Citywide Land Use Study*—that described land use, economic activity, population and housing citywide with a focus on conditions, trends, prospects, and policy questions for the industrial areas. In April 2005, Economic & Planning Systems (EPS) produced an analysis for the Planning Department entitled *Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods*. The Planning Department also prepared estimates of existing (2000) and future (2025) PDR employment for the Eastern Neighborhoods that are the subject of the proposed rezoning (*Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook*, February 2003, as revised in 2005 to be consistent with the neighborhood boundaries of the current rezoning proposal). The discussion of PDR activity in the Eastern Neighborhoods in this report draws from these other analyses.

Organization of the Report

Following this introduction, the report begins with a summary of findings from the analysis of existing conditions and trends. The many findings describe the population and workforce living in the Eastern Neighborhoods, the housing supply and housing market conditions, the types of businesses and number and types of jobs located there, with a particular focus on production, distribution, and repair business activity. The findings conclude with a description of land use trends and how much land use conversion is proposed by the development pipeline of projects under construction, approved, or under review. The next section of the report outlines the goals and objectives of the proposed rezoning. The focus is on how changes in land use regulations would affect housing supply potential and the supply of land for PDR business activity. The text describes proposed land use districts and identifies land use regulatory options for increasing housing supply.

The socioeconomic analysis of the proposed Eastern Neighborhoods rezoning follows the description of the intent of the proposed land use regulations. That analysis brings up needs that the proposed rezoning cannot adequately address. Those housing and business and employment needs are identified in the next brief section, prior to a digest of other potential policy, program, and investment options that could be applied to improve the prospects for satisfying community planning goals for housing and jobs in the Eastern Neighborhoods.

The detailed data analysis of existing conditions and trends concludes the report. The analysis includes reference to General Plan Housing Element and Commerce and Industry Element policies and highlights where the needs described in those policy documents intersect with the particular characteristics and conditions in the Eastern Neighborhoods. The figures referenced in this section of the report (Figures 1-60) are not integrated with the text but appear as a group at the end.

An Appendix provides background on city and regional population and employment—existing conditions, recent trends, and growth prospects. The population and employment scenarios prepared by the Planning Department to quantify the implications of the rezoning options for growth in San Francisco through a 2025 planning horizon are also presented in the appendix.

FINDINGS OF THE SOCIOECONOMIC DATA ANALYSIS—WHY LAND USE POLICY CHANGE IS NEEDED TO BETTER MANAGE GROWTH AND DEVELOPMENT IN THE EASTERN NEIGHBORHOODS¹

Who lives in the Eastern Neighborhoods?

- ♦ About 70,000 people—10 percent of the City’s population—live in the Eastern Neighborhoods. Most of these people (70 percent) live in the Mission.
- ♦ Among the Eastern Neighborhoods, children are concentrated in the Mission and Showplace Square/Potrero Hill, while the older population is concentrated in the Mission and East SoMa.
- ♦ The Eastern Neighborhoods have a greater racial and ethnic mix than the City overall, and the mix varies among neighborhoods. Almost 30 percent of the City’s Latino residents live in the Eastern Neighborhoods, almost all (90 percent) of them live in the Mission—an established Latino cultural hub for San Francisco and the entire Bay Area.
- ♦ As is the case citywide, a high percentage of the people living in the Eastern Neighborhoods were born outside the United States.
- ♦ The foreign-born in the Eastern Neighborhoods are less likely than the foreign-born elsewhere in the City to have attained citizenship status. One in eight foreign-born non-citizen residents of San Francisco lives in the Mission.
- ♦ A high percentage of the people living in the Eastern Neighborhoods do not speak English at home. One third of native Spanish-speakers who have difficulty speaking English live in the Mission.
- ♦ The full spectrum of education levels is represented among adults living in the Eastern Neighborhoods, but a relatively large segment of the adult population has not graduated from high school.
- ♦ The mix of household types in the Eastern Neighborhoods is diverse and is remarkably similar to the overall mix of household types in the City.
- ♦ The concentration of SRO residential hotels, live/work units, loft housing, and new construction of smaller units South of Market explains much of the mix of household types in that area. Families and larger households occupy the larger units in flats, older apartment buildings, single-family houses, and public housing in the Mission and Potrero Hill areas. New live/work and loft housing began to predominate in the Central Waterfront in the late 1990s, attracting new residents and more smaller households.
- ♦ Four of every five households in the Eastern Neighborhoods are renters.

¹ These findings are supported by the detailed data analysis presented in this report beginning on page 47.

- ♦ Existing housing does not adequately meet the needs of families and larger households. The Mission, claiming more than half of the Eastern Neighborhoods housing stock, shows the greatest mismatch between housing type and housing need.
- ♦ Most households in the Eastern Neighborhoods are small, but a disproportionate share of the City's large households also live in the Eastern Neighborhoods—many in overcrowded housing units.
- ♦ The *Housing Element of the General Plan* identifies overcrowding as one of several “troublesome effects” of high housing costs in San Francisco and evidence of the need for more affordable housing. These households, most of which are renters, have a set of housing needs that are difficult to meet in San Francisco. Older housing stock in the Eastern Neighborhoods has provided housing options for large families or groups of individuals who need to share housing expenses. If housing market pressures and gentrification result in displacement for these households, suitable housing substitutes are extremely limited. Among possible results are: even more over-crowding, having to find even more money to pay for housing thereby reducing resources for other household needs or requiring more hours worked to increase household income, relocating to a more affordable housing market, or, in some cases, homelessness.
- ♦ Single-parent families as well as very large households that are renters in the Eastern Neighborhoods are particularly vulnerable to displacement. These types of households have housing needs that are not easily satisfied in San Francisco—lower-cost housing and units with more than two bedrooms.
- ♦ The full spectrum of household incomes is represented in the Eastern Neighborhoods. Lower income households are concentrated in the Mission and East SoMa.
- ♦ The poverty rate in the Eastern Neighborhoods is substantially higher than the poverty rate for the city as a whole. Across all age groups, the Eastern Neighborhoods house a disproportionate share of the city's poor. The concentration is most marked for children—almost 20 percent of the children living in poverty in San Francisco live in the Eastern Neighborhoods.
- ♦ Poor families are likely to live in overcrowded conditions; poor families and the elderly have the least resources to fall back on when faced with unexpected eviction or displacement.
- ♦ Renter households bear a higher housing cost burden than do owners. Housing cost burdens in San Francisco are particularly high for lower-income newcomers and new households, such as immigrants, young entry-level workers, artists, and students, as well as for existing residents who become unemployed or find themselves in the housing market not by choice but because they are displaced from their household and former housing unit.
- ♦ The Eastern Neighborhoods and the City overall are home to many households that have moved recently.

What are the characteristics of the housing stock in the Eastern Neighborhoods and how has the housing inventory changed over time?

- ♦ Through the first part of 2000, new residential development was concentrated in selected locations in the Eastern Neighborhoods—in East SoMa and the Central Waterfront. The total housing inventory is considerably larger in both the Mission and Showplace Square/Potrero Hill neighborhoods, and more than half of the units in those neighborhoods are old. Although there were additions to the housing stock during the 1990s, new housing shows as a relatively small percentage of the total in these Eastern Neighborhoods. New development has been concentrated in subareas of these neighborhoods, resulting in substantial localized change in land use and neighborhood character, and introducing a new housing market orientation.
- ♦ The existing housing inventory in the Eastern Neighborhoods includes important affordable housing resources—government subsidized housing, below-market-rate housing produced as a consequence of new market-rate development, and single-room-occupancy units in residential hotels.
- ♦ Historical development patterns, older building stock, and relatively lower land values have also enabled parts of these neighborhoods to retain a supply of lower-rent existing housing that remains a relatively affordable housing option for working class people, although statistics on over-crowding and rent burdens illustrate the lengths to which households must go to maintain even these options.
- ♦ Much of the new housing added in the City has been added in the Eastern Neighborhoods and in adjacent areas. This land use conversion and neighborhood transition are a critical part of the impetus for the proposed Eastern Neighborhoods rezoning.
- ♦ Live/work housing has transformed many scattered parcels and some entire blocks in each of the Eastern Neighborhoods. Planning Code provisions allowing live/work housing were originally intended to provide affordable, safe housing and studio space for artists and artisans. Developing live/work and loft housing became increasingly popular and profitable in the 1990s. The surge in new live/work units produced housing that was not affordable to working artists or to most San Franciscans. Furthermore, the new residential use was for the most part incompatible with nearby existing uses—primarily production, distribution, and repair businesses.

Housing market conditions and housing affordability

- ♦ Housing prices in San Francisco are among the highest in the region, and market-rate housing is not affordable to most existing San Francisco households. High housing prices contribute to out-migration to more affordable locations and limit the housing options for newcomers and other first-time buyers who would prefer centrally-located housing near the largest number of job opportunities.
- ♦ New market-rate housing added in the Eastern Neighborhoods is beyond the reach of most existing households; strong demand relative to supply keeps prices for existing housing out-of-reach of most existing households, as well.

- ♦ Rental housing remains somewhat more affordable than for-sale housing, but listing rents are high relative to the incomes of existing households.
- ♦ A shortage of affordable for-sale housing contributes to evictions and housing hardship for many evicted renters.

Workforce characteristics and the types of jobs held by workers living in the City

- ♦ Since 2000, the decrease in job opportunities has resulted in higher unemployment in San Francisco as well as a decrease in the number of people in the labor force—as people have either moved out of the City or have dropped out of the labor force—and a decrease in the number of City residents employed.
- ♦ Labor force participation is relatively high in the Eastern Neighborhoods, and the unemployment rate is higher than the citywide average.
- ♦ Although the City's labor pool overall is highly-educated, among potential workers in the Eastern Neighborhoods, a higher than average percentage lack even a high school diploma.
- ♦ Most workers living in San Francisco also work in the City, and this pattern describes workers living in the Eastern Neighborhoods, as well.
- ♦ Growth in job opportunities elsewhere in the region as well as changes to the characteristics of the housing supply and of the labor pool living in that housing in the Eastern Neighborhoods have contributed to a decline in the percentage of Eastern Neighborhoods residents who also work in San Francisco.
- ♦ The educational attainment of the City's labor pool has a direct bearing on the employment status of the City's residents. The generally lower education attainment for some residents of the Eastern Neighborhoods translates to a higher proportion of workers in lower-wage jobs that do not require college degrees.
- ♦ A disproportionate share of the City's residents holding occupations with lower skills requirements and lower wages lives in the Eastern Neighborhoods.
- ♦ Trends in the employment status of Eastern Neighborhoods residents indicate changing employment opportunities in San Francisco, as well as change in the composition of the labor force with the influx of new, market-rate housing. The percentage of workers employed in management, professional, technical, sales, and administrative support occupations has increased citywide and in the Eastern Neighborhoods, as economic growth is concentrated in the sectors employing these people. During this period, the number of residents employed in construction, maintenance, production, and transportation occupations declined throughout the City and in the Eastern Neighborhoods.
- ♦ A relatively high percentage of workers living in the Eastern Neighborhoods have low earnings and work in low-wage occupations. The households that rely on the earnings of these workers are among those households that have the most difficulty affording housing in San Francisco.

- ♦ A disproportionate share of the City's residents working in lodging, food, and personal services sectors, in repair and construction sectors, and in the information sector lives in the Eastern Neighborhoods.
- ♦ A high proportion of workers living in the Eastern Neighborhoods rely on sectors where work is seasonal and low-paying. Others work in sectors that provide entry-level options with more opportunities for advancement.

What types of businesses and how many jobs are located in the Eastern Neighborhoods?

- ♦ There are about the same number of people working in the Eastern Neighborhoods as live there.
- ♦ Although production, distribution, and repair (PDR) businesses employ the most people in the Eastern Neighborhoods, business activity in the Eastern Neighborhoods is almost as diverse as business activity in the rest of San Francisco.
- ♦ The Eastern Neighborhoods are the parts of the City that have land zoned for industrial uses and relatively permissive land use regulations. The result is an inventory of land and building space that has traditionally accommodated businesses favoring relatively low density building types, open yards for storing vehicles and equipment, low space costs, and separation from uses that are not tolerant of 24-hour operations, lights, noise, and truck traffic. In addition, the building space and locations have served an important "incubator" function in San Francisco's land use system—providing a foothold in the city for new industries, start-up businesses, and artistic endeavors that are important to the dynamics and vitality of the City's economy.
- ♦ PDR businesses employ San Franciscans: they provide jobs for an immigrant labor pool, for workers who do not speak English well and lack higher education in the U.S.
- ♦ PDR businesses offer entry-level jobs with upward mobility: on-the-job training and opportunities for advancement as skills develop.
- ♦ PDR business are located throughout the Eastern Neighborhoods and in Western SoMa and Bayview/Hunter's Point.
- ♦ Flexibility is a key characteristic of buildings used by PDR businesses and there is considerable variation in the sensitivity of PDR businesses to the costs of space.
- ♦ PDR businesses benefit from locating in clusters.
- ♦ The prospects for PDR business activity in the City are good assuming affordable, flexible space is available in suitable locations.

Examination of land use trends and development proposals

- ♦ Land use in the Eastern Neighborhoods reflects the area's history as one of the first locations for dense urban development in the growing City. A large portion of the land area *used* by PDR businesses in San Francisco is in the Eastern Neighborhoods. PDR land represents the largest single use of land in the planning area—about 40 percent of total land area.
- ♦ The current development pipeline is emblematic of the longer-term land use transitions within the City's land use system. Real estate market factors continue to favor new development in the former industrial areas of the Eastern Neighborhoods. Approved projects and development proposals convert industrially-zoned land and PDR building space to residential use with associated smaller amounts of retail, office, and institutional development.
- ♦ The pipeline of potential new residential development in San Francisco remains at near-record-high levels.
- ♦ Non-residential space in the development pipeline includes space in mixed-use projects and space in solely non-residential projects.
- ♦ Most of the loss of existing space as a result of development proposals is loss of PDR space. Overall, one-quarter of the residential and mixed-use projects in the Eastern Neighborhoods would displace PDR space.

GOALS AND OBJECTIVES OF THE PROPOSED REZONING FOR HOUSING AND JOBS

The proposed rezoning balances competing demands for land.

There are two primary objectives of the proposed rezoning: increase housing development potential in distinct mixed-use and residential districts in the Eastern Neighborhoods and provide a secure and predictable land supply for production, distribution, and repair businesses and other emerging business activities that depend on relatively lower-cost building space.

San Francisco's constrained land supply requires on-going reassessment of land use patterns and land use policies to best address competing needs for land and development capacity. To accommodate housing demand in San Francisco and increase efforts to meet needs for more affordable housing, attention turns to the industrial land in the Eastern Neighborhoods where conversion of industrial land to residential use could add significantly to housing development potential in the City. The Eastern Neighborhoods offer the potential for programming large numbers of units with lower marginal costs than infill projects in existing residential neighborhoods. Some areas of the City have already been converted from industrial use to residential districts—Rincon Hill, South Beach, Mission Bay. *Ad hoc* conversion to residential use has been underway in parts of the Eastern Neighborhoods for several years.

While adding to San Francisco's housing supply, these development trends under existing zoning have at the same time eroded the capacity of the Eastern Neighborhoods to provide affordable housing. Strong demand relative to supply increases prices and rents for existing housing in these areas. Competition for land from higher value uses that are not prohibited by existing zoning—including market-rate housing and large-scale retail and office use—has converted existing land resources and increased land values in the Eastern Neighborhoods, thereby reducing the availability of land for producing lower-priced and affordable housing.

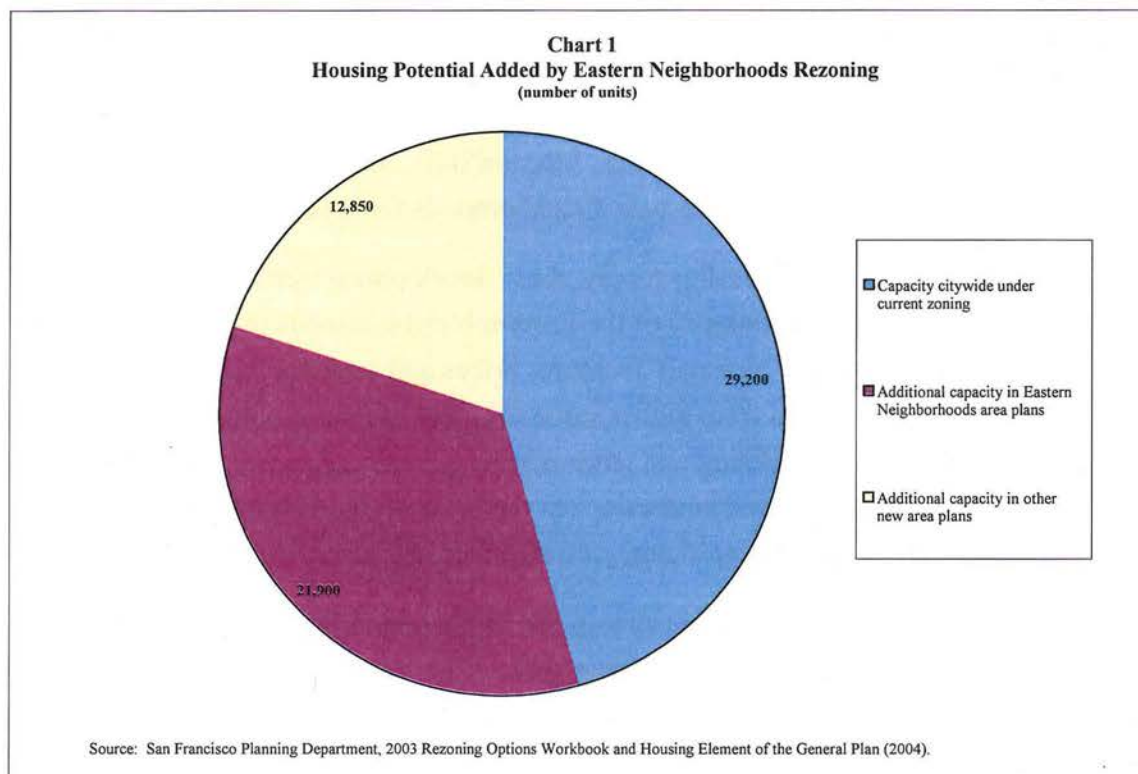
The encroachment of new market-rate housing in the City's remaining industrial districts, combined with competition for land and building space from other higher-rent-paying uses that are permitted in industrial districts, has also contributed to loss of affordable space for production, distribution, and repair business activity in San Francisco and the loss of these types of jobs in San Francisco.

Furthermore, planners, policy-makers, and the community acknowledge the importance of retaining the "incubator" function of industrial districts. Such districts typically offer location options for businesses that have limited ability to pay for building space. These can be PDR businesses or new, emerging economic activities that are to be encouraged because they offer prospects for growth in economic activity and jobs and contribute to the economic diversity of

the City. In San Francisco, recent analysis has identified “digital media” companies, “clean technology” companies, and life sciences companies as particular targets for economic development efforts. Retaining existing PDR business activity and supporting new business growth depends on establishing new zoning districts for PDR-only-type business activity and promoting PDR space in mixed-use development.

Proposed land use districts and zoning controls increase housing supply potential and more carefully define the location, intensity, and character of space for business activity in the Eastern Neighborhoods.

The proposed Eastern Neighborhoods area plans and rezoning would almost double the housing development potential in San Francisco (**Chart 1**). Under existing zoning, infill sites throughout the City that are suitable for residential development have the potential to provide an additional 29,000 units.² Estimates prepared by the Planning Department indicate that the proposed



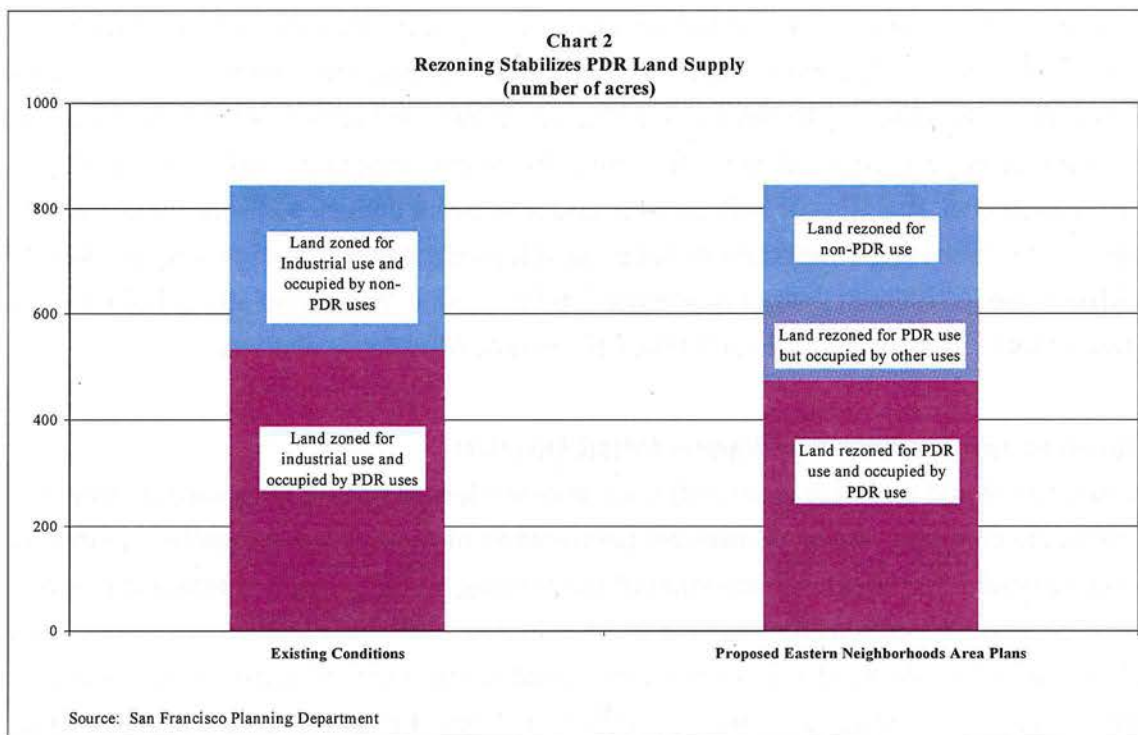
rezoning would increase the housing development potential in the Eastern Neighborhoods by almost 22,000 units, representing *more than six times* the potential otherwise available in these areas under existing zoning (about 3,500 units).³ Additional housing supply in other new area

² This estimate includes 6,000 units at Mission Bay and 1,600 units at Hunters Point Shipyard. It also includes about 3,500 units that could be added in the Eastern Neighborhoods under existing zoning.

³ This estimate is based on analysis presented in the 2003 *Rezoning Options Workbook* for Option B (page 121) and in the *Housing Element of the General Plan* (May 13, 2004), pages 83 - 102. In addition to new housing

plans would add another 13,000 units to the City's housing potential. Together, these land use plan and zoning changes would increase housing development potential in San Francisco to about 64,000 units.

While increasing the housing supply potential in proposed mixed use and residential zoning districts in parts of the Eastern Neighborhoods, the proposed rezoning would also establish other districts to provide a land supply reserved for PDR business activity. Under existing conditions, almost 40 percent of the land area zoned for industrial, heavy commercial, and home and business services is occupied by other uses—primarily housing office, and retail—while 60 percent is occupied by PDR uses (**Chart 2**). Under the proposed rezoning, almost all of that land occupied by PDR uses would be rezoned to exclude office, retail and residential use. In addition, the potential PDR land supply would include land now occupied by other uses but where new zoning and land use controls would support transition to PDR business activity. About one-quarter of the existing industrially-zoned land supply in the Eastern Neighborhoods would be rezoned for other uses, primarily to increase the housing supply potential, as described above.



potential in the Mission and Showplace Square/Potrero Hill areas, the estimate for the Eastern Neighborhoods includes Central Waterfront housing development potential. All South of Market housing development potential is included in the estimate since most of that would be in East SoMa. Housing development potential added through other planning efforts (Market Octavia, Balboa Park, South Bayshore, and Visitacion Valley) are included in the estimates of supply added in other new area plans.

This new land use template for the Eastern Neighborhoods requires new permanent zoning classifications in parts of the Eastern Neighborhoods currently zoned for industrial use. This covers areas of the Central Waterfront, Mission, East SoMa, and Showplace Square/Potrero Hill neighborhoods that have C-M, M-1, or M-2 zoning. East SoMa's existing home and business service zoning districts (SLI, SSO, RSD, and SLR zoning—already mixed-use in intent) would be refined. In addition, existing residential enclave zoning and neighborhood commercial zoning would be reinforced and expanded there. Large areas of residential zoning in the Mission and Showplace Square/Potrero Hill would remain essentially unchanged. Neighborhood commercial zoning would be strengthened in the Mission and expanded in Showplace Square/Potrero Hill. For comparison to the proposed rezoning, **Box 1** on the following page outlines the use limitations under existing industrial, heavy commercial, and home and business service zoning districts in the Eastern Neighborhoods. The objectives and specific features of the new zoning classifications are summarized below.

Mixed-use Residential Districts

These zoning district would promote high-density housing and a flexible mix of smaller neighborhood-serving retail and commercial uses, appropriate for development to take advantage of major transit investments. Restrictions on the size of non-residential uses would prohibit the development of large-scale retail and office uses. In the new area plans and implementing zoning amendments, specifics of building size and residential density controls would be tailored to existing conditions and to appropriate future development patterns in each neighborhood. A large Mixed-use Residential district is proposed in the Central Waterfront along Third Street and Tennessee Street. A majority of East SoMa will become Mixed-use districts.

Employment and Business Development/PDR Districts

These districts would establish more restrictive non-residential zoning to replace industrial districts where currently almost all uses are permitted as of right or conditionally (see **Box 1**). This zoning would encourage conservation of the existing building stock to retain appropriate space in appropriate locations for production, distribution, and repair business activity. There would be controls on demolition of existing industrial space, and new construction would be limited to PDR space—space suitable for a variety of types of businesses but in which large-scale office or retail uses would not be allowed. Incubator space for businesses, including PDR businesses that can afford the higher cost of new development, is envisioned. Compared to existing zoning, this designation would be more restrictive because there would be more stringent controls on office, retail, and housing development: housing would be prohibited, and only small office and retail uses would be allowed.

BOX 1			
EXISTING ZONING IN THE EASTERN NEIGHBORHOODS			
Zoning Districts	Permitted Uses	Conditional Uses	Uses Not Permitted
C-M Heavy Commercial	Wholesale, storage, light manufacturing, retail, office, assembly and entertainment, minor auto and other repair, other home and business services, auto sales and rental, group housing, residential care, clinic, social services, child care, school.	Dwelling units, hotel/motel, hospital/medical center.	Major auto repair, building materials and contractor's equipment storage, auto wrecking.
M-1 Light Industrial	Manufacturing, wholesale, storage, retail, office, assembly and entertainment, auto and other repair, other home and business services, auto sales and rental, residential care, clinic, social services, child care, school.	Dwelling units, group housing, hospital/medical center, residential care, hotel/motel, auto-wrecking.	Junkyard.
M-2 Heavy Industrial	Manufacturing, wholesale, storage, retail, office, assembly and entertainment, auto and other repair, other home and business services, auto sales and rental, clinic, social services.	Dwelling units, group housing, hotel/motel, auto-wrecking.	Hospital/medical center, residential care, child care, school.
RSD Residential/Service Mixed Use	Retail, general commercial, home and business services, arts activity, work space of design professionals, light industrial, wholesale sales, auto repair and service, parking, dwelling units, SRO units, live/work units with arts or other permitted use, child care, school.	Group housing, residential care, assembly and social service, office or live/work units in historic buildings, live work units with conditional use, vehicle tow service.	General office, hotel, movie theatre, nighttime entertainment, adult entertainment, heavy industrial, open lot vehicle storage, hospital/medical center, all other live/work units.
SLR Service/Light Industrial/Residential	Retail, general commercial, home and business services, arts activity, work space of design professionals, light industrial, wholesale sales, auto repair and service, parking, dwelling units, SRO units, live/work units with arts or other permitted use, child care, school.	Group housing, residential care, assembly and social service, office or live/work units in historic buildings, live/work units with conditional use, vehicle tow service.	General office, hotel, movie theatre, nighttime entertainment, adult entertainment, heavy industrial, open lot vehicle storage hospital/medical center, all other live/work units.
SLI Service/Light Industrial	Retail, general commercial, home and business services, arts activity, work space of design professionals, light industrial, auto repair and service, parking, open lot vehicle storage, live/work units with arts or other permitted use, child care, school.	Group housing, low-income housing, SRO units, residential care, assembly and social service, office or live/work units in historic buildings, vehicle tow service.	General office, hotel, movie theatre, nighttime entertainment, adult entertainment, heavy industrial; dwelling units (except low income), all other live/work units, hospital/medical center.
SSO Service/Secondary Office	Office, retail, general commercial, home and business services, arts activity, light industrial, wholesale sales, auto repair and service, parking, live/work units, SRO units, hospital/medical center, child care, school.	Dwelling units, group housing, residential care, assembly and social service, nighttime entertainment, vehicle tow service.	Open lot vehicle storage.

In these Eastern Neighborhoods, two areas for Employment and Business Development/PDR are proposed. This designation would cover most of the Central Waterfront, surrounding the new Mixed-use Residential district proposed on either side of Third Street north of 25th. The second area would cover some of what is now zoned for industrial use in the northeast Mission, extending across Potrero and Division to cover a few blocks in the Showplace Square/Potrero Hill neighborhood. In Showplace Square/Potrero Hill some blocks along 7th Street, between 17th and 18th Street along the old rail right-of-way, and along Pennsylvania south of 22nd Street would be designated for Employment and Business Development/PDR.

Urban Mixed-Use /Mixed Use PDR Districts

These mixed-use districts would encourage transitional development patterns between business and employment districts and predominantly residential neighborhoods, thereby buffering potentially incompatible land uses. By contrast to the other new districts, new development in these mixed-use districts would be expected to be a true mix of uses—combining new housing with smaller scale retail and commercial use and those types of production, distribution, and repair activities that can coexist with housing. Retail, office, and housing uses would be allowed, but non-PDR development would be required to also provide PDR space.

Mixed-use zoning is proposed for Showplace Square/Potrero Hill for the blocks south of 16th Street that border established residential neighborhoods and for the blocks along Seventh and Bryant Streets where Showplace Square/Potrero Hill meets Mission Bay and Western SoMa. This zoning is also proposed where similar conditions prevail in the Mission—for the blocks on the edges of the current industrial district, where on-residential land use transitions to residential, generally south of Mariposa and west of Shotwell. These are areas that have already evolved to a place where there is a generally compatible mix of certain types of production, distribution, and repair activity and existing residential use or, in the case of Showplace Square/Potrero Hill adjacent to Mission Bay, have the potential to develop as that kind of district.

Design and Showroom District

This district is intended to protect the unique cluster of Showplace Square design-related PDR businesses and buildings. Intensive industrial uses and housing would be prohibited, and only small office and retail uses would be allowed. Protecting the existing building stock for showroom and related interior design PDR uses would be a priority in this district.

Arts District

The Arts District is proposed for a small area in Showplace Square/Potrero Hill to encourage uses that are compatible with and benefit from the presence of the California College of Arts. In

addition to PDR (especially arts activities and design-related PDR), only small office and retail uses and institutional-related student housing would be allowed. Any non-student housing would be required to provide art-PDR space.

East SoMa Mixed-use Districts

The original proposal for rezoning in East SoMa (Option B in the 2003 *Rezoning Options Workbook* that resulted from community planning workshops in 2002) would have designated almost all of East SoMa Mixed-use Residential. There would also be neighborhood commercial zoning on transit-oriented street frontages. As described above, the Mixed-use Residential district would support expansion of high density housing while at the same time promoting a mix of smaller-scale non-residential uses consistent with retaining the existing mix of building space and business activity.

The revised proposal for East SoMa translates the existing zoning articulated in the *South of Market Plan* adopted in 1990—Service Light Industrial (SLI), Service Secondary Office (SSO), Residential Service (RSD), and Residential Enclave Districts—to a more refined set of mixed use zoning designations. The specifics of the proposed new controls encourage housing development, make small office development easier in appropriate locations, and require new development to also provide PDR space in other locations. In addition, the underlying industrial zoning for the Rincon Point/South Beach Redevelopment Area is proposed to be changed to be consistent with the mixed-use, high-density residential neighborhood that has been built there, and the Ballpark Vicinity Special Use District controls would be incorporated in the proposed East SoMa land use controls.

Consistent with the South of Market planning framework outlined in Option B of the *Rezoning Options Workbook*, the result for East SoMa is a rezoning proposal that encourages more higher density housing within a matrix of designations that both support retention of PDR business activity and encourage smaller scale mixed-use development. To add more housing supply potential in East SoMa, the proposed rezoning increases height limits for housing in certain locations and eliminates existing parcel-based density controls on the number of dwelling units allowed.

Land use policies and zoning to increase housing supply and address housing needs

To date, the community planning process and Planning Department staff efforts have identified a number of regulatory options to increase housing production in rezoning the Eastern Neighborhoods. While increasing housing supply potential overall is an important objective of the rezoning, regulatory options for housing production put a special emphasis on affordable housing and on housing for families, because of both citywide needs and the particular needs of

the people already living in the Eastern Neighborhoods. Because the area plans continue to evolve, this analysis lists generically the types of options under consideration, focusing on those options related to land use regulation. (Other program and investment options to assist in meeting these goals and objectives are discussed after the evaluation of the proposed rezoning.)

In conjunction with the Mixed-use Residential, Urban Mixed-use, and East SoMa zoning districts described above, the following land use regulatory tools could be implemented:

- ♦ Eliminate conditional use requirements for housing,
- ♦ Increase height limits for housing in certain areas,
- ♦ Eliminate residential density maximums that set a limit to the number of units that can be developed on a parcel using ratios of units to lot size,
- ♦ In transit-rich areas, revise residential parking requirements to eliminate the minimum parking requirement of one space per dwelling unit,
- ♦ Prohibit live/work development,
- ♦ Target new units, especially below-market-rate units, to families and larger households by requiring a minimum number of bedrooms for a percentage of units in larger housing development projects,
- ♦ Identify areas where only affordable housing would be allowed,
- ♦ Where new zoning regulations have increased by-right development potential, require a higher percentage of affordable housing than otherwise required through the City's Inclusionary Affordable Housing Program, and
- ♦ Require off-site inclusionary affordable housing to be built within the same plan area in areas designated for housing,
- ♦ Increase the incentives to build affordable housing on-site (2006 amendments to the Inclusionary Affordable Housing Program require that 20 percent of total units be below-market-rate if provided off-site and reduce that percentage to 15 percent of the total for below-market-rate units provided on-site).

How the proposed rezoning would work in each of the Eastern Neighborhoods

Central Waterfront

The proposed rezoning for the Central Waterfront would build on the established character of a mixed use working neighborhood. Proposed land use districts would establish controls designed to preserve land and buildings for production, distribution, and repair uses, especially south of 23rd Street by limiting options for competitive uses, restricting demolition and conversion, and requiring replacement PDR space. The proposed mixed use residential district extending north of 25th Street between Tennessee and Illinois, encompassing most of the blocks on either side of Third Street and Tennessee would encourage housing. This zoning district is very flexible—

allowing a mix of residential, retail, and commercial uses; it would not require PDR as part of new development. The rezoning would significantly expand the supply of land zoned to accommodate residential development to the north and south of the existing Dogpatch neighborhood. The mixed use residential areas emphasize higher-density development centered on the new transit nodes along Third Street.

East SoMa

The rezoning proposal for East SoMa emphasizes higher density housing, neighborhood-serving ground floor retail space, and smaller scale commercial and office uses. The proposed zoning would retain service-light industrial, service-secondary office, and residential-service districts, with neighborhood commercial uses encouraged along transit corridors. The zoning is intended to support a development pattern consistent with proximity to downtown and investment in east-west and north-south transit corridors through East SoMa. Height limits would be increased on major streets to be consistent with the height of some existing newer buildings and to accommodate more housing while allowing for attractive and functional ground floor retail spaces in mixed use buildings.

Mission

The objective of proposed rezoning for the Mission is to support and protect the existing mix of uses and density of development. In the northeast corner of the Mission—in most of the Northeast Mission Industrial Zone—the proposed rezoning would introduce use restrictions and controls on demolition and replacement of existing space. Other changes in zoning would encourage mixed-use development on the edges of that employment and business development district, to provide a transition to the residential and commercial mixed use areas that predominate in the bulk of the Mission blocks. Housing development would be encouraged by appropriate zoning and changes in height limits along streets well-served by transit: Mission and Valencia. Height limits would be refined in some limited areas, to create incentives for new development where there are major development opportunity sites. The proposed rezoning would retain the density and character of existing residential areas and neighborhood commercial districts in the Mission.

Showplace Square / Potrero Hill

The emphasis of the proposed rezoning for Showplace Square/Potrero Hill is on mixed-use and residential infill, paired with requirements to provide new PDR space and prevent conversions of PDR space to residential use. Large scale office and retail uses would be prohibited. The blocks along 16th and 17th Streets would be expected to develop as a primarily residential neighborhood supported by neighborhood and transit-oriented commercial development along an upgraded 16th

Street transit corridor. To protect the renovated and re-used brick warehouse buildings and the showroom uses that occupy them, special restrictions would be imposed limiting incompatible uses in the design and showroom district. Arts and design-related PDR uses would be encouraged to take advantage of particular opportunity sites around the California College of Arts where this neighborhood borders Mission Bay.

IMPACTS OF THE PROPOSED REZONING FOR HOUSING, POPULATION, BUSINESS ACTIVITY, AND JOBS

This section of the report describes the impacts of the proposed rezoning from a socioeconomic perspective. Throughout, assessment is based on comparison of expected outcomes under the proposed rezoning to what would otherwise be expected in the absence of the rezoning.

Generally, compared to a continuation of existing trends, the proposed rezoning would offer benefits in terms of housing choice and housing affordability. These benefits would accrue to newcomers as well as to existing residents. The proposed rezoning would also result in better long-term outcomes for most PDR businesses—a stable land supply with restrictions that limit development of incompatible uses. The result would be a more diverse economy providing more job opportunities for San Franciscans.

The analysis also indicates that land use regulation alone is not adequate to address the wide range of community planning goals. These include, among others:

- ♦ producing housing that the market does not easily provide—affordable housing for families, for large households, for artists, for low-income elderly and for disabled people;
- ♦ harnessing for the neighborhood the benefits of local-serving economic development;
- ♦ improving the employment and earnings prospects for the economically disadvantaged; and
- ♦ growing new businesses that offer a sustainable source of jobs and income for San Franciscans.

New financial resources, new programs, and interagency coordination to better target existing programs and resources are required to complement the proposed land use regulations.

Housing and Population

The proposed rezoning would result in more housing supply potential in the Eastern Neighborhoods and in San Francisco than would be the case under existing plans and zoning. This would mean more supply relative to demand and more housing choices for residents of the Eastern Neighborhoods.

There would be more housing development potential in San Francisco under the proposed rezoning than without it. Housing development potential in the Eastern Neighborhoods would increase by about 22,000 units, effectively doubling the housing development potential in San Francisco.

Proposed use districts and zoning controls would create certainty for residential developers and for neighbors by defining Mixed-use Residential districts where housing was permitted and large-scale non-residential uses were not permitted. Increased heights and elimination of dwelling unit density maximums would increase housing supply potential. Reduced parking requirements would lower housing development costs.

More housing supply potential also means more below-market-rate housing as a result of application of the recently amended Inclusionary Affordable Housing Program requirements to housing projects of five or more units. On-going refinements of the area plans are focusing on means to strengthen the application of the Inclusionary Affordable Housing Program in conjunction with the rezoning of the Eastern Neighborhoods.

With the proposed rezoning, there would be more housing supply potential to meet demand across a number of market segments. Generally, housing prices and rents for both new and existing housing, including vacated rental units, would be lower than would be the case with the more limited housing supply potential in these areas under existing zoning and continuation of existing market trends. Under the proposed rezoning, there would be less demand pressure to convert existing rental housing stock to relatively affordable for-sale housing. Under these less constrained market conditions, there also would be more housing options for newcomers. Furthermore, existing residents who have to find new housing would have more options for remaining in these areas of San Francisco than they would without the additional supply of both market-rate and affordable units. As evidenced by existing conditions and trends in the local housing market, strong demand and constrained supply focus market pressure on the older, existing housing stock in centrally-located residential neighborhoods such as the Mission and Potrero Hill. Low and moderate income residents who are displaced as a result, as well as low and moderate income newcomers, bear the financial and social costs of the resultant increase in housing values and market prices and rents.

The proposed rezoning would result in less displacement than otherwise expected in the face of continued demand for housing in San Francisco.

The Mission, Potrero Hill, Central Waterfront, and South of Market neighborhoods are the neighborhoods that have experienced some of the most extreme increases in housing prices for existing for-sale housing and for rental housing. Displacement of long-term, lower-income residents as a result of gentrification has been a particular concern in the Mission. Overcrowding of multi-generational households including families with children and displacement of these and other types of existing households have been among the costs of high demand for housing from people who can afford to pay more for housing and are attracted to these close-in neighborhoods. By adding housing supply potential in these neighborhoods, the proposed Mixed-use Residential

districts would provide a relief valve reducing these housing market pressures. The result would be less displacement than otherwise expected.

The proposed rezoning would better define the character of residential development in the Eastern Neighborhoods.

Under existing zoning moderate amounts of incremental, opportunistic residential development in industrial districts would be expected to continue. More large-scale retail or office uses would be likely on the edges of existing residential neighborhoods where site conditions were advantageous.

By providing definition where none now exists, the proposed rezoning would guide more intensive residential development to locations where conditions were amenable to full-scale neighborhood development, with complementary convenient retail stores and personal services. Requirements to also construct new PDR space in Mixed-use districts and prohibitions on housing development in Employment and Business Development/PDR districts would discourage the type of incompatible residential development that has been the pattern throughout much of the Eastern Neighborhoods. Existing residential districts in the Mission, Showplace Square, Potrero Hill and Central Waterfront would be strengthened, with the intent to limit new supply to compatible infill.

While the proposed rezoning would introduce new residential neighborhoods in former industrial districts resulting in a significant land use change over time, the full complement of new zoning districts would likely result in stronger residential character and neighborhood commercial character for both new and existing residential areas than would otherwise be the case.

The additional population accommodated by new housing would provide support for more local-serving retail and personal services in the Eastern Neighborhoods.

This would mean more support for both existing and new neighborhood businesses. Property owners would benefit from higher occupancy of ground floor space. There would also be new local business opportunities. Proposed zoning regulations would limit the scale of new development to smaller floor area development types. There would be more local shopping and personal service options and potentially more convenient, affordable options for existing residents than is currently the case.

Programs to support locally-owned or operated businesses, businesses that contribute to the cultural character of the area, and organizations and businesses that serve the needs of lower-income households may be required as part of a complementary plan—outside of land use regulations—to manage neighborhood economic development without a loss in valued neighborhood character in these transitioning Eastern Neighborhoods.

By rationalizing the land use mix in the Eastern Neighborhoods, the proposed rezoning would change some of the very land use conditions that have made it possible to provide large amounts of affordable housing there.

Relatively lower land values and a rougher mix of land uses than found in most other parts of the City have made parts of the Eastern Neighborhoods conducive to the production of lower cost housing. Prime opportunities have included rehabilitating older buildings with small units and developing high-density new development in pioneering residential locations. A potential cost of the proposed more rational set of use districts would be reducing such opportunities, particularly the options for new development sites.

In some parts of the Eastern Neighborhoods, current area plan proposals would require that increases in housing development potential conferred by the rezoning be restricted to affordable housing or to housing for families and other large households. Other proposals would identify parcels in mixed-use residential areas for permanently affordable housing. These could be public parcels or parcels otherwise acquired to be held in trust for affordable housing development. Substantial housing programming and financial resources above and beyond land use regulation would be required to realize the benefits of such proposals for affordable housing.

Business Activity and Employment

The proposed rezoning would reduce the land supply for PDR uses in the Eastern Neighborhoods. This would result in eventual displacement of existing PDR business activity and employment from those areas proposed to be rezoned Mixed-Use Residential.

Some of the PDR businesses on land not proposed to be zoned for PDR are “adaptive” and would continue to operate as they have, while development patterns would be expected to change around them. Some of these businesses own their facility. Others are compatible with a mix of uses and are willing to pay to retain their current location because the nature of their operations makes alternatives less desirable. These businesses are willing to pay more because they can pass on the higher costs of a more valuable location to their customers.

Over time, however, most existing PDR businesses on land not zoned for PDR would be expected to leave these areas as the real estate market would favor residential, retail, and other higher-value uses in those areas. Some would find suitable locations elsewhere in the City; others would relocate outside San Francisco. Still others would go out of business. Under existing zoning, this has been the trend in these Eastern Neighborhoods. The extent of displacement would depend primarily on how sensitive the business was to moving and other relocation costs.

Over the long-term, the rezoning proposal offers the possibility of more location advantages for PDR activity in San Francisco and therefore more PDR business activity and jobs than would otherwise be the case if there were no rezoning.

The rezoning would also establish Employment and Business Development districts/PDR and Mixed-Use districts where PDR use would be a priority. In those districts, the controls on demolition of existing PDR buildings and the requirement to replace PDR space, combined with prohibitions on residential, large retail, and large office development, would raise the costs associated with non-PDR development (compared to other locations) and would result in more retention of existing space and more development of new space targeting PDR uses than would otherwise be the case.

The proposed Employment and Business Development/PDR districts and Mixed-Use/PDR districts in the Eastern Neighborhoods are preferred to continuation of existing conditions in which PDR land supply is not stabilized and *ad hoc* incursions of incompatible and higher-value uses gradually undermine the characteristics that make these locations suitable for clusters of PDR businesses, resulting in displacement and the disruption of networks necessary for remaining business to thrive.

Over the longer-term, much existing PDR activity in the Employment and Business Development/PDR and Mixed-Use/PDR districts would be expected to remain. Furthermore, as their function and location advantages were established under the proposed rezoning, there would be increases of PDR activity in these districts.

Under the proposed rezoning, the heart of the Northeast Mission Industrial Zone, the Central Waterfront south of 25th, and Inner and Outer Bayview would be formalized as San Francisco's PDR business districts. These districts, along with Western SoMa (depending on the outcome of the community planning process for that area), would become suitable locations for PDR businesses willing to relocate to remain in San Francisco, and they would become a location of choice for growing PDR business activity.

PDR businesses most likely to be displaced would be those not located on land to be zoned Employment and Business Development/PDR or Mixed-Use/PDR.

In any one sector such as manufacturing, wholesale trade, construction, repair, distribution, or transportation, the diversity of PDR activity in San Francisco includes businesses that cover a large tolerance range with respect to space and location preferences and sensitivity to space costs. Therefore, it is not possible to make definitive conclusions about displacement and particular sectors. Generally, however, high-value-added businesses (businesses that can charge a premium for their product or service, that customize their work to short product life-cycles) and businesses that have strong linkages to other sectors of the San Francisco economy, including

labor force needs, would be most likely to relocate within the City, either within these Eastern Neighborhoods or in other similar locations. Types of businesses most likely to relocate outside of San Francisco rather than take on higher costs of a San Francisco location include:

- ♦ Businesses that require large single-story warehouses or open yards,
- ♦ Businesses that produce or distribute commodity products or provide services that have numerous low-cost substitutes,
- ♦ Businesses that have relatively low transportation costs,
- ♦ Businesses for whom proximity to customers and suppliers is not as important as other aspects of operations,
- ♦ Businesses that are not reliant on short delivery lead times; and
- ♦ Businesses that serve a more regional market area.

There would be more local-serving business activity, employment, and job and business opportunities in the Eastern Neighborhoods under the proposed rezoning than otherwise expected.

Residential development of a certain critical mass would provide demand to support neighborhood retail, commercial, and personal services businesses in these neighborhoods. By contrast to a continuation of existing development trends, it is more likely with the proposed rezoning that non-residential development in the Eastern Neighborhoods would occur at a smaller-scale, as part of developing neighborhood commercial districts. Large-scale retail oriented to a broader regional market would not be permitted, and large-scale office uses would not be permitted. Under existing zoning, this type of development is not prohibited, and these uses would be expected to continue to develop in the Eastern Neighborhoods on larger, underutilized parcels.

The difference in the character and orientation of business opportunities and jobs in the Eastern Neighborhoods would likely result in more employment overall and a more diverse range of employment options in San Francisco. Many of the larger-scale uses prohibited in the Eastern Neighborhoods have other location options in the City.

As noted above, land use regulations are only a starting point for defining the orientation of economic activity. Business development programs and financial resources provided by public programs and non-profit agencies more than likely would be required to fully implement the intent of the rezoning for neighborhood economic development.

There are likely to be conflicts between the two goals of, on the one hand, providing appropriate land and buildings to accommodate PDR demand and, on the other hand, looking to these same use districts to provide location options for emerging industries targeted as part of an economic development strategy.

The Eastern Neighborhoods could be attractive locations for businesses that fall somewhere in the middle of a continuum between downtown office uses and production, distribution, and repair—businesses that often combine office and processing or production functions under one roof. Compared to traditional production, distribution, and repair businesses, these businesses are more likely to use high technology equipment and processes. Some of these businesses would fall within the PDR categories identified by the Planning Department. Others, particularly those more oriented to research and development, would not. The types of businesses identified by the Mayor's Office as key to future long-term economic development in San Francisco—biotechnology, digital media, and clean technology—are representative of those technological, knowledge-based sectors that pose some regulation questions for the proposed rezoning.

While some elements of the emerging industries may be appropriate for PDR land, others may have alternative location options and permitting them in Employment and Business Development/PDR districts or Mixed-Use/PDR districts would disrupt the particular character and threaten the traditional PDR activity that those districts are intended to accommodate.

New PDR space in the Eastern Neighborhoods might be just the type of incubator space that would jump-start a cluster of clean technology companies in San Francisco. New PDR space in the Eastern Neighborhoods might provide options for the small biotechnology start-ups that are not yet ready for Mission Bay's planned bioscience campus, where millions of square feet of research and development space are planned. Offering locations for smaller scale knowledge-based technology companies in new PDR space in the Eastern Neighborhoods would also provide a relief valve for the kind of demand pressure that displaced so many lower-rent-paying uses from existing space in these areas during the dot-com boom.

On the other hand, opening to technology companies districts that were established to provide a stable reserve of land and building space for PDR uses introduces the prospect of competition from higher-value uses, speculation, and displacement of PDR from those very districts. Land use definitions and regulations may not be adequate to distinguish businesses that would contribute to the incubator function of Employment and Business Development and Urban Mixed-use districts from those that have other location options and would undermine the particular intent of these districts.

Over the longer term, the stabilization of a PDR land supply would result in a more diverse economic base and potentially more job opportunities in a more diverse range of activities than otherwise expected without the rezoning.

Without rezoning, competition for land, incompatible land uses, and no regulation of demolition and displacement of PDR activity would result in an even less adequate supply of land and building space for PDR activities. With or without rezoning, there would be displacement of PDR businesses and some of those displaced businesses would relocate outside the City or go out of business.

This would mean some San Franciscans who have limited formal education or who are immigrants who do not speak English well would lose opportunities for local, higher wage jobs that offer good opportunities for advancement. Many of these people are existing residents of the Eastern Neighborhoods. Some workers would face a longer commute. San Francisco residents and businesses that rely on PDR services would experience longer delivery times or higher costs for PDR services. San Francisco residents and businesses would have fewer local options for PDR services and would either pay more for the local option or find an alternative provider elsewhere.

While these impacts of PDR job loss would be expected due to the proposed rezoning of industrial land for housing, the losses and resultant impacts would be similar under expected future conditions without rezoning. Furthermore, the proposed rezoning offers the prospect for stemming longer-term further decline attributable to inadequate space and competition from other uses. The proposed Employment and Business Development/PDR districts and Mixed-Use/PDR districts offer some land use certainty and guidance where it is now lacking. These land use regulatory tools could work in concert with interagency coordination and economic development efforts to broaden the base of job opportunities across a range of skill and experience levels in San Francisco, thereby resulting in better employment outcomes for more San Franciscans than would otherwise be the case.

NEEDS THAT PERSIST WITH OR WITHOUT THE PROPOSED REZONING

Housing Needs

San Francisco's role as a major employment center, tourist destination, and port-of-entry, as well as the City's physical appeal and reputation for stimulating and nurturing creative and non-traditional perspectives means high demand for housing and high prices and rents across all segments of the market. Because market-rate housing is in high demand and developers can be expected to bring supply to the market to meet this demand, the need is particularly great for affordable housing for moderate, low, and very-low income households. Given the costs of construction and development in San Francisco, new affordable housing requires substantial subsidy and is thus dependent on limited public funding, redevelopment, non-profit community-based housing providers, and initiatives such as San Francisco's Inclusionary Affordable Housing Program and Office Affordable Housing Production Program.

San Francisco's official estimates of housing need are provided by the Association of Bay Area Governments (ABAG) as required by state law. The needs are defined in terms of housing market factors: accommodating projected demand (due to both household growth and the need to turn commuters into residents) and increasing the vacancy rate to provide more choice and less upward pressure on prices and rents. To satisfy these needs, ABAG establishes goals for increases in annual housing production. ABAG estimates that annual production averaging about 2,700 units per year would meet needs associated with household growth and commuting. The City increases the production goal to 2,850 units per year to achieve a higher vacancy factor.

Increasing housing production is a large component of a strategy to address housing needs. It is partly accomplished by the planning to increase housing development potential in the Eastern Neighborhoods as evaluated in this report, but also requires changes to the approval and permitting processes.

Furthermore, a substantial component of the housing need is for affordable housing production. ABAG estimates that almost two-thirds of the production should be affordable to moderate-, low-, and very-low-income households. Meeting the needs for these segments of the market requires changing land use regulations **and** marshalling additional resources and implementation actions. In particular, substantial financial resources are required to bridge the gap between land and development costs and the resources that very low, low, and moderate income tenants or first-time buyers can be expected to pay for housing.

Table 1 shows how affordable housing production in San Francisco over the 1999 – 2005 period has tracked with the housing need goals set for the City for that period by ABAG and the

California Department of Housing and Community Development (HCD). As a consequence of relatively high rates of housing production in the City over this period, at the end of 2005, San Francisco was three-quarters of the way to meeting the *overall* housing production goal. Market-rate units account for almost two-thirds (65 percent) of total production—exceeding the target amount, and production of housing affordable to low and moderate income households is substantially below the target amount. The situation is better for very low income units. Allocation of public funds for affordable housing, development activity by non-profit housing developers, and other efforts and resources have enabled the City to achieve about 70 percent of the ABAG goal for meeting the housing needs of very low income households.

TABLE 1 HOUSING PRODUCTION TARGETS, 1999-June 2006 and ACTUAL PRODUCTION, 1999-2005 Including Acquisition and Rehabilitation of Existing Units as Permitted by HCD Guidelines					
Income Category	ABAG/HCD Regional Housing Needs Determination (RHND) Production Goals 1999-June 2006		Actual New Housing Production and Acquisition/Rehabilitation 1999 - 2005		
	No. of Units	% of Total	No. of Units	% of Actual Production	% of RHND Goal
Very Low (< 50% AMI)	5,244	25.7%	3,666	24.1%	69.9%
Low (50-79% AMI)	2,126	10.4%	1,097	7.2%	51.6%
Moderate (80-120% AMI)	5,639	27.7%	555	3.7%	9.8%
Market (over 120% AMI)	7,363	36.1%	9,870	65.0%	134.0%
TOTALS	20,372	100.0%	15,188	100.0%	74.6%
SOURCE: San Francisco Planning Department, <i>Housing Inventory</i> 2000, 2001-2004, 2005.					

In addition, there are special categories of people who have particular housing needs and are therefore especially vulnerable when demand for housing exceeds supply to the extent that it does in San Francisco. The City's *Housing Element* identifies 11 such special population groups and notes that many in these vulnerable populations fall into more than one group, i.e., many of the homeless are mentally ill, some elderly are physically disabled, some immigrants also have low incomes and large families. The special population groups of concern and their estimated need for permanent housing are presented below.

Population Group	Number and Type of Units Needed
Homeless	3,500 units in shelters, transitional housing, SROs, some small and large family units
Mentally ill	2000 beds in board and care and institutional facilities
Physically disabled	3,177 accessible units of all types
Elderly	1,500 studio and one bedroom units in senior housing projects
Low income minorities	Rehabilitation of existing units and housing subsidies and more larger units, generally
Families with children	4,000 units of two-or-more bedroom family housing
Low-income singles	Preservation of SRO housing stock; more housing supply generally
Students	1,000 dorm rooms or studios
New immigrants	Small and large family housing
Terminally ill patients	3,000 beds in board and care and institutional facilities
Artists	1,500 units of affordable live/work space
SOURCE: City and County of San Francisco, <i>Housing Element of the General Plan</i> , Adopted May 13, 2004.	

Some of the people who fall into these special needs groups live in the Eastern Neighborhoods. In particular, low income households, including many larger families, are concentrated in the Eastern Neighborhoods and these neighborhoods have a disproportionate share of crowded housing units. In the Mission and East SoMa, over 40 percent of the population are immigrants. Artists are also a notable element of housing demand in the Eastern Neighborhoods. These are the types of people and households most vulnerable to the housing market consequences of neighborhood change. Rezoning proposals affect the housing options for these groups, either directly through new housing construction or indirectly through housing market effects of changes in supply and demand. It is also true that making substantial progress to meeting many of these needs demands more than land use regulation.

Business and employment needs

San Francisco's *Commerce and Industry Element* sets forth goals for evaluating land use and other public policy directions that guide economic development. Economic vitality, social equity, and environmental quality are the three lenses offered. In establishing objectives for commerce and industry in the City, many of which the Element acknowledges are largely beyond the realm of local control—particularly land use control, the Element identifies several needs that have resonance for Eastern Neighborhoods planning:

- ♦ a diverse economic base,
- ♦ locations for business expansion and relocation,
- ♦ adequate land area to retain existing industries free from encroachment of incompatible land uses,

- ♦ expanded employment opportunities for city residents, particularly the unemployed and economically disadvantaged,
- ♦ employment stability, decent wages, and opportunities for advancement,
- ♦ job training and retraining to provide the skills needed in the labor market,
- ♦ assistance for arts activities, and
- ♦ relatively inexpensive space for “incubator” industries.

The Eastern Neighborhoods provide among the most important land resources in the City for nurturing new enterprises and for retaining those PDR business activities that have provided jobs at decent wages with opportunities for advancement for unskilled and semi-skilled workers. A large component of that workforce also lives in the Eastern Neighborhoods. Many live in households that are stretched thin financially, depending on multiple jobs and multiple wage-earners to meet expenses for housing, food, health care, and other necessities. These workers and households are among those most likely to benefit from efforts to retain PDR business activity in San Francisco. As is the case with housing needs, land use regulation is only one component of a comprehensive strategy to improve conditions for those businesses and workers most vulnerable to dislocation as a result of development trends and land conversion.

OTHER POLICY/PROGRAM/INVESTMENT OPTIONS TO MEET HOUSING AND EMPLOYMENT NEEDS AND TO IMPROVE PROSPECTS FOR PDR BUSINESS ACTIVITY AND THE JOB OPPORTUNITIES IT PROVIDES

Housing and neighborhood

- ◆ Require on-site affordable family units
- ◆ Identify sites for permanently affordable housing and provide financial resources to acquire and develop that housing
- ◆ Increase financial resources for subsidizing low and very low income housing in San Francisco
- ◆ Impose fees on new development to expand public facilities and services to meet the needs related to growth
- ◆ Allocate more public and non-profit resources to meet the persistent needs for low and very low income housing, including housing for the homeless and for others who have need of support services
- ◆ Target public/private investment in neighborhood services and facilities to existing residential districts in the Eastern Neighborhoods
- ◆ Require neighborhood improvements as part of new residential development projects

Business and employment

- ◆ Make land and affordable PDR building space part of the development plan for the Hunter's Point Shipyard
- ◆ Secure surplus Port backlands for long-term PDR use
- ◆ Retain PDR land and building supply in Western SoMa
- ◆ Develop recommendations through the Back Streets Advisory Board for methods of providing affordable PDR building space and other tools to support retention of important PDR business activity in San Francisco
- ◆ Work with the Mayor's Office of Economic and Workforce Development to resolve potential conflicts between economic development strategies and land use planning for the remaining industrial districts. Focus on defining activities in ways that can be regulated by the planning code and zoning ordinance.
- ◆ Identify resources for workforce development to focus on appropriate education and training for low-wage workers, the unemployed, and immigrants.
- ◆ Identify community-based-organizations to monitor neighborhood economic development trends and provide needed business support resources.

EXISTING CONDITIONS AND TRENDS—POPULATION, HOUSING, JOBS, LAND USE, AND DEVELOPMENT

This section describes the characteristics of the people living and working in the Eastern Neighborhoods and the types of businesses and economic activity located there. The Eastern Neighborhoods are described with reference to citywide patterns and any particular concentrations of population groups are identified.⁴ The section also presents information changes in neighborhood characteristics over time and on the real estate market and development trends in the planning area. Analysis identifies land use and development trends that the rezoning would shape, characteristics that are indicative of neighborhood transition, as well as populations and issues of concern for land use, housing, and economic development policy. This part of the socioeconomic analysis is concerned with documenting existing needs, primarily those related to housing options and employment opportunities.

Understanding the Eastern Neighborhoods in terms of these characteristics provides a guide for land use policy and for public facility and community service planning. This data can inform needs assessment for community facilities and services, for housing, and for workforce development and economic development planning. To better target facility planning and services, community planning efforts can sharpen the focus even further by identifying subareas within these neighborhood where particular population groups (such as youth, elderly, families with children, single-parent families, non-English-speakers, or immigrants) are concentrated.

Who lives in the Eastern Neighborhoods?

The Eastern Neighborhoods are home to about 70,000 people, just under 10 percent of the City's population (**Table 2**). Almost all of these people live in households; less than five percent are classified as "group quarters" population.⁵ The households and household population are not evenly distributed across the four Eastern Neighborhood planning areas (**Figure 1**). Households and population are concentrated in the Mission—home to 60 percent of the households and 70 percent of the household population in the four Eastern Neighborhoods. At the other end of the spectrum, less than two percent of the Eastern Neighborhoods households and population were

⁴ While the discussion highlights the differences and similarities among the four Eastern Neighborhoods, the large number of people living in the Mission relative to the other neighborhoods means that the characteristics of households and population in the Mission dominate planning area patterns and that the numbers of people or households of almost any type are larger in the Mission than in any of the other Eastern Neighborhoods. At the other end of the spectrum, a relatively small number of people live in the Central Waterfront; within that neighborhood, features that stand out because they are common to a high percentage of the neighborhood population represent only a small number of people in the context of the overall Eastern Neighborhoods population.

⁵ The U.S. Census Bureau classifies people living in such places as dormitories, group homes, shelters, nursing homes, and correctional facilities as group quarters population.

located in the Central Waterfront in 2000. Showplace Square/Potrero Hill and East SoMa each house 15 – 20 percent of the Eastern Neighborhoods population. Adjacent Western SoMa is home to a relatively small number of people compared to all of the other Eastern Neighborhoods except the Central Waterfront.

At just under three persons per household, the average household in the Mission is 30 percent larger than the average household in San Francisco (**Figure 2**). The average household is notably smaller in the Central Waterfront and in East SoMa, and just under the City average in the Showplace Square/Potrero Hill area.

TABLE 2
POPULATION IN THE EASTERN NEIGHBORHOODS AND IN SAN FRANCISCO
2000

	Central Waterfront	East SoMa	Mission	Showplace Square/ Potrero Hill	All Eastern Neighbor- hoods	Western SoMa	Total City	EN % of City
Population	907	9,516	48,458	11,518	70,399	5,318	776,733	9%
Household Population	814	8,511	47,274	11,245	67,844	3,524	756,976	9%
Households	463	4,899	15,812	5,242	26,416	1,689	329,700	8%
Persons per household	1.76	1.74	2.99	2.15	2.57	2.09	2.30	
Group Quarters Population	93	1,005	1,184	273	2,555	1,794	19,757	13%
Group quarters percentage of total population	10%	11%	2%	2%	4%	34%	3%	

NOTE: The estimates of population and households by neighborhood in this table are based on Census block data. This is the smallest unit at which Census data are available. The Planning Department provided the correspondence between Census block and neighborhood boundary. Census block data were not available at the time the land use forecast for the rezoning options (LUA 2002) was prepared. The year 2000 estimates for each neighborhood developed for the LUA 2002 were based on census tract allocations prepared by the Association of Bay Area Governments (ABAG) for *Projections 2002*, other census tract information, and the Planning Department's land use database. As a result of the difference in methods attributable to data availability, the estimates presented in the Appendix of this report elsewhere as the base year for the LUA 2002 differ from the estimates presented above, which represent a closer match to the boundaries of the neighborhoods defined for the rezoning.

SOURCE: U.S. Census Bureau, *Census 2000*

About 2,500 of the people living in the Eastern Neighborhoods, less than five percent of the planning area population, are classified as “group quarters” population. Even so, the Eastern Neighborhoods claim a somewhat disproportionate share of the city’s group quarters population—13 percent of the group quarters population, compared to nine percent of the total population. Most of the group quarters population lives in the Mission and East SoMa, with about equal numbers in each area; 83 percent of the total Eastern Neighborhoods group quarters population live in non-institutional settings such as rooming houses, group homes, shelters, and halfway houses in the Mission and East SoMa. Notably, the group quarters population in the

adjacent Western SoMa neighborhood (about one-third of the population in that neighborhood) includes inmates at San Francisco County jail facilities at the Hall of Justice and at 425 7th Street. Those inmates account for two-thirds or more of the Western SoMa group quarters population.⁶

Among the Eastern Neighborhoods, children are concentrated in the Mission and Showplace Square/Potrero Hill, while the older population is concentrated in the Mission and East SoMa.

Generally, the age distribution of the population in the Eastern Neighborhoods mirrors that of the City overall, although, in the Eastern Neighborhoods, a somewhat higher percentage of the population is under 18 years of age and a lower percentage of the population is elderly (**Figure 3**). Over 90 percent of the children under 18 are in the Mission and in Showplace Square/Potrero Hill. The other areas house very small numbers of children. The older population—people aged 65 and older—live mostly in the Mission and East SoMa. These areas combined house 85 percent of the older population of the Eastern Neighborhoods. Studying the variation in age distribution can inform assessment of needs for different types of public facilities and support services.

The Eastern Neighborhoods have a greater racial and ethnic mix than the City overall, and the mix varies among neighborhoods.

Only one-third of the Eastern Neighborhoods' population is white, and more than 40 percent of the population is Hispanic (**Figure 4**). The racial and ethnic mix varies quite a bit among the Eastern Neighborhoods. Almost 30 percent of the City's Latino residents live in the Eastern Neighborhoods, almost all (90 percent) of them live in the Mission—an established Latino cultural hub for San Francisco and the entire Bay Area. Central Waterfront and Showplace Square/Potrero Hill have the highest percentages of white residents—68 percent and 56 percent respectively, and of Black residents—13 percent and 15 percent respectively. Asian and Pacific Islanders are generally under-represented in the Eastern Neighborhoods, with the exception being East SoMa, where just under one-third of the population is Asian or Pacific Islander⁷—about the same as the citywide average. The racial and ethnic character of these Eastern Neighborhoods was fairly stable during the 1990s.

Concentrations of particular ethnic groups such as Latinos in the Mission and Filipinos in East SoMa provide a critical mass of support for such neighborhood services as ethnic groceries and

⁶ This estimate is based on capacities for the various San Francisco County Jail facilities as stated in *San Francisco Jails: An Investigative Visit*, A Report of the 2005-2006 Civil Grand Jury for the City and County of San Francisco (June 26, 2006). The high proportion of this inmate group quarters population skews the population characteristics for Western SoMa, so direct comparison to the characteristics of the population of the Eastern Neighborhoods is not attempted.

⁷ Almost all Asian and Pacific Islanders in East SoMa are Filipino.

eating places. Community-based-organizations that serve the needs of a non-English-speaking population can also provide services more efficiently by locating in neighborhoods where their service population is concentrated. These dependencies illustrate some of the potential costs of disrupting these community and cultural networks and the benefits of providing an environment that can sustain affordable housing options for immigrants.

As is the case citywide, a high percentage of the people living in the Eastern Neighborhoods were born outside the United States.

Nationally, San Francisco ranks as one of the top 10 cities in the number of foreign-born residents. Thirty-seven percent of the City's population was foreign-born in 2000. In the Eastern Neighborhoods overall, a somewhat higher percentage—closer to 40 percent of the total—was foreign-born (**Figure 5**). The profile varies among neighborhoods. In the Central Waterfront and Showplace Square/Potrero Hill, the foreign-born are a relatively small share of the total population; 15 – 20 percent of the population were not born in the U.S. On the other hand, in East SoMa and the Mission, 40 – 45 percent of the population is foreign-born.

The foreign-born in the Eastern Neighborhoods are less likely than the foreign-born elsewhere in the City to have attained citizenship status. One in eight foreign-born non-citizen residents of San Francisco lives in the Mission.

These (along with the related factors of ability to speak English and educational attainment, both of which are described below) are important characteristics of the local labor pool; they are part of the information needed to evaluate local employment options that fit the needs of local residents and to target workforce development efforts. Citywide, almost 60 percent of the foreign-born are citizens, while in the Eastern Neighborhoods, only 40 percent are citizens (**Figure 6**). Non-citizens are concentrated in the Mission, where 65 percent of the foreign-born are not citizens. In fact, the Mission is home to 13 percent of the City's foreign-born, non-citizen population, but only seven percent of all City residents live in the Mission. The next largest number of foreign-born in the Eastern Neighborhoods lives in East SoMa. There, the foreign-born are more likely to be citizens; the percentage that are citizens is the same as for the City overall.

The foreign-born population increased at almost twice the rate of citywide population growth during the 1990s. The increase in the foreign-born population accounts for three-quarters of the net change in population in San Francisco between 1990 and 2000. The changes have been less marked in the Eastern Neighborhoods, but the pattern varies by neighborhood (**Figure 7**). East SoMa saw the greatest percentage change, with a doubling of the foreign-born population between 1990 and 2000. By contrast, in the Mission, there was essentially no net change in the

foreign-born population. Both the Central Waterfront and Showplace Square/Potrero Hill experienced moderate increases in the foreign-born population.

A high percentage of the people living in the Eastern Neighborhoods do not speak English at home. One third of native Spanish-speakers who have difficulty speaking English live in the Mission.

Almost half (46 percent) of the population of San Francisco speaks a language other than English at home. The percentage is somewhat higher (52 percent) in the Eastern Neighborhoods, consistent with the higher proportion of foreign-born population (**Figure 8**). These patterns are quite a bit different from national averages, but similar to averages for California. Nationally, only 18 percent of the population speak a language other than English at home, and in California, 40 percent of the population do. Furthermore, nationally, 55 percent of non-English-speakers speak English very well, while the pattern is inverted in San Francisco: 55 percent of non-English-speakers speak English only well, not well, or not at all. This population—people who live in households where the primary language is not English and no person aged 14 or over speaks English at least “very well”—is defined by the U.S. Census Bureau as “linguistically isolated”.

Overall in the Eastern Neighborhoods, the propensity of the population to be linguistically isolated is about the same as it is citywide—55 percent of the non-English-speaking population and 30 percent of the total population. Although the Eastern Neighborhoods have proportionally more people who speak a language other than English at home, a sizeable number of those people (25 percent) speak English very well. Citywide, 21 percent of non-English-speakers speak English very well.

Again, as is the case with many of the other variables, the patterns vary considerably by neighborhood (**Figure 9**). Most non-English speakers live in the Mission and speak Spanish; 60 percent of the population of the Mission lives in households where English is not the primary language. While 40 percent of those people speak English very well, more than half—60 percent—do not. These people are a large share of the City’s linguistically isolated Spanish speakers. One-third of the neighborhood’s population qualifies as linguistically isolated. A substantial majority of the people living in the Central Waterfront and Showplace Square/Potrero Hill neighborhoods speak only English (85 percent and 67 percent, respectively), and linguistic isolation is relatively rare, at half or less of the citywide average rate. In East SoMa, almost 60 percent of the population speaks only English. Among non-English-speakers, Asian and Pacific Island languages predominate, but the rate of linguistic isolation is slightly lower than the citywide average of 25 percent.

During the 1990s, there was a small increase citywide in the percentage of the population that did not speak English at home, consistent with the increase in the foreign-born population. In the Eastern Neighborhoods overall, the percentage actually declined (**Figure 10**). Furthermore, the percentage of non-English-speakers who are linguistically isolated declined in the Eastern Neighborhoods overall (**Figure 11**). The pattern for the Eastern Neighborhoods is dominated by characteristics of the Mission where there was little net change in the foreign-born population, illustrating a link between English-speaking ability and stable neighborhood residence patterns.

The full spectrum of education levels is represented among adults living in the Eastern Neighborhoods, but a relatively large segment of the adult population has not graduated from high school.

Compared to the citywide average, a higher proportion of the Eastern Neighborhoods population 25 years and older does not have a high school diploma (**Figure 12**). Fully 25 percent of the adult population in the Eastern Neighborhoods has not attained this minimum education level. The percentage is highest in the Mission, where almost 30 percent do not have a high school diploma. In the other Eastern Neighborhoods, college degrees and higher levels of education are more common—approaching 50 and 60 percent of the population 25 years and older in Showplace Square/Potrero Hill and the Central Waterfront. Compared to the Mission, however, these areas have relatively small populations; more people with college degrees and graduate or professional degrees live in the Mission than in all of the other Eastern Neighborhoods combined.

During the 1990s, education levels rose across the board and the differences between the Eastern Neighborhoods and the rest of the City narrowed. In 1990, almost one-third of the Eastern Neighborhoods population 25 years and older did not have a high school diploma. Citywide, 22 percent did not. In the Eastern Neighborhoods, only about one-quarter of the adults had at least a college degree, compared to 35 percent citywide in 1990. In all neighborhoods, the number of adults achieving higher levels of education increased during the 1990s, while the number without a high school diploma stayed about the same.

As with other indicators of neighborhood change, this trend is explained by several factors: an increase in education levels within long-time resident households (the children of immigrants tend to achieve higher levels of education than their parents); residents of new housing have higher education levels on average than existing residents; and some newcomers who move into existing housing have higher education levels than former residents.

The mix of household types in the Eastern Neighborhoods is diverse and is remarkably similar to the overall mix of household types in the City.

There are just over 26,000 households in the Eastern Neighborhoods in 2000—eight percent of all households in San Francisco. Considering the Eastern Neighborhoods together, the proportion of single-person households (36 percent) is just slightly below the proportion of single-person households citywide (**Figure 13**). The pattern varies by neighborhood: half and more of the households in the Central Waterfront and East SoMa are single-person households, and the percentage is lower than the area-wide average in the Mission. The household composition in Western SoMa is very similar to that in East SoMa, although an even higher percentage of all households in Western SoMa are single-person households.

The variation in household types among neighborhoods is to some extent a function of the characteristics of the housing stock in each area. The concentration of SRO residential hotels, live/work units, loft housing, and new construction of smaller units South of Market explains much of the mix of household types in that area. Families and larger households occupy the larger units in flats, older apartment buildings, single-family houses, and public housing in the Mission and Potrero Hill areas. New live/work and loft housing began to predominate in the Central Waterfront in the late 1990s, attracting new residents and more smaller households.

As is the case citywide, families with children (both married-couple families and single-parent families) are the smallest household group in the Eastern Neighborhoods. Married-couple families with children represent 12 percent of Eastern Neighborhoods households—the same as the citywide average. These households are concentrated in the Mission and account for only a small share of households elsewhere in the Eastern Neighborhoods. Single-parent families with children are a smaller number of households in the Eastern Neighborhoods and citywide, but they are a disproportionate share of Eastern Neighborhoods households. Thirteen percent of the City's single-parent families live in the Eastern Neighborhoods, compared to eight percent of all households. These households are concentrated in the Mission and also make up a relatively large share of the households in the Showplace Square/Potrero Hill neighborhood (10 percent of all households in that neighborhood).

Families without children and other non-family households (two or more unrelated people living together) are well-represented in the Eastern Neighborhoods as they are citywide. They are well-represented across all of the Eastern Neighborhoods, ranging from 37 percent of all households in East SoMa to 47 percent of all households in Showplace Square/Potrero Hill.

The most notable change during the 1990s in the mix of household types in San Francisco has been the decline in the number and percentage of families with children. Citywide, the number of married-couple families and the number of single-parent families was lower in 2000 than in

1990. These same changes are reflected in the changing mix of households in the Eastern Neighborhoods.

Four of every five households in the Eastern Neighborhoods are renters.

Renter-occupied housing accounts for almost two-thirds of the City's occupied housing. This is the inverse of the national average, where two-thirds of the housing stock is owner-occupied. The high percentage of renters is typical of large cities; in New York, Los Angeles, Chicago, Dallas, and Houston, renters were a majority of households in 2000.

The proportion of renter-occupied housing is even higher in the Eastern Neighborhoods, where, in 2000, almost 80 percent of occupied units were rental units (**Figure 14**). The share varies by subarea, ranging from a high of almost 90 percent renter occupancy in East SoMa to 60 percent renter occupancy in the Central Waterfront and Showplace Square/Potrero Hill neighborhoods. As described in more detail below, the rental housing stock in the Eastern Neighborhoods houses many who are faced with high rents relative to household income: for almost 40 percent of renter households, rent requires more than 30 percent of household income.

There have been some notable changes in tenure as a result of housing development activity and trends in the City's housing market. Overall, there has been a small decline in the percentage of units that are renter-occupied in the Eastern Neighborhoods, while, citywide, between 1990 and 2000, there was no change in the proportion of the housing stock that was renter-occupied. In the Eastern Neighborhoods, the most notable changes were in the Central Waterfront and East SoMa, where most of the new units added appear to be owner-occupied units, resulting in a substantial decrease in the proportion of the local housing stock that is renter-occupied.

Existing housing does not adequately meet the needs of families and larger households.

The number of bedrooms in a housing unit is an indicator of whether or not housing is suitable for families and other types of larger households. San Francisco's housing stock is dense, particularly in the eastern parts of the City. So the City overall has a high proportion of units (46 percent) with no bedrooms or only one-bedroom (**Figure 15**). In the Eastern Neighborhoods, the share is substantially higher—fully 54 percent of all housing units have one bedroom or less. Most of these units are in the Mission, but 80 percent of the units in East SoMa fall in this category of small, non-family units. The relatively large proportion of units with no bedrooms in the Central Waterfront in 2000 (30 percent of the total inventory there) likely reflects the structural characteristics of the live/work units and loft-style housing added in the 1990s.

In all of the Eastern Neighborhoods except East SoMa the percentage of larger units—units having two or more bedrooms—is about the same as the citywide average distribution. Thirty

percent of units citywide were two-bedroom units in 2000, and the percentage of two-bedroom units ranges from 28 percent in the Mission to 43 percent in Showplace Square/Potrero Hill. Twenty-four percent of units citywide have three or more bedrooms, and the percentage ranges from 20 percent in the Mission to 26 percent in Showplace Square/Potrero Hill.

The Mission, claiming more than half of the Eastern Neighborhoods housing stock, shows the greatest mismatch between housing type and housing need. Overcrowding is greatest in the Mission, where the most families live and where the percentage of larger housing units (units with two or more bedrooms) is lowest. The City's *Housing Element* identifies large households, including multi-generational families, as a population group that should receive particular attention with respect to housing policy and housing services because the existing housing inventory does not provide well for their needs. The result is unacceptable levels of overcrowding.

Most households in the Eastern Neighborhoods are small, but a disproportionate share of the City's large households also live in the Eastern Neighborhoods—many in overcrowded housing units.

As noted above, there are marked differences in average household size among the Eastern Neighborhoods (**Table 1 and Figure 2**). Although the Eastern Neighborhoods have a substantial number of smaller households (overall 65 percent are one- and two-person households), there are also a relatively large number of households with four or more people (**Figure 16**). These households are concentrated in the Mission, where 20 percent of households have four or more people. The 1990s brought very little change in these patterns.

These large households translate to crowded housing units (**Figure 17**). In the Eastern Neighborhoods, 18 percent of households are classified as "crowded" (defined by the U.S. Census Bureau as more than one person per room). The citywide average is 12 percent. In the Eastern Neighborhoods, almost three quarters of these "crowded" households are "severely crowded" (defined as more than 1.5 persons per room). Fully 16 percent of the City's severely crowded households are found in the Eastern Neighborhoods. There are crowded households throughout the Eastern Neighborhoods, but the percentages are particularly high in the Mission, East SoMa, and Central Waterfront.

San Francisco's *Housing Element of the General Plan* identifies overcrowding as one of several "troublesome effects" of high housing costs in San Francisco and evidence of the need for more affordable housing. These households, most of which are renters, have a set of housing needs that are difficult to meet in San Francisco. Older housing stock in the Eastern Neighborhoods has provided housing options for large families or groups of individuals who need to share housing expenses. If housing market pressures and gentrification result in displacement for these

households, suitable housing substitutes are extremely limited. Among possible results are: even more over-crowding, having to find even more money to pay for housing thereby reducing resources for other household needs or requiring more hours worked to increase household income, relocating to a more affordable housing market, or, in some cases, homelessness.

Overcrowding (more than one person per room) increased citywide between 1990 and 2000, a result of the extreme housing market pressures at the end of the 1990s caused by the dot-com-fuelled surge in demand meeting limited increases in supply. In the City overall, the number of severely crowded units increased by one third between 1990 and 2000. The change was not as dramatic in the Eastern Neighborhoods where there was only a 16 percent increase in the number of severely overcrowded units. Almost all of that increase was measured in two neighborhoods—East SoMa and the Central Waterfront, where it is likely symptomatic of a mismatch between family/household size and the size of available affordable housing, as well as of the particular changes in the housing stock and housing market in those neighborhoods that accompanied the dot-com boom. (These changes in the housing stock are discussed in a subsequent section of the report.) Both East SoMa and the Central Waterfront were especially attractive to the dot-com workforce and to other new San Francisco residents pioneering in areas where new live/work and loft housing was constructed at a rapid pace in the late 1990s. The unique characteristics of live-work units (a mezzanine/loft instead of a separate bedroom) may also contribute to the “overcrowding” statistics.

Single-parent families as well as very large households that are renters in the Eastern Neighborhoods are particularly vulnerable to displacement.

Consistent with the predominance of rental housing stock in the City and in the Eastern Neighborhoods, all types of households are renters (**Figure 18**). Because renter households are more vulnerable to displacement, it is important to focus on who lives in rental housing in the Eastern Neighborhoods. Across all of the Eastern Neighborhoods, single-parent families are a disproportionate share of renters, meaning the percentage of single-parent families that are renters is substantially higher than the percentage of all households that are renters. In the Mission and East SoMa, 85 to 95 percent of single-parent families are renters. It is interesting to note that citywide, single-parent families are somewhat under-represented among renter households (**Figure 19**).

While a large share of renter households are single-person households (45 percent citywide and 37 percent in the Eastern Neighborhoods), there are also a large number of very large households that are renters, particularly in the Eastern Neighborhoods (**Figure 20**). One-quarter of the City’s renter households of six-or-more people live in the Eastern Neighborhoods. In East

SoMa, 96 percent of households of four or more people are renters; in the Mission, 83 percent of households with four or more people are renters.

Both of these types of households—single-parent families and large households—have housing needs that are not easily satisfied in San Francisco: lower cost housing and units with more than two bedrooms. The vulnerability and the needs of these existing residents of the Eastern Neighborhoods are important considerations for devising policies and priorities to guide neighborhood change, as well as for allocating other housing and community services resources.

The full spectrum of household incomes is represented in the Eastern Neighborhoods.

Lower income households are concentrated in the Mission and East SoMa.

Twelve percent of households in the Eastern Neighborhoods have incomes below \$10,000 per year; nine percent have incomes of \$150,000 or more (**Figure 21**). The Eastern Neighborhoods house a disproportionate number of lower income households, however, particularly East SoMa and the Mission. In those neighborhoods in 2000, median household income was 80 – 90 percent of the citywide median of \$55,200 in 1999 dollars (**Figure 22**).⁸ In Western SoMa, median household income was even lower—70% of the citywide median measured in the 2000 Census. With household incomes less than 80 percent of the citywide median, almost half of East SoMa and Mission households fall into the low income and very low income categories.⁹ A substantial percentage of Showplace Square/Potrero Hill households also fall into the lower income categories—particularly the very low income category. Overall, however, this neighborhood and the Central Waterfront do not show the same concentration of lower income households evident elsewhere in the Eastern Neighborhoods (**Figure 23**).

Income averages do not fully capture disparities in the income distribution. This can be measured by the ratio of lower income to higher income households within each neighborhood. For this analysis, the ends of the income distribution are defined as the household income categories that capture the bottom 25 percent and the top 25 percent of households in San Francisco. Thus, for San Francisco, the number of households having incomes less than \$25,000 is about equal to the number of households having incomes of \$100,000 or more; the ratio of low income to high income households is .94-to-one, indicating a rough balance between the two

⁸ The median measures the mid-point of a distribution—half of the households have incomes below the median and half have incomes above the median. This measure is more representative of the norm than an average measure that can be skewed by extremes at either end of the distribution.

⁹ The Department of Housing and Urban Development defines income categories for the purpose of determining eligibility for federal housing assistance. These categories are widely used to analyze housing affordability and eligibility for a variety of housing programs. “Very low income” households have incomes below 50 percent of area median income. “Low income” households have incomes from 50 – 80 percent of area median income. “Moderate income” households have incomes from 80 – 120 percent of area median income.

ends of the income distribution (**Figure 24**). A lower ratio indicates the predominance of high income households, and a higher ratio indicates the predominance of low income households.

For the Eastern Neighborhoods overall, the ratio of 1.28-to-1 indicates generally a higher incidence of low income households, compared to the rest of the City. The ratios vary dramatically at the level of the individual neighborhoods, however. The Mission and East SoMa have ratios of 1.7-to-1 and 1.5-to-1, respectively, indicative of substantially more low income than high income households. Almost 90 percent of the low income households in the Eastern Neighborhoods live in the Mission and East SoMa. By contrast, the ratios are substantially lower than one in the Showplace Square/Potrero Hill (.6-to-1) and the Central Waterfront (.35-to-1). In these neighborhoods, high income households outnumber low income households by almost two to one. With a ratio of 2.3-to-one, the pattern is reversed in Western SoMa, where the lowest income households outnumber the highest income households by more than two to one.

The poverty rate in the Eastern Neighborhoods is substantially higher than the poverty rate for the city as a whole.

Poverty statistics describing the population in the Eastern Neighborhoods are consistent with the findings about household income in the Eastern Neighborhoods. In the Eastern Neighborhoods, 17 percent of the population lives in poverty, according to federal poverty definitions; the rate is 11 percent for San Francisco overall (**Figure 25**).¹⁰ This includes people living alone or with other unrelated individuals, as well as families of all types, e.g., two or more adults with children or one adult with one or more children. Only in the Central Waterfront (with a relatively small population) is the poverty rate (at six percent) less than the citywide average of 11 percent. In East SoMa, the poverty rate (21 percent) is almost twice the city average.

Across all age groups, the Eastern Neighborhoods house a disproportionate share of the city's poor. The concentration is most marked for children. While the Eastern Neighborhoods house 10 percent of the City's population of children (those under 18 years of age), these neighborhoods house twice that proportion of children in poverty (19 percent of the city total).

¹⁰ Poverty status is measured for all people except those in institutions, college dormitories, military group quarters, and unrelated individuals under age 15. The Census Bureau uses a set of money income thresholds that vary by family size and composition to determine who is in poverty. Unrelated individuals living alone or in a household with others are treated as single-person families. The thresholds were originally defined in the 1960s, based on evaluation of food budgets and what portion of income families spent on food. If family (or individual) total income is less than the threshold, then that family and every individual in it is considered in poverty. The official poverty thresholds do not vary geographically so they are not sensitive to regional or local variations in the cost of living, but they are updated using the Consumer Price Index for national changes in the cost of living. The official poverty definition uses money income before taxes and does not include capital gains or non-cash benefits (such as public housing, Medicaid, and food stamps).

<http://www.census.gov/hhes/www/poverty/povdef.html> - 2

Three-quarters of that population of poor children live in the Mission. In the Central Waterfront and Showplace Square/Potrero Hill neighborhoods, children are a higher share of the people in poverty than is the case citywide and higher than would be expected based on the age distribution of the population in those neighborhoods (**Figure 26**). In East SoMa, the population in poverty mirrors more closely the age distribution of the population—relatively few children and proportionally more working age and elderly people. Among the Eastern Neighborhoods, East SoMa has the highest proportion of elderly people living in poverty.

The *Housing Element of the General Plan* identifies the needs of these types of existing residents of the Eastern Neighborhoods, in particular poor families and poor elderly, as requiring particular attention. Poor families are likely to live in overcrowded conditions; poor families and the elderly have the least resources to fall back on when faced with unexpected eviction or displacement. Homeless families are a growing segment of the City's homeless population.

Citywide, the number of people in poverty and the poverty rate declined during the 1990s, and this was also the case in most of the Eastern Neighborhoods (**Figure 25**). The overall trend likely is the result of a number of different factors: real income growth for some households, households leaving the City have lower per capita incomes than those who remain, and households moving into the City have higher per capita incomes than the existing average. In the Eastern Neighborhoods, increases in economic opportunities and wages in some sectors that employ people living in these areas, new housing development marketed to higher income households, combined with housing turnover following from strong demand for the existing housing stock all contributed to neighborhood changes reflected in the decline in the poverty rate. (The poverty rate also declined nationally during the 1990s. On the other hand, California was one of ten states plus the District of Columbia where the poverty rate increased during the 1990s.)

Among the Eastern Neighborhoods, only in East SoMa did the number of people in poverty and the rate of poverty increase during the 1990s. In this neighborhood, several large housing projects in the Rincon Point-South Beach redevelopment project area were completed and occupied in the early 1990s. Two projects are entirely for low-income residents, and the others have significant numbers of units for low income households.

Renter households bear a higher housing cost burden than do owners.

Overall, about 35 percent of households in the Eastern Neighborhoods face housing costs that claim a burdensome percentage of their household income. According to the U.S. Census and the Department of Housing and Urban Development (HUD), a household is considered financially burdened by housing costs if those costs equal or exceed 30 percent of household income. Housing cost burdens in San Francisco are particularly high for lower-income

newcomers and new households, such as immigrants, young entry-level workers, artists, and students, as well as for existing residents who become unemployed or find themselves in the housing market not by choice but because they are displaced from their household and former housing unit.

The pattern of housing cost burden for renters in the Eastern Neighborhoods mirrors the pattern for San Francisco as a whole (**Figure 27**). In almost two out of every five renter households (about 40 percent of renter households), rent is greater than 30 percent of household income, and for a high percentage of these financially-burdened households, rent is 50 percent or more of household income. These households are classified as “severely rent-burdened” by HUD and housing program planners and managers. Among Eastern Neighborhoods, the highest percentages of financially-burdened households are in East SoMa, and the percentage is equally high in Western SoMa. On the other hand, in the Mission and Showplace Square/Potrero Hill neighborhoods, higher than average shares of households devote 30 percent or less of household income to rent.

These financial burden patterns for renters reflect to some extent the residential mobility and housing turnover described below. Because of rent control, longer-term tenure in a housing unit—as evidenced for a substantial percentage of Mission and Showplace Square/Potrero Hill households—translates to more affordable rent levels with respect to household income. At the same time, in San Francisco’s housing market many such long-term tenants face substantial increases in housing cost burdens if they are displaced from their rent controlled unit.

The pattern can also be evidence of income disparity within these neighborhoods, where rent levels may be relatively affordable for higher income households while, at the same time, a high percentage of households have lower incomes and high rent burdens. “Overwhelming rent burdens” are cited in the *Housing Element of the General Plan* among the evidence of need for affordable housing production in San Francisco.

Owner households are more likely to be older, have higher incomes, and be more stable. As a result, a lower percentage of these households are financially burdened by their housing costs. In 2000, in the Eastern Neighborhoods and in San Francisco as a whole, the costs of ownership equaled or exceeded 30 percent of household income for 30 percent of owner households (**Figure 28**). The comparable percentage for renter households was 37 percent. As with renter households, the highest burdens were in the neighborhoods with new housing stock and a high percentage of recent movers—East SoMa and the Central Waterfront. Because the inventory of owner-occupied housing is not large in these neighborhoods—accounting for less than five percent of all occupied housing units in the Eastern Neighborhoods, these burdens affect a relatively small number and percentage of area households.

The Eastern Neighborhoods and the City overall are home to many households that have moved recently.

In 2000, one in five households had moved in the 15 months preceding the Census enumeration, i.e., between January 1999 and April 2000 (**Figure 29**)¹¹. Reflecting the substantial additions to the housing stock in parts of the Eastern Neighborhoods during the 1990s as well as turnover of residents in the existing housing stock attributable to strong housing demand, there were proportionally more households that had moved within the previous five years in those neighborhoods than in the rest of the City; in 2000, over half of households (57 percent) had moved in the last five years. In 2000 for the rest of the City, less than 50 percent of households had moved within the preceding five years. As a corollary, households in the Eastern Neighborhoods were less likely to be long-term residents. Citywide, one-third of households had lived in their home more than 10 years. In the Eastern Neighborhoods overall, the percentage was 24 percent long-term residents in 2000.

In neighboring Western SoMa, there is evidence of even more moving and turnover of households. Almost three-quarters (72 percent) of Western SoMa households had moved within the last five years at the time of the 2000 Census. Only 15 percent of Western SoMa households had not moved in more than 10 years.

Residential mobility during the 1990s tracks changes to the housing stock. Where there were increases to the housing stock, the proportion of movers is high. Households were more stable in neighborhoods that have larger amounts of older units and where new housing is not as large a part of the inventory. For example, more than one-third of the households in the East SoMa and Central Waterfront neighborhoods were new to their housing unit between January 1999 and April 2000. In the Mission and Showplace Square/Potrero Hill neighborhoods, the proportion of recent movers was less than or equal to the citywide average. In those neighborhoods, almost 30 percent of the households had lived in the same housing unit for at least 10 years, just under the citywide average. In the East SoMa and Central Waterfront neighborhoods, only 10 – 15 percent of households had been in the same housing unit for more than one decade.

What are the characteristics of the housing stock in the Eastern Neighborhoods and how has the housing inventory changed over time?**Through the first part of 2000, new residential development was concentrated in selected locations in the Eastern Neighborhoods.**

The recent rapid pace of change in the housing inventory in parts of the Eastern Neighborhoods is evident in Census data classifying housing units according to when they were built (**Figure**

¹¹ This discussion is limited to length of residency in a particular housing unit. Movers include households that may be long-term residents of a neighborhood but have moved recently to a new housing unit.

30). In the 15 months preceding April 2000, the Census counted 1,700 newly constructed units in San Francisco. Almost one-third were in the Eastern Neighborhoods, and the large majority of those were in East SoMa. In 2000, in East SoMa, almost 40 percent of the housing stock had been built in the preceding 10 years and almost 60 percent was new since 1980. The other area showing major change in housing inventory in the last decade was the Central Waterfront, where 20 percent of the housing stock (one in five units) was built in the 1990s.

The housing inventory is considerably larger in both the Mission and Showplace Square/Potrero Hill neighborhoods, and more than half of the units in those neighborhoods are old—dating from before 1940. Although there were additions to the housing stock during the 1990s, new housing shows as a relatively small percentage (less than 10 percent) of the total in these Eastern Neighborhoods. As indicated above, however, new development has been concentrated in subareas of these neighborhoods, resulting in substantial localized change in land use and neighborhood character, and introducing a new housing market orientation to these areas.

The existing housing inventory in the Eastern Neighborhoods includes important affordable housing resources.

At the end of 2004, there were almost 30,000 housing units in the Eastern Neighborhoods—eight percent of the total housing stock in San Francisco (**Table 2**). Over half (55 percent) of those units were in the Mission (16,700 units), and most of the rest were split about evenly between East SoMa (6,700 units) and Showplace Square/Potrero Hill (5,700 units). There were only about 740 housing units in the Central Waterfront at the end of 2004. There were about 2,500 housing units in Western SoMa in 2004—less than one percent of the City’s housing stock.

The count of housing units in **Table 3** includes government-subsidized affordable housing. There are about 2,000 units of this primarily rental housing stock in the Eastern Neighborhoods, just over 10 percent of the citywide inventory (**Figure 31**). Many of these developments are for families; some developments are limited to seniors and or disabled residents. In the Eastern Neighborhoods, most of this housing is in East SoMa and the Mission. Examples of larger projects include Steamboat Point and Delancey Street in the Rincon Point/South Beach Redevelopment Project Area in East SoMa; Mendelsohn House, San Lorenzo House, and the Knox Hotel on Sixth Street elsewhere in East SoMa; Bernal Dwellings, Bethany Center, and Plaza del Sol in the Mission; and Potrero Terrace on Potrero Hill.

These affordable housing units represent a relatively large share of the housing inventory in East SoMa, where they are 11 percent of the count of official housing units. In neighboring Western SoMa, affordable housing units are an even larger share of the total, accounting for 14 percent of all units in the area.

TABLE 3
HOUSING INVENTORY IN THE EASTERN NEIGHBORHOODS AND IN SAN FRANCISCO
2004

	Central Waterfront	East SoMa	Mission	Showplace Square/ Potrero Hill	All Eastern Neighborhoods	Western SoMa	Total City
Total Housing Units ¹	739	6,703	16,683	5,742	29,867	2,475	356,494
Percent of City Total	0.2%	1.9%	4.7%	1.6%	8.4%	0.7%	100.0%
Percent of Eastern Neighborhoods	2%	22%	56%	19%	100%		
Affordable Housing ²	-	752	940	238	1,930	349	18,426
Percent of City Total	-	4.1%	5.1%	1.3%	10.5%	1.9%	100.0%
Percent of Eastern Neighborhoods	-	39%	49%	12%	100%		
Percent of Total Units by Area	-	11%	6%	4%	6%	14%	5%
Residential Hotel Units ³	49	1,628	1,735	16	3,428	99	20,015
Percent of City Total	0.2%	8.1%	8.7%	0.1%	17.1%	0.5%	100.0%
Percent of Eastern Neighborhoods	1%	47%	51%	1%	100%		

¹ The estimates of total housing units by neighborhood in this table start with Census block data for 2000. This is the smallest unit at which Census data are available. The Planning Department provided the correspondence between Census block and neighborhood boundary. Census block data were not available at the time the land use forecast for the rezoning options (LUA 2002) was prepared. The year 2000 estimates for each neighborhood developed for the LUA 2002 were based on census tract allocations prepared by the Association of Bay Area Governments (ABAG) for *Projections 2002*, other census tract information, and the Planning Department's land use database. This estimates for 2004 presented in this table add housing unit changes by neighborhood to the 2000 block-level data for each neighborhood. As a result of the difference in methods attributable to data availability, the estimates presented elsewhere as the base year for the LUA 2002 may not appear consistent with the estimates presented above, which represent a closer match to the boundaries of the neighborhoods defined for the rezoning.

² This count of affordable housing was compiled by the Planning Department based on lists provided by the San Francisco Redevelopment Agency and the San Francisco Housing Authority. The units counted are primarily subsidized rental housing for very low income tenants (households that have incomes less than 50 percent of the area median income). This unit count does not include other types of affordable housing such as below-market-rate units in market-rate housing development (sometimes referred to as "inclusionary units" because they are required as a result of San Francisco's Inclusionary Affordable Housing policy).

³ Residential hotel units are shown separately in the table because they are an important part of the housing stock in the Eastern Neighborhoods.

SOURCE: U.S. Census Bureau, *Census 2000* and San Francisco Planning Department.

This count of government-subsidized housing is not the complete picture of affordable housing resources in the Eastern Neighborhoods. Inclusionary housing units produced as a result of City policy requiring that below-market-rate housing also be produced as a condition of approval for larger market-rate housing projects are not counted in these estimates. Many of the City's resources for increasing the supply of permanently affordable housing have been applied in the Eastern Neighborhoods in recent years; this includes funding for non-profit organizations to acquire and rehabilitate buildings thereby increasing and improving the affordable housing

supply. (The residential hotels discussed below have benefited from a substantial portion of these resources.) Furthermore, historical development patterns, older building stock, and relatively lower land values have also enabled parts of these neighborhoods to retain a supply of lower-rent existing housing that remains a relatively affordable housing option for working class people, although statistics on over-crowding and rent burdens illustrate the lengths to which households must go to maintain even these options.

Residential hotels contribute to the inventory of affordable housing.

Units in residential hotels are also an important part of the affordable housing stock in San Francisco, particularly in the Eastern Neighborhoods. There are over 3,400 units in 87 residential hotel buildings in the Eastern Neighborhoods, however, and these units represent just over 10 percent to the overall housing supply (**Table 3 and Figure 31**). The number of units is split about evenly between East SoMa and the Mission. In East SoMa, residential hotel units are almost 25 percent of the total housing supply.

Some residential hotels are operated by non-profit organizations that have rehabilitated the buildings and operate them as permanently affordable housing. In the Eastern Neighborhoods, almost one-third of the residential hotel units are run by non-profits; citywide, only 20 percent are. Non-profit operators are equally active in the Mission and in East SoMa (**Figure 32**).

Much of the new housing added in the City has been added in the Eastern Neighborhoods and in adjacent areas.

The *San Francisco Housing Inventory* (July 2005) describes the characteristics of the existing housing stock and trends in housing construction in San Francisco (**Figure 33 and Figure 34**). Over the 15-year period from 1985 through 1999, about 20,000 housing units were built in San Francisco. The net change in units, after accounting for demolitions and alterations, was 18,111 for the period. The average annual rate of net new production was about 1,200 units per year. More recently, the pace of housing production has increased significantly, averaging almost 2,000 units per year over the five year period 2000 to 2004, when over 10,000 units were completed. The proportion of units lost due to demolitions has declined, and there has been an increase in the net gain due to alterations.

There have been substantial recent changes in the housing stock in the Eastern Neighborhoods. These changes and the longer-term trends they represent are a critical part of the impetus for the proposed Eastern Neighborhoods rezoning. Increases in the housing supply and housing development proposals in areas zoned for industry combined with market-induced changes in the character of older residential neighborhoods prompted community and political interest in

updating land use policy and zoning controls to better address these development pressures and associated community planning issues.

From April 2000 – 2004, over 2,400 new units were constructed in the Eastern Neighborhoods, almost one-quarter of the total housing construction in the City during this time period (**Table 4 and Figure 35**). After accounting for demolition, there was a net increase of over 2,000 housing units in the Eastern Neighborhoods, 20 percent of the net increase in housing citywide.¹² Most of the changes in the housing stock (fully 60 percent of the net change) occurred in East SoMa. The development activity in that neighborhood has resulted in a 24 percent increase in the East SoMa housing inventory. Although only about 250 units were added in the Central Waterfront during this time period, the increase is large relative to the small base of existing housing stock. New units added since April 2000 have increased the Central Waterfront housing inventory by over 50 percent. Conversely, the percentage changes are small in the Mission and Showplace Square/Potrero Hill neighborhoods, where the base existing inventories are considerably larger (**Figure 36**).

In Western SoMa, there were also substantial additions to the housing inventory between 2000 and 2004—a net addition of about 660 units, representing a seven percent increase in the inventory. The magnitude of the change was not as great as in the Eastern Neighborhoods, however. Notably, in Western SoMa, many of the additions were the result of alterations of existing buildings. In Western SoMa, a large percentage of the increase in housing is attributable to affordable housing development, such as Soma Studios and Family Apartments with 162 units (new construction) of very-low-income rental units at 8th and Howard.

¹² HOPE VI replacement housing projects in the Mission have a disproportionate influence on the changes in the housing stock in that subarea during this time period. At the beginning of the time period, the new units constructed include the 160-unit New Bernal Dwellings replacement housing. At the end of the time period, the Valencia Gardens demolition occurred, accounting for 70 percent of total units demolished in the Eastern Neighborhoods during this time period. These units are being replaced with 260 units in flats and townhouses, but that new construction was not complete when this inventory was prepared so the replacement units are not counted in these housing stock changes.

TABLE 4
HOUSING PRODUCTION TRENDS
2000 – 2004

Changes to the Housing Stock	Eastern Neighborhoods				Total	Western SoMa	Total City
	Central Waterfront	East SoMa	Mission ¹	Showplace Square/Potrero Hill			
New Units Constructed	256	1,305	558	293	2,412	484	10,248
Units Demolished ²	(1)	(37)	(291)	(17)	(346)	(10)	(874)
Net Units Gained or (Lost) by Alteration	(1)	10	23	-	32	187	593
Total Net Change	254	1,278	290	276	2,098	661	9,967
	Percent of Eastern Neighborhood Total				Eastern Neighborhoods as % of City Total	Western SoMa as % of City Total	
New Units Constructed	10.6%	54.1%	23.1%	12.1%	23.5%	4.7%	
Units Demolished ²	0.3%	10.7%	84.1%	4.9%	39.6%	1.1%	
Net Units Gained or (Lost) by Alteration	-3.1%	31.3%	71.9%	0.0%	5.4%	31.5%	
Total Net Change	12.1%	60.9%	13.8%	13.2%	21.0%	6.6%	

¹ The 160-unit New Bernal Dwellings low-income rental replacement housing in the Mission was completed in 2002 and the 246-unit Valencia Gardens in the Mission was demolished in 2004. The Valencia Gardens replacement housing (not completed at the time of this inventory so not included in the count of units constructed) includes 260 units in flats and townhouses.

² The demolition of the Valencia Gardens units without counting the replacement units means that the net change in units during this time period is not representative of prevailing conditions.

SOURCE: San Francisco Planning Department

Live/work housing has transformed many scattered parcels and some entire blocks in each of the Eastern Neighborhoods.

Live/work units have been part of the increase in the City's housing supply since the late 1980s. A total of about 4,500 live/work units in 290 buildings have been added to the housing stock from 1987 through June 2005, as shown in **Table 5**, accounting for almost one in five units added to the San Francisco housing inventory over this time period.

Almost all of that development activity has happened in the Eastern Neighborhoods—63 percent in the Eastern Neighborhoods covered by the proposed rezoning and another 27 percent in Western South of Market (**Figure 37**). The large South of Market area (East and West combined) has undergone the most absolute change as a result of live/work development, accommodating more than half of total development activity, or 2,400 housing units. The

Central Waterfront, Mission, and Showplace Square/Potrero Hill areas have each accommodated 500 – 600 live/work units over this period.

Live/work development activity has resulted in the most substantial change in the housing inventory in relative terms in the Central Waterfront. In that neighborhood, live/work units now represent about two-thirds of the housing stock. Since about 1990, live/work development has more than doubled the housing inventory in the Central Waterfront.

TABLE 5 LIVE/WORK COMPLETED 1987- JUNE 2005				
	No. of Structures	No. of Units	% of Total Structures	% of Total Units
Eastern Neighborhoods	163	2,832	56.4%	63.2%
Central Waterfront	29	495	10.0%	11.0%
East SoMa	69	1,135	23.9%	25.3%
Mission	36	612	12.5%	13.7%
Showplace Square/Potrero Hill	29	590	10.0%	13.2%
Rest of the City	126	1,651	43.6%	36.8%
Western SoMa	92	1,243	31.8%	27.7%
TOTAL	289	4,483	100.0%	100.0%
Source: San Francisco Planning Department				

The Planning Code provisions allowing live/work housing were originally intended to provide affordable, safe housing and studio space for artists and artisans. Most of the first official live/work units were conversions of former industrial buildings and warehouses where high ceilings, flexible space, sweat equity, and minimal improvements combined to satisfy the needs of artists willing to live in relatively unfinished and unconventional conditions.

Subsequently, builders, tapping the strong demand for ownership housing in San Francisco, translated these industrial loft conversions to new construction that was initially classified by the Planning and Building Codes as commercial space. Development of live/work and loft housing became increasingly popular and profitable in the 1990s. The surge in new live/work units produced housing that was not affordable to working artists or to most San Franciscans. Furthermore, the new residential uses were for the most part incompatible with nearby existing uses—primarily businesses engaged in production, distribution, and repair.

The disruption of traditional land use patterns prompted the interim controls in 1999 that created Industrial Protection Zones and separate Mixed Use Districts where housing and associated residential neighborhood planning would be encouraged. Those interim controls—established

with some variations as area policies by resolutions in 2001 and 2004—were the genesis of the rezoning proposals currently under development for the Eastern Neighborhoods.

The scale and density of recent housing development activity stands in stark contrast to the residential building types that historically characterized the Eastern Neighborhoods.

Until about 20 years ago, the older residential neighborhoods of the Mission and Potrero Hill and the residential enclaves South of Market and in the Central Waterfront (Dogpatch) defined the characteristics of the housing supply in the Eastern Neighborhoods. As late as 2000, 60 percent of Eastern Neighborhoods' housing units were in buildings of less than 10 units, and more than half of those were in two-to-four unit buildings. By contrast, about 80 percent of the recent increase in housing in the Eastern Neighborhoods has been in buildings of 20 units or more (Figure 38).

A closer look at the changes by neighborhood shows that the larger scale new construction was the predominant characteristics of new development activity in East SoMa and the Central Waterfront (Figure 39). Three-quarters of the new housing units added recently were added in East SoMa—mostly in large high-rise and mid-rise development projects. In East SoMa, five projects of greater than 100 units each account for a total of over 950 units—60 percent of the net increase in housing in this area between 2000 and 2004. In the Central Waterfront, the great majority of new housing has been in projects of 20 – 50 units each, representing a major change in density and intensity of residential development.

Smaller scale development (including live/work development) occurred throughout the Eastern Neighborhoods. These projects have been concentrated in the Mission and Showplace Square/Potrero Hill, however. Smaller projects of less than 20 units account for two-thirds of the increase in housing in these neighborhoods.

Live/work development activity has averaged about 15 units per building and is included in these summaries of recent changes in the housing stock. As noted above, on a relative basis, live/work construction has made the most difference to the Central Waterfront housing inventory. In the other neighborhoods, although live/work development has not represented such a large addition to the housing inventory in the aggregate, the concentration of live/work development in a few locations (areas of industrial or mixed commercial zoning) and, alternatively, the opportunistic appearance of projects on available sites, have added new important new elements to the housing market and to neighborhood character. In these areas, the result has often represented a considerable change not only in land use, but also in the size and scale of prevailing development, and in the market orientation of the housing stock.

The characteristics of the vacant housing stock offer insights into the place of the Eastern Neighborhoods in the City's housing market.

Data from 2000 provide an interesting snapshot of those vacant units (**Table 6**). In 2000, although there were almost 17,000 units classified as vacant in San Francisco, only 6,500 of them were available for sale or for rent, and most of those were for rent. The vacancy rate was extremely low: the citywide vacancy rate for rental housing was three percent and the vacancy rate for for-sale housing was one percent. In the Eastern Neighborhoods, the rental market was somewhat tighter, with a two percent vacancy rate, while there was a bit more room in the for-sale market, with a three percent vacancy rate. Vacancy rates were higher in the Eastern Neighborhoods because of the recent additions to the housing supply in those areas—particularly in East SoMa. In 2000, almost one-in-five vacant, available, for-sale housing units in San Francisco were in the Eastern Neighborhoods, and most of those (60 percent) were in East SoMa.

TABLE 6
PROFILE OF VACANT HOUSING UNITS
2000

	Central Waterfront	East SoMa	Mission	Showplace Sq./Potrero Hill	All Eastern Neighborhoods	Western SoMa	San Francisco	EN share of City Total
Total Vacant Housing Units								
For rent	6	203	222	44	475	49	5,594	8%
For sale only	3	96	46	22	167	5	910	18%
Rented or sold, not occupied	4	21	59	29	113	6	1,419	8%
For seasonal, recreational, or occasional use	5	108	52	28	193	12	3,762	5%
For migrant workers	-	32	2	-	34	-	79	43%
Other vacant	4	66	200	101	371	53	5,063	7%
Total	22	526	581	224	1,353	125	16,827	8%
Rental Housing Vacancy Rate	2%	5%	2%	1%	2%	4%	3%	
For-Sale Housing Vacancy Rate	2%	13%	2%	1%	3%	1%	1%	
Percent Distribution by Category of Vacancy by Neighborhood								
For rent	27%	39%	38%	20%	35%	39%	33%	
For sale only	14%	18%	8%	10%	12%	4%	5%	
Rented or sold, not occupied	18%	4%	10%	13%	8%	5%	8%	
For seasonal, recreational, or occasional use	23%	21%	9%	13%	14%	10%	22%	
For migrant workers	0%	6%	0%	0%	3%	0%	0%	
Other vacant	18%	13%	34%	45%	27%	42%	30%	
Total	100%	100%	100%	100%	100%	100%	100%	

SOURCE: U.S. Census Bureau, *Census 2000*

Of other units classified as vacant, eight percent both citywide and in the Eastern Neighborhoods were units that were rented or sold but not yet occupied. Among the Eastern Neighborhoods, there were higher than average shares in this category in the Mission, Showplace Square/Potrero

Hill, and Central Waterfront. This is indicative of on-going housing turnover and an active housing market.

Citywide, over 20 percent of vacant units are held by their owners for seasonal, recreational, or occasional use. This includes time-share units, second homes for people with another primary residence, pied-à-terres, and corporate apartments held by businesses for employee and business travel use. In the Eastern Neighborhoods, generally, a smaller percentage of vacant units falls into this category; most of these units in San Francisco are located in and around the downtown area. Nevertheless, occasional vacant units are more than 20 percent of all vacant units in the Central Waterfront and East SoMa. Anecdotal information on more recent additions to the housing inventory in East SoMa in particular indicates that the current percentage is likely higher; the target markets for some new housing developments include second-home buyers and buyers who will use the units as pied-à-terres.

Finally, the category of “other vacant” is substantial—almost as large as the “vacant for rent” category citywide and in the Mission. This category includes any units that do not fall into the other categories. Most notably, it includes units held vacant by personal reasons of the owner. This includes both units that are uninhabitable (e.g., some public housing units) and others suitable for occupancy that have been removed from the housing market. These other types of vacant units are a high proportion of all vacant units throughout the Eastern Neighborhoods; in the Mission they are one-third of all vacant units, and in Showplace Square/Potrero Hill they are 45 percent of all vacant units, more than the vacant-for-sale and for-rent combined.

Examination of housing market conditions and housing affordability

Housing prices in San Francisco are among the highest in the region, and market-rate housing is not affordable to most existing San Francisco households

Throughout the state and the region during the 1980s and 1990s, housing production did not keep pace with demand associated with employment growth, in-migration, and household formation. Housing price increases reflect this imbalance between supply and demand. More recently, housing production levels increased at the same time that employment opportunities fell off dramatically. Nevertheless, historically low mortgage interest rates contributed to maintaining housing price levels in spite of the significant downturn in economic activity in the region. In April 2006, market prices for single-family houses in the Bay Area were more than double price levels observed in 1999. In April 2006, the median sales price for new housing in the Bay Area was \$630,000 and the median for existing housing was about \$600,000. New home prices in the Bay Area are 30 to 50 percent higher than new home prices in neighboring San Joaquin and

Stanislaus counties, and prices for existing homes in the Bay Area are 60 – 80 percent higher than those in the neighboring counties.¹³

This house price differential contributes to out-migration from high-priced housing markets in the center of the region. It also limits the options for newcomers and other first-time buyers in those central areas close to the largest number of job opportunities.

Housing prices in San Francisco are among the highest in the region; considering prices for both new and existing housing, only Marin County had consistently higher price levels throughout 1990s. In 2005, the median price for houses sold in San Francisco was \$737,000—\$135,000 (20 percent) higher than the regional median price of \$602,000. The price differential between San Francisco and the region has narrowed from 2000/2001, when there was a 40 percent difference in median price levels. Increased supply in the City, shifts in demand to other locations in response to high housing prices in the City, as well as an increase in the inventory of smaller, relatively lower priced units such as tenancies-in-common explain some of these trends.

New market-rate housing added in the Eastern Neighborhoods is beyond the reach of most existing households; strong demand relative to supply keeps prices for existing housing out-of-reach of most existing households, as well.

Strong housing demand, new ownership housing construction in the Eastern Neighborhoods, and, in East Soma, Redevelopment Agency planning and investment, have been responsible for introducing a higher-end housing market to these former industrial areas and older residential neighborhoods on the eastern side of the City. The average price for new market-rate housing in the Eastern Neighborhoods, based on initial sales during the 2000 – 2003 period, was about \$680,000 (**Figure 40**).¹⁴ On average, prices for new market-rate units in the Eastern Neighborhoods were about 30 percent greater than the citywide average price for new units during this period.

As with many of the factors analyzed, there are notable differences among the neighborhoods. Prices were highest in the South of Market area, where by far the greatest number of units were developed. As a result, these more expensive units dominate the planning area average. Average prices for new units were lower than the citywide average in the other Eastern Neighborhoods. Among possible reasons for the higher average prices for South of Market units are price premiums for proximity to downtown, to the waterfront, and to new neighborhood amenities, as well as premiums for larger-scale, high-rise construction with views.

¹³ Real Estate Research Council of Northern California, *Northern California Real Estate Report*, Second Quarter 2006.

¹⁴ Although the data are somewhat outdated, they are representative of recent and on-going trends in the for-sale housing market in San Francisco and of the changing role of parts of the Eastern Neighborhoods in that market.

More recent sales data for all housing types (re-sales as well as new housing) indicate more parity among the Eastern Neighborhoods and continued strong demand relative to supply (**Table 7**). The median sales price in San Francisco in 2005 was \$740,000. In the Mission, the median was exactly the same as the citywide median. Price levels in the South of Market and Potrero Hill areas were about 10 percent lower. The data also show substantial year-to-year increases in median prices, reflecting changes in inventory characteristics, as well as market pressures. Increases in the South of Market were highest, with median prices in 2005 almost 25 percent higher than prices in 2004. The median price in the Mission increased by almost 15 percent, consistent with the pattern citywide. Price increases were less marked in the Potrero Hill neighborhood.

TABLE 7 SALES PRICES FOR HOUSING BY NEIGHBORHOOD, 2005		
Neighborhood	Median Sales Price, 2005 ^{1z}	Percent Change from Prior Year
South of Market	\$ 651,000	22%
Potrero Hill/Central Waterfront	\$ 685,000	5%
Mission	\$ 739,000	14%
San Francisco	\$ 740,000	15%
NOTE: Neighborhoods are defined by zip code: South of Market is 94103, Potrero Hill is 94107, and the Mission is 94110.		
¹ Median sales price for new and existing units, including single-family residences and condominiums.		
SOURCE: DataQuick		

In spite of evidence that the rapid increase in housing prices may have begun to slow in 2006, house prices in San Francisco remain at record-high levels. New market-rate housing in the Eastern Neighborhoods is a large component of that high-priced supply, and strong demand continues to result in record-high prices for much of the older housing stock as well. By standard measures of affordability, this market-rate housing is beyond the means of most existing residents of the Eastern Neighborhoods. **Table 8** shows the household income required to purchase a median-priced unit in each neighborhood and compares that income to the household incomes of existing residents. These prices require household incomes of \$180,000 to \$200,000. Applying standard criteria for measuring the relationship between house price and household income, less than 10 – 15 percent of existing households can afford these prices. The mismatch between house price and income is most obvious in the Mission, where almost no existing households can afford the median-priced unit.

TABLE 8
HOUSING PRICES COMPARED TO HOUSEHOLD INCOME, BY NEIGHBORHOOD, 2005

Neighborhood	Median Sales Price, 2005 ¹	Household Income Required ²	Percent of Households that Cannot Afford Median Housing Price ³
South of Market	\$ 651,000	\$180,000	88%
Potrero Hill/Central Waterfront	\$ 685,000	\$189,000	85%
Mission	\$ 739,000	\$203,000	98%
San Francisco	\$ 740,000	\$203,000	93%

NOTE: Neighborhoods are defined by zip code: South of Market is 94103, Potrero Hill is 94107, and the Mission is 94110.

¹ Median sales price for new and existing units, including single-family residences and condominiums.

² Income required is based on factors used by the San Francisco Mayor's Office of Housing to estimate pricing for affordable housing in 2006 under San Francisco's Inclusionary Housing Program. The factors include assumptions about the percent of income available for housing, annual condo fees and taxes, interest rates, and down payment percentages.

³ Based on an estimated 2005 household income distribution for each neighborhood that assumes that the change in income distribution in each neighborhood between 2000 and 2005 was the same as the change in income distribution estimated for the City overall over that period. The analysis compared the San Francisco household income distribution estimated by the 2005 American Community Survey conducted by the U.S. Census to the San Francisco household income distribution from the 2000 Census.

SOURCE: DataQuick, San Francisco Mayor's Office of Housing, U.S. Census, and Hausrath Economics Group.

Rental housing remains somewhat more affordable than for-sale housing, but listing rents are high relative to the incomes of existing households.

The rental housing market is the largest component of the housing market citywide and in the Eastern Neighborhoods. Rent levels in San Francisco are by far the highest in the region; the least expensive asking rent in San Francisco (about \$1,550-\$1,630 per month on average for all unit sizes in the Richmond or the Sunset) is more expensive than the average rent all other in other Bay Area counties.¹⁵

For most existing residents and newcomers, rents are the most important housing market indicator. After falling from peak levels in 2000 and 2001, average listing rents citywide and in the Eastern Neighborhoods are increasing (**Figure 41**). In the South of Market and Potrero Hill/Central Waterfront neighborhoods, average listing rents in 2005 and 2006 have surpassed 2001 averages and are higher than the citywide average. Average asking rents in the Mission remain about 10 percent lower than the citywide average.

Average listing rents in the South of Market were the highest across all City neighborhoods in early 2006 (**Figure 42**). Because of the concentration of larger scale new development activity in this part of the City in recent years, it is likely that these South of Market averages are heavily

¹⁵ MetroRent, Inc., 2004 and 2006, data supplied by the San Francisco Planning Department.

influenced by large projects that may not be representative of the overall characteristics of the rental housing sub-market in this part of the City. Nevertheless, the data underscore the shift in housing market orientation represented by new high density, higher-end housing.

The annual household income required to afford the average listing rent in the Eastern Neighborhoods ranges from \$76,000 in the Mission to \$130,000 in the South of Market neighborhoods (**Table 9**). With average rent levels this high, the options for lower income households are extremely limited and, as described above, many households take on severe rent burdens.

TABLE 9 LISTING RENTS COMPARED TO HOUSEHOLD INCOME, BY NEIGHBORHOOD, 2005			
Neighborhood	Average Listing Rent, 2006 (2 nd qtr.) ¹	Household Income Required ²	Percent of Households that Cannot Afford Average Asking Rent ³
South of Market	\$ 3,238	\$130,000	80%
Potrero Hill/Central Waterfront	\$ 2,642	\$106,000	63%
Mission	\$ 1,902	\$76,000	73%
San Francisco	\$ 2,090	\$84,000	66%
<p>NOTE: The neighborhood boundaries do not match precisely with Eastern Neighborhood planning area boundaries. Nevertheless, the listing rents are generally representative of the rental market in the planning areas.</p> <p>¹ Average listing rent for all unit sizes.</p> <p>² Income required is based on the assumption that households should spend no more than 30 percent of their income for housing costs. This is a standard threshold used in many housing programs. Households paying more than 30 percent are defined as “rent burdened”.</p> <p>³ Based on an estimated 2005 household income distribution for each neighborhood that assumes that the change in income distribution in each neighborhood between 2000 and 2005 was the same as the change in income distribution estimated for the City overall over that period. The analysis compared the San Francisco household income distribution estimated by the 2005 American Community Survey conducted by the U.S. Census to the San Francisco household income distribution from the 2000 Census.</p> <p>SOURCE: Metro Rent, U.S. Census, and Hausrath Economics Group.</p>			

Throughout most of the Eastern Neighborhoods, market-rate rents are out-of-reach of proportionally more households than is the case in the rest of the City (**Table 9**). Citywide, two-thirds of existing households cannot afford average listing rents. The share that cannot afford market-rate rents is about the same in the Potrero Hill/Showplace Square and Central Waterfront neighborhoods. In the Mission and South of Market neighborhoods, 70 – 80 percent of existing households cannot afford units marketed at the average listing rent.

A shortage of affordable for-sale housing contributes to evictions and housing hardship for many evicted renters.

The San Francisco Rent Board publishes eviction statistics by zip code that offer another indicator of housing market dynamics in the Eastern Neighborhoods. Although evictions affect a relatively small number of households every year, these data illustrate housing market pressures, particularly those attributable to a shortage of affordable for-sale housing, and resultant disruptions in the rental housing market—disruptions for evicted renters.

The negative impacts of eviction fall on people who find themselves—not by choice—faced with limited housing options in one of the most expensive rental housing markets in the country. The options for evicted households depend on their financial resources and their mobility. Evicted households may move in with others to share housing costs. Other might take on a higher housing cost burden or might move out of the City to find affordable housing. In extreme cases, evicted individuals may end up homeless.

Three San Francisco zip codes most closely corresponding to the Eastern Neighborhoods cover the Mission, South of Market, and Potrero Hill/Central Waterfront neighborhoods. The geographic area covered is larger than the particular boundaries of the Eastern Neighborhoods planning area; in addition to the Eastern Neighborhoods planning area, it covers Western SoMa and the Outer Mission south of Cesar Chavez. In 2000, there were 33,000 renter-occupied housing units in these zip codes, while there were 20,700 renter-occupied units in the smaller Eastern Neighborhoods planning area.

The Eastern Neighborhoods and vicinity (the larger geographic area defined by zip codes as described above) accounted for about 15 percent of the renter-occupied housing in San Francisco in 2000. More than half of the units (55 percent) were in the Mission. A disproportionate share of owner-move-in (OMI) evictions and reports of alleged wrongful evictions have occurred in the Eastern Neighborhoods (**Figure 43**). The eviction activity is concentrated in the Mission.

Cumulatively, the reported evictions represent a relatively large share of Eastern Neighborhoods households. If we assume that each report represents a unique housing unit and household, reports of alleged wrongful evictions from 1998 through 2006 affected about one-quarter of renter households and OMI eviction notices from 1995 through 2006 affected another five percent of Eastern Neighborhoods renter households. In the rest of the City, the comparable percentages were about ten percent for alleged wrongful evictions and OMI evictions combined.

From 1994 through June 2006, 20 percent of all OMI eviction notices were filed in the area of the Eastern Neighborhoods, and 73 percent were from the Mission. From 1990 through June 2006, 23 percent of all reports of alleged wrongful eviction were generated by tenants living in these areas. Seventy percent of these reports were from tenants in the Mission.

Finally, citywide, almost 1,000 Ellis Act eviction petitions have removed about 3,500 units from the rental market in the 20 years since July 1986. Almost all of that activity has happened in the last eight years; 95 percent of the petitions accounting for 90 percent of the units have been filed since 1998. The last two years have seen the second and third highest count of units removed from the market by means of Ellis petitions. (The highest count was 880 units in 1999-2000.) These last two years of Ellis Act eviction data are published showing detail by zip code. Over the 2004-06 reporting periods, of the 934 units for which Ellis petitions were filed, 25 percent were in the Eastern Neighborhoods zip codes. Just over 60 percent of these were in the Mission.

For both OMI evictions and reports of alleged wrongful eviction, the number of filings and notices each year in the Eastern Neighborhoods and vicinity has followed the rise and fall of filings and notices in the rest of the City. The number of OMI eviction notices filed spiked in 1997-98 (**Figure 44**). In that year, 1,400 notices were filed citywide, 300 of which were filed on units in the Eastern Neighborhoods. By 2005-2006, annual filings had dropped to the levels below those of the mid-1990s. In 2005-2006, 248 notices were filed citywide, representing about 20 percent of the annual filings of a few years earlier. Reports of alleged wrongful eviction increased each year through the late 1990s, peaking at almost 1,000 per year citywide in 1999-2000 (**Figure 45**). In that year, there were 239 reports in the Eastern Neighborhoods. The number of reports filed annually dropped for each of the next five years, then showed a 15 percent increase during the most recent annual reporting period. In 2005-2006, the number of annual reports (445 citywide) was less than half of the peak number filed in 2000. The level remains above the number of reports filed annually in the early 1990s, however.

Workforce characteristics and the types of jobs held by workers living in the City.

One of the three overall goals of the *Commerce and Industry Element of the San Francisco Master Plan* is “to assure that all segments of the San Francisco labor force benefit from economic growth”.¹⁶ The following discussion describes the City’s labor force and the characteristics of those residents of the City who are employed. The labor force in the Eastern Neighborhoods is emphasized, and the characteristics of workers living in the Eastern Neighborhoods are compared to workers living elsewhere in the City. The discussion provides background for evaluating the implications of the proposed Eastern Neighborhoods rezoning for the City’s labor force, particularly for those who also live in the Eastern Neighborhoods.

¹⁶ Department of City Planning, *Commerce and Industry: An Element of the Master Plan of the City and County of San Francisco*, page I.2.2.

A healthy percentage of San Francisco’s labor force is employed; the size of the labor pool is a function of job opportunities.

As shown in **Table 10**, about 428,000 of the people living in San Francisco were employed in 2000, according to the U.S. Census, representing 63 percent of the working age population (the population 16 years of age and older) and 95 percent of the civilian labor force (those 16 years of age and older working or looking for work). These employed residents hold jobs in San Francisco and elsewhere.

TABLE 10 EMPLOYMENT STATUS OF THE WORKING AGE POPULATION, 2000		
Population 16 years and older	676,376	
In Labor Force	448,669	66 percent of working age population
In Armed Forces	237	
Civilian labor force:	448,432	
Employed	427,823	63 percent of working age population and 95 percent of civilian labor force
Unemployed	20,609	
Not in labor force	227,707	34 percent of working age population
SOURCE: U.S. Census Bureau, <i>Census 2000</i>		

Since 2000, the decrease in economic activity in the nation and particularly in San Francisco and the rest of the Bay Area has resulted in higher unemployment in the City, a decrease in the labor force—as people have either moved out of the City or have dropped out of the labor force—and a decrease in the number of City residents employed. The California Employment Development Department (EDD) estimates there were 400,000 employed residents of San Francisco in 2005—28,000 less than in 2000, but about the same number as employed in 1998. The number of City residents actively looking for work and unemployed has declined from a peak of almost 32,000 in 2002 to 21,500 in 2005. With the fall off in local and regional job opportunities, this reduction is primarily a consequence of potential workers moving out of the City or leaving the labor force.

Labor force participation is relatively high in the Eastern Neighborhoods, and the unemployment rate is higher than the citywide average.

In 2000, about 50,000 people living in the Eastern Neighborhoods were in the labor force. This translates to a labor force participation rate of 68 percent (**Figure 46**). This is a slightly higher rate of labor force participation than pertained citywide (66 percent of the working age population) and even higher than the national rate (64 percent) and the statewide rate (62 percent). In Western SoMa, labor force participation, at less than 50 percent, was low compared to both Eastern Neighborhoods and citywide averages.

A disproportionate share of San Francisco's unemployed live in the Eastern Neighborhoods—16 percent of the unemployed live in these neighborhoods while 11 percent of the working age population and of employed residents live there. At 6.6 percent in 2000, the unemployment rate in the Eastern Neighborhoods was two percentage points above the citywide unemployment rate (**Figure 47**). The unemployment rate was higher than the citywide average in all neighborhoods except the Central Waterfront, where the relatively small population is almost entirely of working age, and almost all of them were working in 2000. The unemployment rate was even higher in Western SoMa. It is highly likely that the number of unemployed Eastern Neighborhoods residents has increased since 2000 and that the unemployment rate in the Eastern Neighborhoods remains higher than the citywide average.

During the 1990s, San Francisco's labor force grew in step with population growth for the working age population, and there was no change in labor force participation. The unemployment rate was lower in 2000 than it was in 1990, in the Eastern Neighborhoods and in the rest of the City. Although unemployment remains high there, the change was most dramatic in Western SoMa, where unemployment exceeded 20 percent of the labor force in 1990.

In 1990 as in 2000, the Eastern Neighborhoods were home to a disproportionate share of the unemployed, housing 10 percent of the working age population and 10 percent of employed residents, but 15 percent of unemployed San Franciscans. In 1990, the unemployment rates in East SoMa and the Central Waterfront were about 14 percent—more than two times the citywide average. (These areas have lower populations so small shifts in the absolute number of employed and unemployed have a large influence on percentages and rates.) In the Mission and Showplace Square/Potrero neighborhoods, the employment patterns were more like the citywide average.

Although, the City's labor pool overall is highly-educated, among potential workers living in the Eastern Neighborhoods, a higher than average percentage lack even a high school diploma.

People who have at least a high school diploma represent 80 percent of the City's labor pool, and most of those (45 percent of the total labor pool over aged 25) have college degrees or graduate degrees. Nationwide, the percentage of people who have college or graduate degrees is only 24 percent, and the California average is 27 percent. In San Francisco, almost one of every six working age people has a graduate or professional degree.

The educational profile for potential workers living in the Eastern Neighborhoods shows a higher percentage without a high school diploma and a lower percentage having advanced degrees. Almost 15 percent of the City's working age population without a high school diploma lives in the Eastern Neighborhoods, primarily in the Mission. While the citywide average shows 19

percent of the working age population have not graduated from high school, in the Eastern Neighborhoods and Western SoMa, 25 percent have not.

The relatively high educational attainment of the City's labor force is a foundation of the City's competitive advantage with respect to economic growth. **Figure 48** compares the education of employed residents across labor markets in California. San Francisco ranks highest in terms of the percentage of employed residents holding at least a college degree. Bay Area counties tend to have the highest percentages having college degrees or graduate/professional degrees and the lowest percentages with no high school diploma.

Most workers living in San Francisco also work in the City, and this pattern describes workers living in the Eastern Neighborhoods, as well.

Overall, 77 percent of employed residents of San Francisco held jobs in San Francisco in 2000.¹⁷ In the Eastern Neighborhoods and in Western SoMa, the percentage was about the same as this citywide average (**Figure 49**). Among all workers living in the Eastern Neighborhoods, those living in the Mission and Central Waterfront neighborhoods are most likely to work in San Francisco.

The share of the City's employed population working in San Francisco has eroded since the 1960s when almost all employed residents (94 percent) worked in the City (**Figure 50**). During the 1990s, the likelihood of City residents working in San Francisco did not change as much as it had in prior decades, however. Citywide, in 1990, about 80 percent of employed residents worked in San Francisco, three percentage points greater than the 2000 share.

This pattern held true in Western SoMa and in all of the Eastern Neighborhoods except the Central Waterfront, where the share of residents working in San Francisco actually increased from 1990 to 2000 (**Figure 51**). As in 2000, workers living in the Eastern Neighborhoods and in Western SoMa were somewhat more likely to work in the City than workers living elsewhere in San Francisco. In 1990, the likelihood of working in San Francisco was highest in East SoMa and the Mission, as well as in Western SoMa.

Growth in job opportunities elsewhere in the region as well as a changing housing supply and resident workforce in the Eastern Neighborhoods have contributed to a decline in the percentage of Eastern Neighborhoods residents who also work in San Francisco.

The decrease in the percentage of the City's employed population that also works in the City is a function of the increase in job opportunities elsewhere in the region. More recently, the changes evident between 1990 and 2000 for the Eastern Neighborhoods may also reflect changes in the

¹⁷ Metropolitan Transportation Commission, County-to-County Commuting in the San Francisco Bay Area, 1960 – 2000 (http://www.mtc.ca.gov/maps_and_data/datamart/census/county2county/)

composition of the employed population living in these neighborhoods. The new market-rate housing stock has attracted new types of households whose workers are more likely to work outside of the City. The stereotype of the high tech workers moving into live-work and loft housing near San Francisco freeway on-ramps and commuting to jobs in San Mateo and Santa Clara counties is the prime example of this phenomenon.

The educational attainment of the City's labor pool has a direct bearing on the employment status of the City's residents.

The City's *Commerce and Industry Element* describes the particular employment needs of people living in the City who lack the skills or education to take advantage of the most promising employment opportunities in high growth economic sectors. To achieve social equity goals, policies in the *Commerce and Industry Element* are directed to meet the needs of these unemployed and economically disadvantaged residents.

Although, as noted above, the City's labor force is generally highly educated, the education and training possessed by San Francisco residents spans a range from very high to very low. This is reflected in the wide range of occupations and earnings for San Francisco residents. The generally lower educational attainment for some residents of the Eastern Neighborhoods translates to a higher proportion of workers in lower-wage jobs that do not require college degrees.

Half of the employed residents of San Francisco work in management and professional occupations, generally occupations that require college or advanced degrees and prior work experience. About one-quarter work in sales and office support occupations. Sales positions in the financial, insurance, and real estate sectors require college degrees or vocational degrees. Other sales occupations require prior work experience, and still others are entry-level positions offering on-the-job training. Of the balance of San Francisco's employed residents, most are in service occupations. College degrees and prior training are not required, and wage levels are low. About 10 percent of the working population of San Francisco holds jobs in construction, repair, maintenance, production, or transportation occupations. These occupations cover a range of skill levels mostly relating to prior on-the-job training.

A disproportionate share of the City's residents holding occupations with lower skills requirements and lower wages lives in the Eastern Neighborhoods.

Most of the employed residents of the Eastern Neighborhoods (86 percent) work in management, professional, sales, office, and service occupations. Only 13 percent work in the traditional "blue collar" occupations: construction, maintenance, production, and transportation. In Western SoMa, an even smaller percent of employed residents work in these "blue collar" occupations,

and a higher percent work in sales and office occupations. At this least-detailed summary level, the distribution for the Eastern Neighborhoods is generally similar to the pattern for all employed residents in San Francisco (**Figure 52**).

There are a few noteworthy distinctions, however. Employed residents living in the Eastern Neighborhoods are under-represented in the management, professional, and related occupations group and in the sales and office occupations group. The percentage difference is small because these are the largest occupational groups for San Francisco—representing almost 320,000 workers or three-quarters of the employed population of the City. The distinctions are greater in the smaller occupational groups, the groups where workers living in the Eastern Neighborhoods are a disproportionately large share of the total. At one extreme, 30 percent of the City's population employed in farming, forestry, or fishing occupations (less than 500 people overall) live in the Eastern Neighborhoods. Among workers in service occupations, 15 percent live in the Eastern Neighborhoods, and the percentage is similar for the construction, maintenance, production, and transportation occupational groups.

A more fine-grained look at the occupations and wages of San Francisco's employed residents is revealing. This analysis examines the ten occupations employing the most San Franciscans, at a more detailed occupational classification. The analysis was conducted for the City as a whole, the Eastern Neighborhoods overall, and for each neighborhood, as well as for Western SoMa. The top ten occupations represent from 72 percent (for all of San Francisco) to 84 percent (for the Central Waterfront) of the respective group of workers. For each area, the top ten occupations were ranked in terms of the number of workers employed. Results are summarized for the City overall, for the Eastern Neighborhoods overall, and for Western SoMa in **Table 11**.

TABLE 11
TOP TEN OCCUPATIONS FOR WORKERS LIVING IN SAN FRANCISCO, THE EASTERN NEIGHBORHOODS,
AND WESTERN SOMA
(IN TERMS OF NUMBERS EMPLOYED)

Occupations	Rank in San Francisco overall	Rank in Eastern Neighborhoods	Rank in Western SoMa	Mean Annual Wage
Office and administrative support	1	1	1	\$ 38,380
Management occupations, except farmers and farm managers	2	2	2	\$ 111,220
Sales and related occupations	3	3	4	\$ 45,750
Food preparation and serving related occupations	4	4	5	\$ 21,560
Arts, design, entertainment, sports, and media occupations	5	5	3	\$ 60,150
Computer and mathematical occupations	6	6	6	\$ 85,540
Education, training, and library occupations	7	8		\$ 52,350
Production occupations	8	9	8	\$ 33,660
Business operations specialists	9		9	\$ 70,670
Financial specialists	10		7	\$ 70,670
Building and grounds cleaning and maintenance		7	10	\$ 27,160
Personal care and service occupations		10		\$ 30,720
Percent of employed residents in top ten occupations	72%	74%	82%	

NOTE: Occupations are ranked in terms of the number of workers employed from 1 to 10, with number 1 employing the most workers. A shaded cell means the occupation did not rank in the top ten among workers living in this area.

SOURCE: U.S. Bureau of the Census, *Census 2000*; U.S. Department of Labor Bureau of Labor Statistics, *Metropolitan Area Occupational Employment and Wage Estimates*, San Francisco PMSA, November 2004; and Hausrath Economics Group.

For San Francisco and the Eastern Neighborhoods overall, the list and the ranking of top ten occupations is identical through the first six occupations. The list is also identical for Western SoMa, but there are differences in the ranking. For the City overall and for the Eastern Neighborhoods, in order of number of workers, highest to lowest, the top-ranked occupations are: office and administrative support; management; sales; food preparation and serving; arts, design, entertainment, and media; and computer programmers, engineers, and analysts. Among the top six, arts and design occupations rank higher in Western SoMa than they do in Eastern Neighborhoods and the City overall. Education and training occupations and production occupations are in the top ten for both the City overall and for the Eastern Neighborhoods.

The wages for these occupations employing the most San Franciscans and residents of the Eastern Neighborhoods cover a wide range. Management occupations are at the high end of the

range, with average annual wages of \$111,000. Food preparation and serving occupations are at the low end of the range at annual average wages of \$22,000.¹⁸

Among all city workers, business specialists and financial specialist occupations that have relatively high wage levels rank in the top ten, but do not make the list for the Eastern Neighborhoods overall. They are among the top ten in Western SoMa. In the Eastern Neighborhoods, the top ten occupations are filled out by cleaning and maintenance occupations and personal care occupations, occupations for which the average wage is low—50 – 60 percent of the average across all occupations. Cleaning and maintenance occupations are also among the top ten in Western SoMa.

As shown in **Table 12**, the rank order of the occupations employing the most workers varies by neighborhood, although the predominance of office employment in San Francisco is evident in that office occupations—both high-wage management occupations and lower-wage office and administrative support occupations—are ranked among the top three in each neighborhood, including Western SoMa.

Among the notable differences, in the Mission, where by far the greatest number of workers live, low-wage food preparation occupations rank number two in terms of numbers employed. In the Central Waterfront, with less than 1,000 workers in 2000, this occupational group and education, production, and cleaning and maintenance occupations are not represented among the top ten occupations employing the most workers. Instead, Central Waterfront employed residents work in relatively high-wage business operations occupations and other higher-wage occupations that are not represented among the top ten in any of the other Eastern Neighborhoods: healthcare (diagnosing, treatment, and technical occupations rank number four in the Central Waterfront); life, physical, and social science occupations; and fire fighting and law enforcement occupations. The workers living in the Showplace Square/Potrero Hill neighborhood are similar to those in the Central Waterfront. Production occupations and cleaning and maintenance occupations do not rank in the top ten. Instead, a relatively high percentage of the workers living in this neighborhood are employed in business operations occupations, and this is the only neighborhood in which high-wage legal occupations appear in the top ten (at number eight). The Mission is the only neighborhood where construction trades workers (occupations that garner mid-level wages) rank in the top ten (at number ten). In East SoMa and Western SoMa, the rankings are relatively similar. These are the only neighborhoods where financial specialist occupations rank among the top ten.

¹⁸ Wage levels are based on 2004 averages for the San Francisco PMSA (San Francisco, Marin, and San Mateo counties). The U.S. Department of Labor Bureau of Labor Statistics prepares the estimates based on survey data collected from employers in all industry sectors.

TABLE 12
TOP TEN OCCUPATIONS BY NEIGHBORHOOD
(IN TERMS OF NUMBERS EMPLOYED)

Occupations	Rank of Occupations for Workers in Each Neighborhood					Mean Annual Wage
	Neighborhood					
	Central Waterfront	East SoMa	Mission	Showplace Square/Potrero Hill	Western SoMa	
Office and administrative support	2	3	1	2	1	\$ 38,380
Management occupations, except farmers and farm managers	1	1	3	1	2	\$ 111,220
Sales and related occupations	5	2	4	4	4	\$ 45,750
Food preparation and serving related occupations		5	2	7	5	\$ 21,560
Arts, design, entertainment, sports, and media occupations	3	6	5	3	3	\$ 60,150
Computer and mathematical occupations	7	4	9	5	6	\$ 85,540
Education, training, and library occupations		10	7	6		\$ 52,350
Production occupations		9	8		8	\$ 33,660
Business operations specialists	6	7		9	9	\$ 70,670
Financial specialists		8			7	\$ 70,670
Building and grounds cleaning and maintenance			6		10	\$ 27,160
Personal care and service occupations	8			10		\$ 30,720
Healthcare practitioners and technical occupations	4					\$ 74,560
Life, physical, and social science occupations	9					\$ 73,010
Fire fighting, prevention, and law enforcement workers	10					\$ 96,000
Construction trades workers			10			\$ 54,370
Legal occupations				8		\$ 106,610
Percent of employed residents in top ten occupations	84%	79%	74%	76%	82%	

NOTE: Occupations are ranked in terms of the number of workers employed from 1 to 10, with number 1 employing the most workers. A shaded cell means the occupation did not rank in the top ten among workers living in this area.

SOURCE: U.S. Bureau of the Census, *Census 2000*; U.S. Department of Labor Bureau of Labor Statistics, *Metropolitan Area Occupational Employment and Wage Estimates*, San Francisco PMSA, November 2004; and Hausrath Economics Group.

Trends in the employment status of Eastern Neighborhoods residents indicate changing employment opportunities in San Francisco, as well as change in the composition of the labor force with the influx of new, market-rate housing.

The percentage of workers employed in management, professional, technical, sales, and administrative support occupations has increased citywide and in the Eastern Neighborhoods, as economic growth is concentrated in the sectors employing these people.¹⁹ Since 1990, there has been a particularly large percentage increase in the number of residents employed in these types of occupations in the Eastern Neighborhoods, a 50 percent increase compared to a 20 percent increase citywide. Much of that change is likely attributable to the emergence of new types of

¹⁹ There were major revisions to the Standard Occupational Classification system in the late 1990s, so close comparison of 1990 and 2000 occupation data is not recommended. At the least-detailed summary level, the categories remain roughly parallel, so it is possible to discern broad shifts.

economic activity in this part of the City—Mission Bay/UCSF development and high technology expansion—and the changes in the housing inventory, particularly the addition of higher-priced new housing affordable only to higher-income households.

During this period, the number of residents employed in construction, maintenance, production, and transportation occupations declined throughout the City and in the Eastern Neighborhoods. On a percentage basis, the shift was about equal, implying no greater or lesser change in the Eastern Neighborhoods than in the City overall.

A relatively high percentage of workers living in the Eastern Neighborhoods have low earnings and work in low-wage occupations. The households that rely on the earnings of these workers are among those households that have the most difficulty affording housing in San Francisco.

Earnings measures income from employment. In the Eastern Neighborhoods and Western SoMa, earnings levels are lower than the citywide average (**Figure 53**). The proportion of residents of the Eastern Neighborhoods working less than 35 hours per week—less than full-time—is only one percentage point greater than the citywide average (21 percent compared to 20 percent). Therefore, almost all of the difference is attributable to generally lower wages and the higher proportion of low-wage occupations among workers living in the Eastern Neighborhoods.

Almost one-half of the people with earnings in the Eastern Neighborhoods earn less than \$25,000 per year, while the comparable percentage citywide is 40 percent. In Western SoMa, over half earn less than \$25,000 per year. Compared to their overall representation among the city's workforce, people living in the Eastern Neighborhoods and in Western SoMa are over-represented among those earning less than \$12,500 per year and those earning between \$12,500 and \$25,000 per year and under-represented among the higher earners.

The average for the Eastern Neighborhoods overall masks some considerable variation among the neighborhoods, largely reflective of different occupations and associated wages and salaries. Three quarters of the workers with low earnings (earnings less than \$25,000 per year) live in the Mission. In the Central Waterfront, East SoMa, and Showplace Square/Potrero Hill neighborhoods, 50 percent of the workers have annual earnings of \$45,000 or more. In the Mission, less than 20 percent have annual earnings in this range.

Language barriers and lack of particular education and/or training pre-requisites mean that it is difficult for these workers to move into higher-wage occupations. Furthermore, these less skilled and less-educated workers have difficulty finding new jobs if they are laid off because their options are more limited to start.

At low wage levels, households must combine the earnings of several wage-earners to afford housing and other necessities. These types of workers and the households they support are particularly vulnerable to lay-offs, reductions in hours worked, or job losses because employers move or go out of business.

The City's *Commerce and Industry Element* identifies the employment needs of the economically disadvantaged and the under- or marginally-employed as a primary focus of public efforts related to the City's economic development. Towards this end, the *Commerce and Industry Element* promotes land use policies and economic incentives to retain and expand employment opportunities for unskilled and semi-skilled workers while at the same time emphasizing policies to encourage growth of business activities that provide more opportunities for advancement. The *Commerce and Industry Element* recognizes that supportive worker education and training programs are required to bridge the gap between these types of opportunities and those in the labor pool who lack the necessary skills and/or education.

A disproportionate share of the City's residents working in lodging, food, and personal services sectors, in repair and construction sectors, and in the information sector lives in the Eastern Neighborhoods.

At the relatively aggregate level of 14 industrial sectors, workers living in the Eastern Neighborhoods and in Western SoMa are employed in a roughly similar mix of industries as are all workers living in San Francisco (**Figure 54**). Notable differences are the lower percentage of Eastern Neighborhoods and Western SoMa residents working in education, health, and social services and the higher percentage of Eastern Neighborhoods and Western SoMa residents working in the lodging and food services sector. A lower than average percentage of Eastern Neighborhoods residents work in the financial sector, and a higher than average percentage work in repair, maintenance, and personal services sectors. In Western SoMa, the percentage of employed residents working in both the financial sector and in information services is relatively high.

Across all industries, 11 percent of the employed residents of San Francisco live in the Eastern Neighborhoods. In some industries, the share of workers living in the Eastern Neighborhoods is higher than this average. This is the case for the lodging and food service sector (15 percent of City residents working in that sector live in the Eastern Neighborhoods), repair and personal services and construction sectors (14 percent live in the Eastern Neighborhoods), and the information sector (12 percent live in the Eastern Neighborhoods). Also, as noted above in the description of workers by occupation, although the numbers are small, a large share of City residents employed in the agriculture and fishing industries lives in the Eastern Neighborhoods.

A high proportion of workers living in the Eastern Neighborhoods rely on sectors where work is seasonal and low-paying. Others work in sectors that provide entry-level options with more opportunities for advancement.

Citywide and across each of the Eastern Neighborhoods and Western SoMa, four industrial sectors employ 50 to 60 percent of all employed residents. Ranking the sectors in terms of the number of residents employed reveals some distinctions in the way that each neighborhood's workers relate to the local economy. The differences shown in **Table 13** reinforce the profile of neighborhood workforce characteristics described above in terms of occupations.

TABLE 13 TOP FOUR INDUSTRY SECTORS FOR WORKERS LIVING IN SAN FRANCISCO, THE EASTERN NEIGHBORHOODS AND WESTERN SOMA (IN TERMS OF NUMBERS EMPLOYED)							
Industries	Eastern Neighborhoods						Western SoMa
	San Francisco	All Eastern Neighborhoods	Central Waterfront	East SoMa	Mission	Showplace Square/Potrero Hill	
Professional, scientific, management, administrative services	1	1	1	1	1	1	1
Educational, health and social services	2	2	3	4	3	2	
Retail trade	3		2		4	4	3
Finance, insurance, and real estate	4	4		2			4
Accommodation and food services		3		3	2		2
Manufacturing			4				
Information						3	
Percent of residents employed in top four industry sectors	56%	55%	61%	61%	55%	58%	57%
NOTE: Industry sectors are ranked in terms of the number of workers employed from 1 to 4, with number 1 employing the most workers. A shaded cell means the industry did not rank in the top four among workers living in this area.							
SOURCE: U.S. Bureau of the Census, <i>Census 2000</i> and Hausrath Economics Group.							

For San Francisco as a whole, those sectors are (in descending rank order): professional, technical, management, and administrative services; education, healthcare, and social services; retail trade; and finance, insurance, and real estate. Indicative of the dominance of the corporate management and business services sectors, in all of the Eastern Neighborhoods and Western SoMa, professional, technical, management and administrative services businesses also employ the most residents. The education, healthcare, and social services sector also ranks among the top four in each of the Eastern Neighborhoods but not in Western SoMa. Retail trade ranks among the top four in all neighborhoods except East SoMa. After this, the rankings diverge.

In the Mission, home to most Eastern Neighborhoods workers, lodging and food services ranks second, employing 14 percent of all workers living in the Mission. This sector also ranks among the top four in East SoMa (at number three) and in Western SoMa (at number two).

East SoMa is the only Eastern Neighborhood where finance, insurance, and real estate ranks in the top four sectors. People who work in the nearby Financial District are a target market for much of the new market-rate housing in East SoMa. This sector also ranks among the top four among Western SoMa workers.

Showplace Square/Potrero Hill is the only Eastern Neighborhood where the information sector ranks among the top four. Publishing (including software publishing); motion picture, video, and sound recording; broadcasting and telecommunications; and data processing and internet and other information services all fall within this major sector. These are the types of businesses most closely associated with new technology industries in the San Francisco and Bay Area economies. The Showplace Square/Potrero Hill area has been a preferred location for these types of businesses, as well as a preferred place of residence for the young adults employed in these businesses, in San Francisco and south of the City.

Manufacturing ranks among the top four sectors in the Central Waterfront, employing almost 10 percent of the relatively small number of workers living in that least densely populated of the Eastern Neighborhoods. This sector ranks seventh or eighth citywide and in each of the other Eastern Neighborhoods. Central Waterfront workers employed in manufacturing could be employed in a wide range of businesses. Likely candidates—considering the industrial composition of San Francisco and the rest of the region—include apparel, printing, food and beverages, computers and electrical equipment, and electronic products and appliances.

What types of businesses and how many jobs are located in the Eastern Neighborhoods?

There are about the same number of people working in the Eastern Neighborhoods as live there.

In 2000, there were about 73,000 jobs in the Eastern Neighborhoods.²⁰ Together these areas accounted for just over ten percent of all employment in San Francisco (**Table 14**). There were more jobs in Western SoMa than in any one of the Eastern Neighborhoods in 2000. There were about 24,000 people working in Western SoMa, about four percent of total employment in the City.

²⁰ This section describes business activity and jobs by place of work. Some of these employ people living in San Francisco and living in the Eastern Neighborhoods—the labor pool of workers by place of residence described in the preceding section.

By contrast to the situation for housing and population, however, jobs in these Eastern Neighborhoods were fairly evenly distributed among the neighborhoods. Historically in the City's land use system, the industrially-zoned lands have been locations for business activity and jobs, and relatively distinct parts of these planning areas—the residential districts in the Mission and Potrero Hill—have been locations for substantial amounts of housing. While most jobs in 2000—one-third of the total—were in the Mission, both Showplace Square/Potrero Hill and East SoMa each claimed 25 – 30 percent of Eastern Neighborhoods jobs. About 15 percent of total Eastern Neighborhoods employment was located in the smaller Central Waterfront district in 2000.

TABLE 14
EMPLOYMENT BY BUSINESS ACTIVITY FOR THE EASTERN NEIGHBORHOODS AND THE REST OF THE CITY
2000

	Business Activity (see definitions below)						Percent of Total
	MIPS	PDR	Retail	Visitor	CIE	Total	
Eastern Neighborhoods							
Mission	3,508	12,071	4,718	42	2,764	23,103	32%
Showplace Sq./Potrero Hill	6,827	6,966	1,988	-	4,954	20,735	29%
East SoMa	8,688	6,579	1,412	150	758	17,587	24%
Central Waterfront	3,526	6,851	558	102	184	11,221	15%
Subtotal	22,549	32,467	8,676	294	8,660	72,646	100%
Rest of City	269,025	63,080	87,929	20,029	121,648	561,711	
Western SoMa	8,399	10,436	3,803	225	1,515	24,378	
Total	291,574	95,547	96,605	20,323	130,308	634,357	
Percent Distribution by Business Activity							
Eastern Neighborhoods	31%	45%	12%	0%	12%	100%	
Rest of City	48%	11%	16%	4%	22%	100%	
Western SoMa	34%	43%	16%	1%	6%	100%	
Eastern Neighborhoods Share of City Total	8%	34%	9%	1%	7%	11%	

NOTE: The employment categories used in this analysis (which was originally prepared by the Planning Department in 2002) are based on classifications developed in the late 1990s to represent groups of businesses with similar functions, job types, and space use characteristics. The classifications rely on employment defined by the Standard Industrial Classification (SIC) System that was used until 2001 to describe and categorize types of business and economic activity. The North American Industry Classification System (NAICS) replaces the SIC system. Categories of employment developed using NAICS are not directly comparable to the categories used in this table.

MIPS: Management, information, and professional services

PDR: Production, distribution, and repair

Retail: Retail and entertainment, including amusements, recreation, and personal services

Visitor: Hotels and other lodging

CIE: Cultural, institutional, and educational facilities and services, including medical and healthcare services

SOURCE: San Francisco Planning Department (Land Use Allocation 2002), October 2003.

Although production, distribution, and repair (PDR) businesses employ the most people in the Eastern Neighborhoods, business activity in the Eastern Neighborhoods is almost as diverse as business activity in the rest of San Francisco.

PDR businesses account for almost half (45 percent) of all jobs in the Eastern Neighborhoods (**Figure 55**). These businesses also employ the most people in Western SoMa (43 percent of total jobs). Just under one-half (45 percent) of all PDR employment in San Francisco is located in the Eastern Neighborhoods and Western SoMa. Other concentrations of PDR business activity are in the Bayview/Hunter's Point area. There are also a substantial number of smaller PDR businesses—repair, distribution, transportation, construction companies—located in neighborhood commercial districts throughout the City.

PDR includes a variety of businesses engaged in manufacturing, arts and design, construction, wholesale trade, distribution, transportation, storage, repair, and maintenance. It includes traditional “industrial” activities and repair shops, as well as high-value-added production and distribution activities. Examples of the latter may include custom consumer-goods production, digital media and audio-visual production, internet services, and the production and distribution functions of telecommunications, wireless communications, health care, and biomedical technology firms. Because of the importance of this sector in these Eastern Neighborhoods, it is described in more detail below.

Management, information, and professional services is the next largest category of both Eastern Neighborhoods' and Western SoMa business activity, measured in terms of employment. Almost one-third of the jobs in these areas are in this category. This category includes what are traditionally considered office jobs (legal, architecture, engineering, accounting, management, marketing, advertising, financial, and real estate services, public administration), as well as businesses involved in research, communications, and information processing, including new technology, media, and internet-related companies.

Retail and entertainment is also part of the mix of economic activity in the Eastern Neighborhoods, representing 12 percent of all jobs, a lower percentage than pertains in the rest of the City. Well-developed residential districts within these neighborhoods (Potrero Hill and the Mission) support nearby neighborhood-serving retail establishments. Retail businesses and employment are particularly important in the Mission, where retail jobs are 20 percent of total employment. Retail businesses in the Mission serve both neighborhood and citywide markets. The area's stores, eating establishments, history, and cultural and visual and performing arts attractions attract tourists and other out-of-town visitors. The Mission's function as a destination in turn supports the relatively high level of retail employment in the neighborhood.

Retail activity also claims a relatively high share of total employment in Western SoMa (16 percent of all jobs). Western SoMa is home to numerous clubs and entertainment venues that

serve citywide and visitor markets. Both Civic Center performing arts venues and the cluster of lodging facilities in the area also support higher levels of retail activity and jobs in Western SoMa.

The lodging component of the visitor sector is not a significant contributor total economic activity in these Eastern Neighborhoods. Although many of the area's residents work in the visitor sector, the lodging facilities where they work are located elsewhere (Downtown, Van Ness Corridor, Fisherman's Wharf). There is also a cluster of lodging establishments located in the adjacent Western SoMa and many larger hotels near Yerba Buena Gardens and the Moscone Convention Center South of Market. As noted above, much of the retail activity and employment in the Mission is attributable to that neighborhood's function in San Francisco's visitor economy.

There is a sizable component of cultural and institutional economic activity in the Eastern Neighborhoods. This category accounts for 12 percent of total employment, a smaller share than is found in the rest of the City. This diverse classification includes education, health care, social services, visual and performing arts, and advocacy organizations, including much of the non-profit sector. Many of the larger institutions in this category are population-serving and are located throughout the City. Others are concentrated in the downtown and Civic Center. The establishments located in the Eastern Neighborhoods include some large institutions (San Francisco General Hospital), local schools, colleges and vocational schools, as well as smaller performance and exhibit venues, and social service and other non-profit entities. This category broadens the base of economic activity and jobs in the Eastern Neighborhoods.

Why do we care about production, distribution, and repair (PDR) economic activity in the Eastern Neighborhoods?

As described above, production, distribution, and repair (PDR) economic activity is the largest single component of business activity and employment in the Eastern Neighborhoods, accounting for about 32,000 jobs in these four neighborhoods. These are the parts of the City that have land zoned for industrial uses and relatively permissive land use regulations. The result is an inventory of land and building space that has traditionally accommodated businesses favoring relatively low density building types, open yards for storing vehicles and equipment, low space costs, and separation from uses that are not tolerant of 24-hour operations, lights, noise, and truck traffic. In addition, the building space and locations serve an important "incubator" function in San Francisco's land use system—providing a foothold in the city for new industries, start-up businesses, and artistic endeavors that are important to the dynamics and vitality of the City's economy.

The Commerce and Industry Element of the Master Plan supports retention of these types of businesses to ensure economic diversity, support the economic base sectors to which many PDR businesses are linked, and to provide relatively well-paying employment opportunities for the those people in San Francisco's labor force who have limited formal education. Land use planning efforts over the last several years in the Eastern Neighborhoods have focused on managing the land use changes brought about by demand in these locations from uses that are willing to pay more for land and building space than do the existing businesses historically located in these districts.

PDR businesses employ San Franciscans.

About 70 percent of PDR businesses surveyed by the Planning Department for the 2002 PDR study indicated that they employed San Francisco residents. One-third responded that 70 percent or more of their employees lived in San Francisco. Twenty five percent responded that their employees lived in the immediate area, i.e., the Eastern Neighborhoods Community Planning Areas of Bayview, Mission, South of Market, and Showplace Square/Potrero Hill.

These results are reinforced by the Census data analysis describing the occupations and industries that employ residents of the Eastern Neighborhoods. A relatively high percentage of the workers living in the Eastern Neighborhoods are employed in construction, maintenance, production, and transportation occupations in what would be considered typical PDR industries. Furthermore, these types of jobs have historically relied upon the immigrant labor pool. As in other large port-of-entry cities, San Francisco's immigrant labor pool has been an important competitive advantage for companies that have come to rely on that workforce. This population benefits in return, since jobs in production, distribution, and repair businesses provide opportunities for workers who do not speak English well and lack higher education in the U.S.

PDR businesses offer entry-level jobs with upward mobility: on-the-job training and opportunities for advancement as skills develop.

Many PDR jobs do not require college degrees. Just over 50 percent of the PDR businesses responding to the Planning Department survey indicated that, on average, non-managerial staff had no more than a high school diploma.

There are notable differences in the skills ladder for PDR occupations and retail and low-wage service occupations that also have minimal education requirements (**Figure 56**). Production, distribution, and repair occupations are more evenly distributed across a range of experience levels. Considering all production, construction, transportation, and repair and maintenance occupations in San Francisco, occupations are relatively evenly divided among entry-level jobs with the most minimal experience requirements (short-term, or 30-day, on-the-job training), jobs

requiring moderate-term (one – twelve months) on-the-job training, and jobs requiring long-term (one year or more) on-the-job training. Although the share of jobs in more experienced levels of these occupational groups diminishes, there are positions for supervisors, managers, and inspectors, and for operators, technicians, and mechanics with specialized skills. These positions command higher wages. By contrast, most sales and service occupations are limited to those having only the lowest entry-level requirements: 85-90 percent of food preparation and serving jobs and building and grounds cleaning and maintenance occupations require only short-term on-the-job training. Personal care service occupations and sales occupations are also heavily weighted towards the minimal experience entry-level end of the spectrum. Across all of these occupation groups there are very few positions (with associated higher wages) that fall in the categories requiring more work experience.

Wage levels in production, distribution, and repair occupations are consistently higher than wage levels in sales and service occupations (**Figure 57**). In 2004, median hourly wages for food preparation and serving, sales occupations, buildings and grounds maintenance, and personal care and other service occupations in San Francisco, San Mateo, and Marin counties ranged from \$9 - \$15 per hour. Median hourly wages for construction, production, repair and maintenance, and transportation occupations ranged from \$13 per hour to \$26 per hour, almost twice the wage level for sales and service occupations.²¹

PDR business are located throughout the Eastern Neighborhoods.

In the Central Waterfront, they line Illinois Street, extending into Port land east of Illinois; they occupy parcels fronting Third Street, particularly south of 23rd, and, skirting the Dogpatch residential neighborhood, they are the predominant land use in the blocks that extend west to the freeway and the slope of Potrero Hill. In East SoMa, PDR businesses are concentrated in the blocks south of the freeway and north of Townsend, between Fourth Street and about mid-block between Second and Third Streets. A second set of PDR businesses is located north of the freeway, along Harrison and Folsom and some of the alleyways that line those blocks east of Yerba Buena Gardens and Moscone Convention Center. In East SoMa, the broad east-west streets (Folsom, Harrison, Bryant, and Brannan) have been important locations for PDR activity. PDR businesses are widely distributed throughout the Mission: larger traditional facilities and new digital production establishments in the Northeast Mission Industrial Zone and smaller garages, workshops, arts-related, and other production operations in the commercial and residential blocks that make up the rest of the neighborhood. In the Showplace Square/Potrero Hill neighborhood, PDR businesses are more concentrated in the design and wholesale

showroom district south of Division Street and the large adjacent blocks that front on 7th Street, bordering Mission Bay. The blocks of industrial zoning south of 16th Street also support a variety of manufacturing, distribution, design-related, and other PDR businesses. There are some PDR businesses operating in the residential and neighborhood commercial parts of Potrero Hill, but not to the same extent as is found in the Mission.

It is also important to remember that PDR businesses are located elsewhere in the broader Eastern Neighborhoods planning area. Planning Department estimates show about 10,000 PDR jobs in Western SoMa and 18,000 PDR jobs in Bayview/Hunter's Point in 2000. Two-thirds of PDR employment in San Francisco is located in these combined areas on the east side of the City.

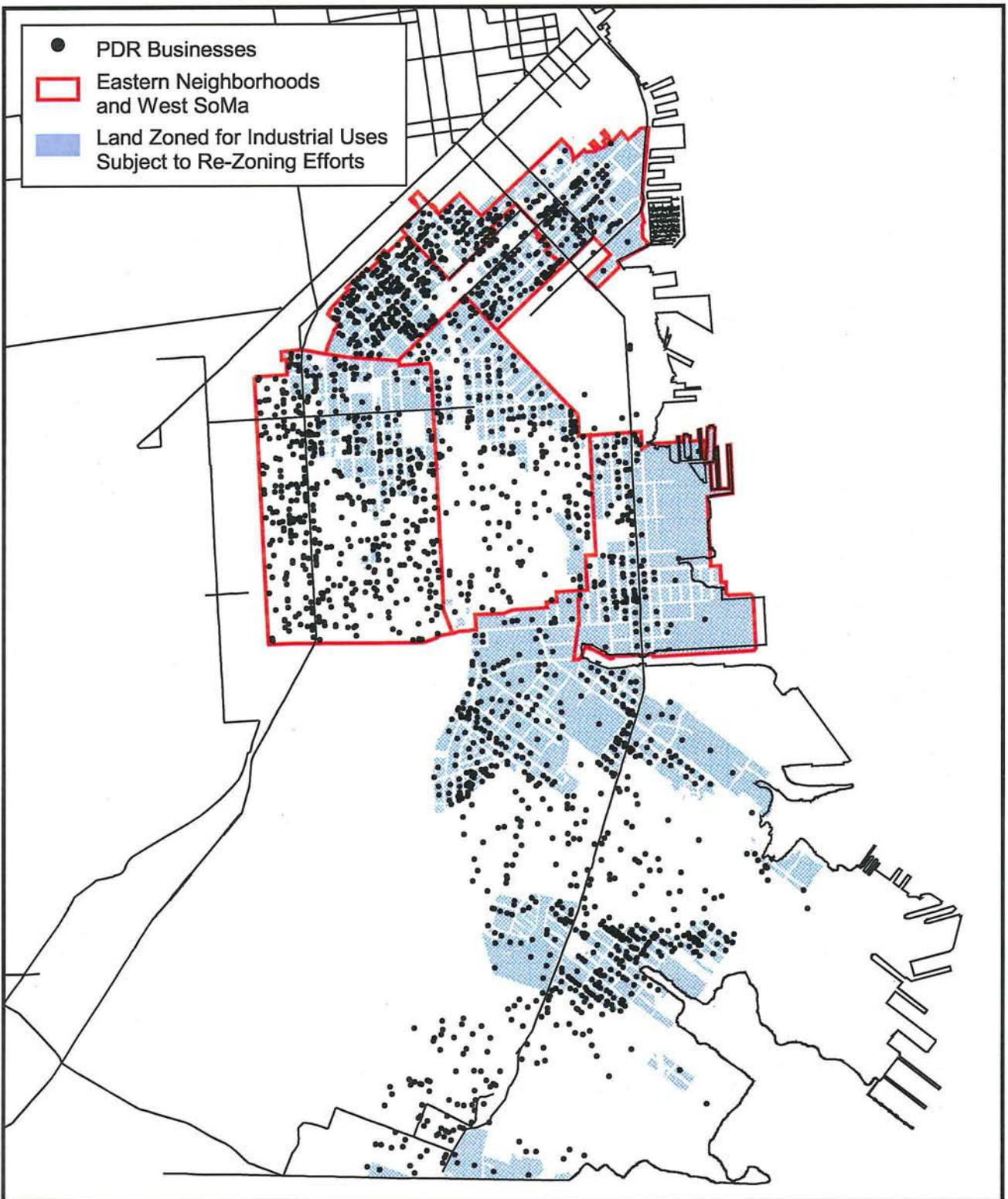
Map 8 illustrates the locations of PDR businesses in the broader Eastern Neighborhoods planning area. The map also indicates where PDR businesses are located on land zoned for industrial use and subject to rezoning and where PDR businesses are located on land not currently zoned for those uses.

Not all PDR business are located on land zoned for PDR use.²² The 2005 Supply/Demand Study for PDR identifies, for each neighborhood, PDR employment on land not zoned for PDR. In the Central Waterfront and Showplace Square/Potrero Hill, almost all PDR activity is on land designated for PDR; less than 10 percent of PDR employment is on land zoned for residential or neighborhood commercial use. South of Market (including both East SoMa and Western SoMa), 25 percent of PDR employment is on land not zoned for PDR, and in the Mission almost one-third of PDR employment is located outside the industrial district. Overall, for the Eastern Neighborhoods, roughly 20 percent of PDR employment is located outside of the heavy commercial, industrial, and service districts where they are permitted uses.

It is also the case that not all land in the industrial, heavy commercial, and service/light industrial zoning districts is in PDR use. Land use tends to be quite mixed in these districts. Office, retail, live/work, and residential uses are not prohibited. Until development pressures elsewhere in the City sought an outlet in what had been perceived as under-developed locations, land use change was not as highly scrutinized in these areas as elsewhere in the City.

²¹ U.S. Department of Labor, Bureau of Labor Statistics, November 2004 Metropolitan Area Occupational Employment and Wage Estimates, San Francisco PMSA (Marin, San Francisco, and San Mateo counties) http://stats.bls.gov/oes/current/oes_7360.htm

²² Under existing zoning in these Eastern Neighborhoods, zoning categories that allow PDR activities include: C-1, C-M, M-1, M-2, RSD, SLI, SLR, SPD, and SSO.



Map 8
PDR BUSINESSES IN
LAND CURRENTLY ZONED FOR INDUSTRIAL USES
AND SUBJECT TO RE-ZONING

SAN FRANCISCO PLANNING DEPARTMENT



Flexibility is a key characteristic of buildings used by PDR businesses and there is considerable variation in the sensitivity of PDR businesses to the costs of space.

PDR businesses are located in a variety of building types, and any one particular building often houses a diverse collection of PDR businesses. The buildings that accommodate PDR businesses are adaptable to changing business operations and can accommodate multiple business functions in one location. These businesses do not require costly finishes, and public reception areas are not a high priority. More important are open plans to accommodate the people and equipment required for various production processes, high ceilings, and loading docks. Some businesses require ground floor locations, while others operate well in upper-story space. Some PDR businesses relying on vehicles for pick-up and delivery require good transportation access. Other businesses require open yards to store vehicles and equipment.

Some PDR businesses in San Francisco own their buildings.²³ These businesses are the least sensitive to space costs but may be influenced by real estate market conditions where selling the property for a higher value use would generate significant economic returns for the property owner.

Businesses that lease their space range from some of the lowest-rent payers to businesses that can afford to pay higher rents, approaching those expected of non-downtown office users. Rent-paying ability is directly related to location preferences and the trade-offs between location and cost of space. Specialized PDR businesses for whom proximity to customers, suppliers, or particular labor networks is critical are able to pass along space costs to customers as part of the cost of doing business. Examples include auto repair operations, furniture repair shops, and interior design showrooms that have customers willing to pay for the convenience of a local provider, as well as custom video processing, digital printing, or building materials production that depend on particular networks of suppliers, labor, and customers. Businesses that have high costs for transportation (for supplies, labor, or products) are more willing to pay premiums for convenient locations. Other PDR businesses in more competitive lines of work are likely to be more sensitive to the costs of space.

The density of the business activity also influences sensitivity to space costs. PDR businesses that require large floor areas for vehicles, equipment, inventory, or production processes can afford relatively low rent on a per square foot basis and are vulnerable to competition from higher-rent paying uses. These businesses often also require open accessory yards. Examples of

²³ About 30 percent of PDR businesses own their property, according to a Planning Department survey of PDR business owners, cited by Economic & Planning Systems, in *Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods*, April 15, 2005.

these types of businesses are vehicle and equipment rental and repair, construction materials and services, animal care services, arts production, and wholesale trade and distribution operations.

PDR businesses that can operate more compactly, such as printing operations, food processing, video and audio processing, apparel and accessories manufacturing, and design studios can afford to pay higher rents and can adapt their operations to higher cost building types or locations. Particular space characteristics are not the priority input factor for these businesses. When faced with higher space costs, they will use space more efficiently to maintain a location that offers access to the higher priority inputs of labor or materials or particular advantages of market access or clustering, described below.

PDR businesses benefit from locating in clusters.

Clusters are businesses of like kind taking advantage of the characteristics of a particular location or set of buildings. Clusters enable businesses to share resources and services and exchange information. Access to a particular labor pool or proximity to a particular customer base are other reasons for business clustering. While this interdependence can stimulate innovation and economic expansion and provide a support system for businesses in trouble, it also means that loss of a cluster's critical mass may result in more widespread business closures and job losses.

The 2002 Planning Department report on industrial land use and PDR business activity identifies the building types that predominate in the different Eastern Neighborhoods and the locations of various clusters of PDR activities. The 2005 Supply/Demand Study for PDR also identifies industry clusters by subarea within the Eastern Neighborhoods.

East SoMa and Western SoMa offer primarily small floor plate structures, many with second and third story loft space. There are also a number of garages, mostly along the east-west streets. Showplace Square is characterized by single and multi-story showrooms, while the North Potrero area has mostly single story, medium floor plate buildings, many with accessory open yards. The Central Waterfront offers a wide range of building types: medium and large floor plate buildings, single-story and multi-story structures, and accessory yards. In the industrial areas of the Mission, there are medium and large floor plate buildings, single-story and multi-story structures, and some accessory yards. Elsewhere in the Mission, PDR businesses occupy garages and upper floor lofts of commercial buildings. South of these Eastern Neighborhoods, in the Bayview, PDR locations are characterized by medium- and large-floor-plate, single-story buildings, often with accessory yards. **Box 2** on the following page links these building and location characteristics with the clusters of similar PDR activities in each neighborhood.

Box 2 BUILDINGS AND LOCATIONS / PDR CLUSTERS	
<i>East SoMa</i>	
Building Types / Location Characteristics	PDR Clusters
Small floor plates Garages Upper floor lofts Proximity to Downtown	Printing and publishing Paper products manufacturing and distribution Broadcasting and telecommunications Graphic design Auto repair and auto body repair Sound recording/film production Parking/towing
<i>Showplace Square / Potrero Hill</i>	
Building Types / Location Characteristics	PDR Clusters
Showrooms Medium floor plates Single-story and multi-story buildings Accessory yards Freeway access Proximity to residential neighborhoods	Wholesale jewelry, furniture, appliances, auto parts Import/export trading Graphic design Small scale manufacturing Garment manufacturing Arts activities Animal services Shipping and delivery services Construction services and materials wholesale Heavy equipment wholesale
<i>Central Waterfront</i>	
Building Types / Location Characteristics	PDR Clusters
Medium and large floor plates Single-story and multi-story buildings Accessory yards Freeway access	Vehicle and equipment rental Transportation services Food distribution Printing services Paper products manufacturing and distribution Graphic design Garment manufacturing Appliance repair and distribution Other repair and maintenance services Construction services and materials wholesale
<i>Mission</i>	
Building Types / Location Characteristics	PDR Clusters
Medium and large floor plates Single story and multi-story buildings Accessory yards Upper floor lofts Garages Proximity to residential neighborhoods	Printing services Auto repair and auto body repair Photography services Broadcasting Sound recording/film production Garment and accessories manufacturing Wholesale apparel Import/export trading Utilities Food processing Animal services Landscape maintenance services Arts activities

The building type/location characteristics/PDR cluster chart highlights the diversity of this economic activity. While there are clear location preferences for some PDR businesses, others are more adaptable. Some are particularly sensitive to space costs, while others can afford higher rents. PDR activities cluster for different reasons. Some cluster in areas with open yards and freeway access because of they rely on storage and distribution. Others cluster together to create efficiencies for clients and customers. Showrooms and auto repair are examples of these types of clusters. Other PDR activities such as small manufacturers seek out inexpensive open plan floor plates as are available in the upper floors of older multi-story commercial and industrial buildings.

The prospects for PDR business activity in the City are good assuming affordable, flexible space is available in suitable locations.

The bulk of the larger manufacturing and distribution businesses that had historically located in urban centers left San Francisco in the 1970s and 1980s. A combination of push-and-pull factors common to industrial location patterns nationally and influenced market forces beyond the control of local land use policy dictated this relocation. Older industrial facilities no longer met the standards of modern production and distribution techniques. Increasing congestion and increase in property values in the City made suburban and exurban locations more attractive and affordable. Firms gained better access to a wider range of the growing regional market by relocating to the suburbs or the metropolitan fringe.

A core of production, distribution, repair, construction, and transportation activities remains in San Francisco. Many of those establishments serve business and resident markets in the City. They are likely to remain in the City over the longer-term provided they can find locations and building types that satisfy their facility needs and cost structures. Businesses most likely to remain and grow are in the following categories: printing and publishing, audio-visual production and services, interior design, art and performance production, construction, custom manufacturing, and motor vehicle repair/parts supply businesses. These businesses have some combination of the following characteristics: ability to pass on increases in costs to customers; strong linkages to San Francisco markets; operations that are adaptable to higher density building types; operations that are compatible with a mixed use environment.

New and yet to emerge technologies will also sustain an evolving PDR presence in San Francisco in the future. Some elements of digital media, internet publishing and broadcasting, communications, biotechnology, nanotechnology, and clean/alternative energy businesses have the characteristics of PDR activity, particularly at early stages of their development. To the extent that space suitable for PDR uses is also *incubator* space, it will accommodate firms in these emerging industry categories.

Examination of land use trends and development proposals in the Eastern Neighborhoods

This section of the report focuses on recent land use change and on proposed development, describing how the planning area has evolved over time within the City's land use system. Analysis of the pipeline of new development projects in the Eastern Neighborhoods highlights the current incarnation of development pressure and land use transition.

Land use in the Eastern Neighborhoods reflects the area's history as one of the first locations for dense urban development in the growing City.

The Eastern Neighborhoods cover 1,480 developable acres—seven percent of San Francisco's land area—not counting streets, alleys, and other public rights-of-way (**Table 15**). These areas are some of the oldest areas of urban development in San Francisco. Historically, residential, commercial, and industrial uses grew side by side, before modern zoning controls to segregate uses were applied. The current diversity of use in the Eastern Neighborhoods grows out of both those historic development patterns and more recent real estate market and land use trends that have residential, retail, and office uses moving into areas that had been more exclusively “industrial” in character.

A large portion of the land area *used* by production, distribution, and repair (PDR) businesses in San Francisco is located in the Eastern Neighborhoods; the 570 acres of land classified as in PDR use represent 36 percent of the total PDR land in the City. Most of the rest of the land in use by PDR businesses is in the Bayview and in Western SoMa. PDR land represents the largest single use of land in the Eastern Neighborhoods—about 40 percent of the total and is the distinguishing feature of these areas from the perspective of the City's land use system. Interestingly, residential land and residential mixed use land cover just over 500 acres in the Eastern Neighborhoods. At 35 percent of the total land area in these neighborhoods, residential use is a large part of the mix. In the rest of the City, 45 percent of the land is in residential use.

Figure 58 shows the percentage distribution of land area by use for the Eastern Neighborhoods, Western SoMa, and the other parts of the rest of the City. The importance of PDR use to the landscape of the Eastern Neighborhoods and Western SoMa is very clear in this figure. What is surprising is the mix of other uses. Under existing zoning, residential land use is almost as large as PDR land use in the Eastern Neighborhoods. Relatively large shares of the City's retail and entertainment land and cultural, institutional, and educational land are located in the Eastern Neighborhoods, as is 12 percent of the City's office land. Parks and open space and visitor uses are under-represented in the Eastern Neighborhoods and Western SoMa.

TABLE 15
SAN FRANCISCO LAND AREA BY LAND USE IN 2004
(ACRES)

Land Use Category	Total City	Eastern Neighbor- hoods	Western SoMa	Percent of City Total	
				Eastern Neighbor- hoods	Western SoMa
Cultural, Institutional, Educational & Other Public Facilities	1,292.79	89.61	6.14	7%	~
Mixed Uses	1,176.08	76.73	28.79	7%	2%
Offices	363.30	42.47	10.48	12%	3%
Parks and Open Space	6,096.83	48.62	0.23	1%	~
Production, Distribution and Repair	1,582.38	567.81	62.72	36%	4%
Residential	9,774.35	477.21	20.23	5%	~
Residential Mixed Use	222.85	42.00	3.95	19%	2%
Retail/Entertainment	512.13	87.34	20.06	17%	4%
Visitor	67.35	1.52	1.56	2%	2%
Vacant	550.91	47.13	11.18	9%	2%
Total	21,638.96	1,480.44	165.34	7%	1%

SOURCE: San Francisco Planning Department Land Use 2004 database

As locations for business activity in San Francisco, the former industrial districts including these Eastern Neighborhoods as well as Western SoMa, Mission Bay, and Bayview/Hunter's Point have been in a state of transition for many years. An earlier exodus of large-scale manufacturing and warehouse uses left an inventory of underutilized buildings and land area. First, office activities that needed larger sites and small offices seeking affordable space near downtown migrated to the South of Market area. In the 1990s, "multi-media" and dot-com businesses occupied under-utilized, often multi-story, industrial buildings in the South of Market, Inner Mission, Central Waterfront, and Potrero Hill neighborhoods, following the lead of the design and showroom cluster that transformed parts of North Potrero into Showplace Square in the 1980s. More recently, in a former warehouse and distribution hub, UCSF has started to occupy new facilities at their Mission Bay campus, and this new residential neighborhood and the ballpark at China Basin have begun to attract retail and other population-serving businesses to the area.

Capitalizing on these real estate trends and guiding future development patterns, most of the formerly industrial land that hugged San Francisco's eastern bay shoreline has been planned and programmed for mixed use redevelopment. Intensive development is now proceeding under these plans: Rincon Hill/Transbay, Rincon Point/South Beach, Mission Bay, Hunters Point.

The Port of San Francisco also controls land in maritime and industrial use along San Francisco's Bayshore. Prospects for re-use and redevelopment are more limited on Port land. In

the Central Waterfront, the Waterfront Land Use Plan reserves land for maritime use, consistent with the governing “public trust doctrine” directing such important waterfront resources to be reserved for water-dependent use, including industrial maritime, waterborne commerce, and public assembly and recreation. To finance infrastructure improvements and public benefits that are key objectives of the Waterfront Land Use Plan, however, revenue-generating non-maritime uses are allowed in some mixed-use opportunity areas, including a portion of Pier 70 and the former Western Pacific property north of Pier 80 in the Central Waterfront. (The latter property has since become the site for the Metro East Light Rail Maintenance and Operations Facility.) In the absence of demand for land for maritime use and pending project sponsors willing to assume the risk and make the investment in redeveloping the opportunity areas, the Port allows interim uses consistent with the underlying industrial zoning. As such, these waterfront areas have become an important part of the San Francisco’s industrial land supply.

The current development pipeline is emblematic of the longer-term land use transitions within the City’s land use system.²⁴

Real estate market factors continue to favor new development in the former industrial areas, including the Eastern Neighborhoods. In the Eastern Neighborhoods, approved projects and development proposals convert industrially-zoned land and PDR building space to residential use with associated smaller amounts of retail, office, and institutional development.

The pipeline of potential new residential development in San Francisco remains at near-record-high levels. As of March 2006, the housing development pipeline totaled 21,800 additional units, counting units in projects that have applications filed with the Planning Department, approved projects that have permit applications filed with the Department of Building Inspection, projects that have approved and issued building permits, and projects that are under construction. As shown in **Figure 59**, about one-third of the total are not yet approved; they have applications filed and are in the midst of the planning process. About half of the units are in projects that are approved and are in some stage of the building permit process, but not yet under construction. Twenty percent of the units in the residential development pipeline (5,400 units) were under construction as of the March 31, 2006.

Of this total, 176 projects representing 7,000 units were in the Eastern Neighborhoods. This amounts to 27 percent of all the units in the residential development pipeline. In the Eastern Neighborhoods as in the rest of the City, about one-third of the units in the pipeline are in the planning review stage—not yet approved. Just over 3,000 units (45 percent) are approved and at some stage of the building permit process. In the Eastern Neighborhoods, one-quarter of the

²⁴ The development pipeline information presented here represent project status as of the end of the first quarter (end of March) 2006.

units in the residential development pipeline (about 1,700 units) are were under construction in early 2006. **Table 16** presents the detail on the residential pipeline for the Eastern Neighborhoods.

TABLE 16
RESIDENTIAL PIPELINE BY PLANNING APPLICATION AND BUILDING PERMIT STATUS
(NET NEW UNITS AS OF MARCH 31, 2006)

Pipeline Status	Central Waterfront	East SoMa	Mission	Showplace Square/Potrero Hill	All Eastern Neighborhoods	Western SoMa	Total City	Eastern Neighborhoods Share of Total City
Planning Application Filed	35	873	590	745	2,243	632	7,956	28%
Planning Approved	195	232	274	8	709	135	3,329	21%
Bldg. Permit Application Filed	174	531	498	799	2,002	80	5,788	35%
Bldg. Permit Approved/Issued	110	1	47	156	314	103	3,493	9%
Under Construction	24	659	460	531	1,674	345	5,411	31%
	538	2,296	1,869	2,239	6,942	1,295	25,977	27%
Percent of total units	8%	33%	27%	32%	100%			

NOTE: Net new residential units after adjusting proposed project totals for demolition of existing units. Detail from Planning Department Case Tracking and Department of Building Inspection data from Permit Tracking, as of March 31, 2006.

SOURCE: San Francisco Planning Department

Some of these projects are permanently affordable housing, sponsored by non-profit housing developers, that will add to the inventory of that type in the Eastern Neighborhoods. Examples include 18th and Alabama Apartments (151 units), 275 10th Street Supportive Housing (140 units), 10th and Mission family housing (135 units), 9th and Jessie Senior Housing (107 units), and Mission Street Studios (100 units). Some of the other projects will include on-site below-market-rate units.

The distribution of pipeline units among the Eastern Neighborhoods shows a fairly even distribution of about 2,000 units each in East SoMa, the Mission, and Showplace Square/Potrero Hill. The Central Waterfront shows a smaller number of pipeline units. According to this snapshot of the pipeline, East SoMa is no longer the primary focus of proposed new residential development activity.

The table also shows detail for the residential development pipeline in Western SoMa. Thirty one residential development projects totaling about 1,300 units are either under review, approved, or under construction. This amounts to five percent of the total residential development pipeline in the City.

Non-residential space in the development pipeline includes space in mixed-use projects and space in solely non-residential projects. **Table 17** presents the detail by land use for the Eastern

Neighborhoods, Western SoMa, and the City overall. Citywide, 2.1 million sq. ft. of net additional office space is in the development pipeline. One million sq. ft. of this office space is under construction, another one million sq. ft. has been approved; and about 600,000 sq. ft. are under review. None of the major new office projects is in the Eastern Neighborhoods. The non-residential pipeline includes a similar amount of retail/entertainment space (2.0 million sq. ft. of net additional space). Unlike the situation for office development, a substantial part (20 percent) of the net additional retail/entertainment space in the pipeline is located the Eastern Neighborhoods. More than half of this development citywide is in approved projects that are either under construction or in some stage of the building permit process; in the Eastern Neighborhoods, two-thirds of the net additional retail/entertainment space in the pipeline is approved or under construction. The pipeline for visitor accommodations totals 845,000 sq. ft. of net additional space, and institutional, educational, and medical facilities plan another 748,000 sq. ft. of net additional space. Only a small amount of the development pipeline for visitor accommodations is in the Eastern Neighborhoods and 15 percent of the institutional, educational, or medical space is in projects in the Eastern Neighborhoods.

TABLE 17
NON-RESIDENTIAL PIPELINE BY LAND USE
(NET ADDITIONAL BUILDING SPACE AS OF MARCH 31, 2006)

Non-residential Land Use	Central Waterfront	East SoMa	Mission	Showplace Square/ Potrero Hill	Eastern Neighborhoods	Western SoMa	Total City	Eastern Neighborhoods Share of Total City
Office	-	(79,404)	23,124	(38,909)	(95,189)	(14,275)	2,133,077	0%
Retail and Entertainment	50,265	96,044	61,235	204,833	412,377	30,116	2,039,904	20%
Visitor	-	49,500	-	-	49,500	41,000	845,442	6%
Cultural, Institutional and Educational	-	-	74,287	12,000	86,287	25,600	651,041	13%
Medical	-	20,000	-	-	20,000	-	96,908	20%
Production, Distribution and Repair	(196,350)	(185,027)	(320,970)	(213,008)	(915,355)	(55,250)	(1,550,966)	59%
Total net additional non-residential development	(146,085)	(98,887)	(162,324)	(35,084)	(442,380)	27,191	4,215,406	

NOTE: Some of the new non-residential development is in mixed-use projects and the residential units in those projects are shown in Table 16. Some of the net loss of production, distribution, and repair building space shown in this table is attributable to some of the residential projects detailed in Table 16. Detail from Planning Department Case Tracking and Department of Building Inspection data from Permit Tracking, as of March 31, 2006.

SOURCE: San Francisco Planning Department

The Western SoMa pipeline of potential development activity for these types of new development projects looks similar to that in the Eastern Neighborhoods plan areas. The pipeline results in a small net loss of office space and modest net additions to the inventory of retail/entertainment, visitor accommodations, and cultural/institutional space.

Most of the loss of existing space as a result of development proposals is loss of PDR space.

Some of the development projects in the pipeline require the demolition or conversion of existing space. In some cases, office, retail, or residential space is demolished or converted. As shown in **Table 17** most of the loss of existing space is building space currently or formerly occupied by production, distribution, or repair activities, however. The citywide development project pipeline shows a net loss of about 1.6 million sq. ft. of PDR space to accommodate conversion or new construction. Two-thirds of this loss of PDR space will occur because of development projects that are under construction or approved. There are some projects in the pipeline that would add PDR space. These are generally smaller projects, so the net result summarized by planning area is a net loss of PDR building space. For example, , there are two market-rate housing projects (one in the Central Waterfront and one in Showplace Square/Potrero Hill) that have a PDR component. The Central Waterfront mixed-use project includes 20,500 sq. ft. of PDR space with 27 housing units, and the Showplace Square/Potrero Hill mixed-use project includes about 5,000 sq. ft. of PDR space with 41 housing units. **Table 18** shows the detail for the loss of production, distribution, and repair space by neighborhood and by project status in the pipeline.

TABLE 18 PIPELINE STATUS OF PRODUCTION, DISTRIBUTION, AND REPAIR BUILDING SPACE (NET ADDITIONAL BUILDING SPACE AS OF MARCH 31, 2006)				
Neighborhood	Planning Application Filed	Planning Approved/Build ing Permit Issued	Under Construction	Totals
Central Waterfront	(27,740)	(168,610)	-	(196,350)
East SoMa	(48,659)	(118,843)	(17,525)	(185,027)
Mission	(239,475)	(81,495)	-	(320,970)
Showplace Sq./Potrero Hill	(10,663)	(171,055)	(31,290)	(213,008)
Total Eastern Neighborhoods	(326,537)	(540,003)	(48,815)	(915,355)
Rest of City	(191,857)	(306,210)	(137,544)	(635,611)
Western SoMa	(5,775)	(22,450)	(27,025)	(55,250)
Total City	(518,394)	(846,213)	(186,359)	(1,550,966)
NOTE: There are some projects in the pipeline that would add PDR space. These are generally smaller projects, so the net result summarized by planning area is a net loss of PDR building space.				
SOURCE: San Francisco Planning Department, Department Case Tracking and Department of Building Inspection data from Permit Tracking, as of March 31, 2006.				

Within each of the Eastern Neighborhoods, Western SoMa, and the rest of the City, the development pipeline would result in the loss of building space for PDR uses. Most of the loss of PDR building space is in the Eastern Neighborhoods; over 900,000 sq. ft. (60 percent of the citywide total) would be lost in the Eastern Neighborhoods. These losses are distributed across

all four plan areas, each show net losses of 200,000 – 300,000 sq. ft. (**Figure 60**). A notably small amount of PDR space would be lost as a result of the development pipeline in Western SoMa; only about 55,000 sq. ft. would be lost to accommodate new development or conversion to other uses. The relatively large net loss of PDR space in other parts of the rest of the City would occur in the Bayview, Hunter’s Point, and Visitacion Valley areas, and in other parts of the City such as Mid-Market and Polk Street.

Almost all of the PDR demolition or conversion in the Eastern Neighborhoods would be the consequence of residential or mixed-use development, some of which would include affordable housing (**Table 19**). Overall, one-quarter of the residential or mixed-use projects in the Eastern Neighborhoods pipeline would displace PDR building space. These projects are among the larger residential development projects—representing one-half of all residential units in the pipeline. The proportion of projects and units resulting in the displacement of PDR building space is greatest in the Central Waterfront and East SoMa. In Showplace Square/Potrero Hill a smaller percentage of the projects, but large projects representing 55 percent of all Showplace Square/Potrero Hill units in the pipeline, would displace PDR building space. In the Mission, a smaller percentage of projects and units would displace the largest amount of PDR building space.

TABLE 19
RESIDENTIAL PROJECTS IN THE PIPELINE THAT WILL DISPLACE PDR BUILDING SPACE

	Central Waterfront	East SoMa	Mission	Showplace Square/ Potrero Hill	Total Eastern Neighborhoods	Rest of City Western SoMa	All the Rest
Number of Projects	5	19	12	9	45	7	55
Number of New Units	285	1,316	577	1,223	3,401	403	3,064
Net Loss of PDR (sq ft)	(246,850)	(185,027)	(326,620)	(217,848)	(976,345)	(55,250)	(857,481)
Percent of Projects ¹	42%	49%	15%	20%	26%	23%	6%
Percent of New Units	53%	57%	31%	55%	49%	31%	17%
Ratio of PDR space lost to units added	(866)	(141)	(566)	(178)	(287)	(137)	(280)

¹ Number of residential or mixed use projects in the pipeline that will displace PDR building space as a percent of all projects in the pipeline that have housing units (residential only and mixed-use projects).

SOURCE: San Francisco Planning Department.

The loss of PDR building space as a result of residential and mixed-use development in the pipeline would range from 185,000 sq. ft. in East SoMa to over 325,000 sq. ft. in the Mission. A notably smaller amount of space in Western SoMa would be displaced, but the number is quite high for other parts of the City. **Table 19** also shows the ratio of net PDR space lost per housing unit gained. The ratio is lowest in East SoMa (and in Western SoMa)—about 140 square feet of

PDR lost per unit developed—where relatively large housing projects are proposed on PDR sites. The ratio is highest in the Central Waterfront—866 square feet of PDR lost per unit developed. In the rest of the City, outside of Western SoMa, the ratio of PDR space lost to new residential development in the pipeline is about the same as the average for the Eastern Neighborhoods.

Under San Francisco's Inclusionary Housing Policy, some portion (10 – 15 percent—or somewhat more depending on the timing and conditions of project approval) of these units in projects that will displace PDR building space are expected to be “below-market-rate” units affordable to households whose incomes do not exceed 100 percent of median income. None of these Eastern Neighborhoods pipeline projects that would displace PDR building space would be 100 percent affordable housing.

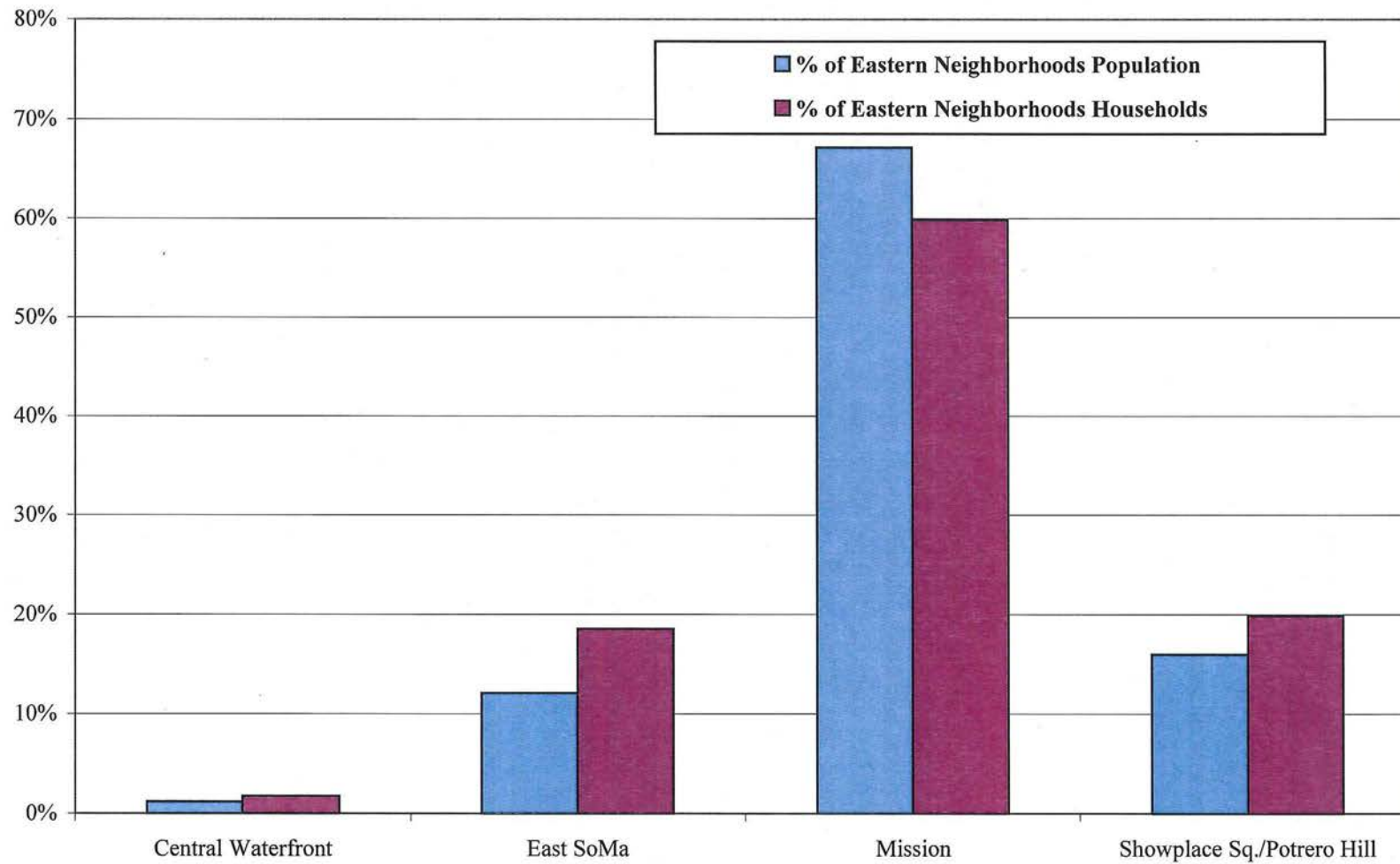
Elsewhere in the City, there are currently three 100 percent affordable housing projects in the pipeline that would displace PDR building space. These are larger projects. One approved project is in Western SoMa, another is on Polk Street, and one project is proposed in the Mid-Market planning area. Combined, these three projects would produce about 525 affordable housing units and would displace about 44,000 sq. ft. of PDR building space (83 sq. ft. of PDR space lost per unit, on average).

Details of the development pipeline in the Eastern Neighborhoods:

- ♦ In the **Central Waterfront**, there are 14 projects in the development pipeline, four of which have not been approved and are still in the review process. All but two of all Central Waterfront pipeline projects are residential or mixed-use projects that would add overall about 540 housing units in the Central Waterfront. The pipeline of development projects would add about 50,000 sq. ft. of retail space as well, all in approved projects. Housing and retail development in approved projects would mean the loss of about 170,000 sq. ft. of PDR space as a result of either demolition or conversion. Projects still in the review process propose to demolish or convert another 30,000 sq. ft. of PDR space. A recent large addition to the inventory of PDR space in the Eastern Neighborhoods is in the Central Waterfront. A project adding 224,000 sq. ft. was completed in 2005, so it is no longer included in the development pipeline.

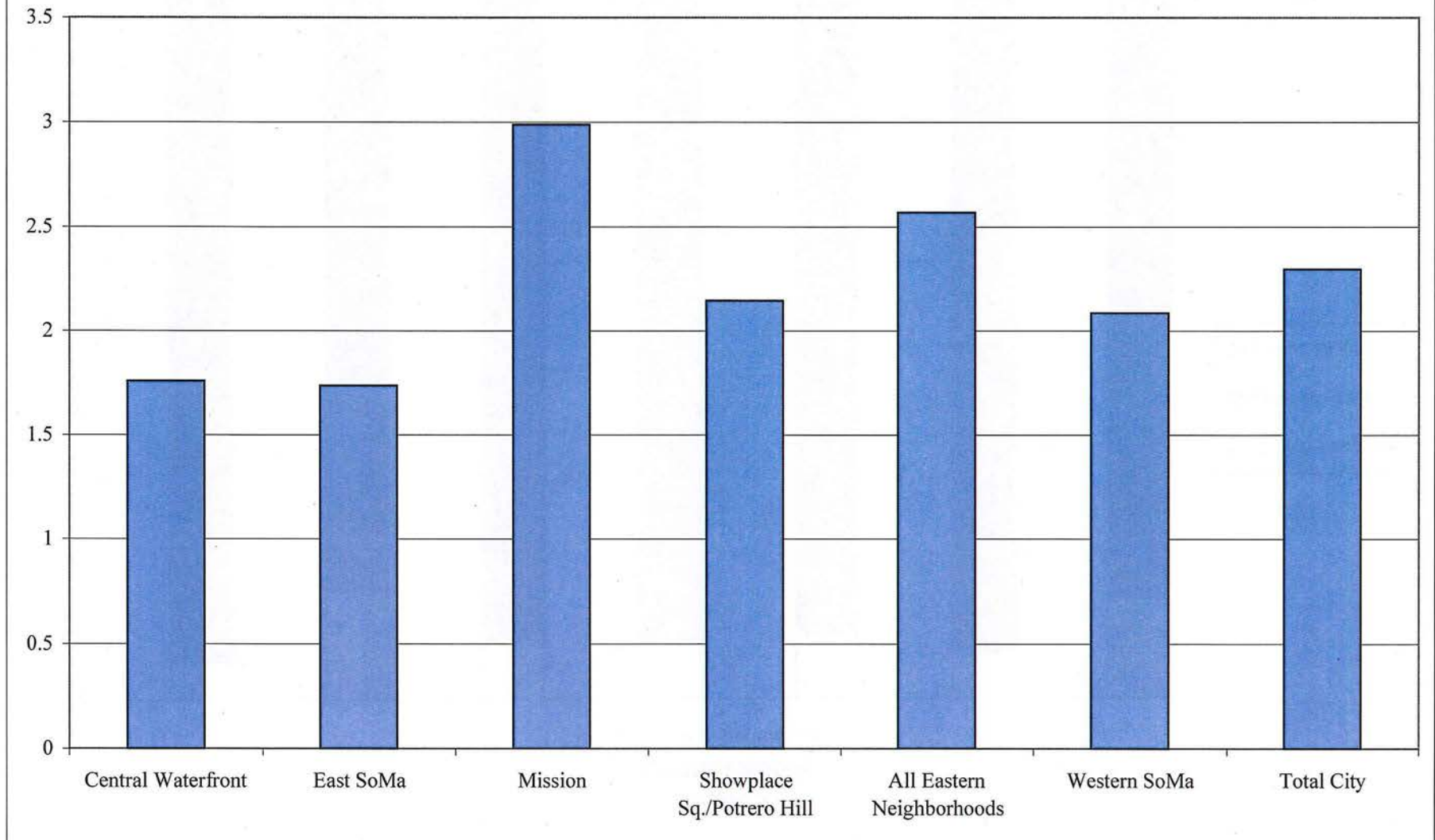
- ♦ Most of the development pipeline in **East SoMa** is in approved projects; 85 percent of the 43 projects in the development pipeline are approved, in the building permit process, or under construction. Most of the pipeline projects are residential or mixed-use and would increase the housing inventory in this neighborhood by 2,300 units. About 60 percent of the housing units are in approved projects, and most of those units are under construction. The non-residential pipeline consists of about 96,000 sq. ft. of retail space and 20,000 sq. ft. of medical space. In addition, this is the only Eastern Neighborhood where new visitor lodging development is proposed. The development pipeline in East SoMa would result in the loss of about 185,000 sq. ft. of PDR space, as well as the loss of some existing office space. Most of the demolition and/or conversion of PDR space (75 percent of the total) will result from projects that have been approved and are in some stage of the building permit or construction process.
- ♦ The **Mission** is the largest of these Eastern Neighborhoods and also has the most projects in the development pipeline: 86 projects as of March 31, 2006. Most of the projects in the Mission (80 of 86) are residential or mixed-use with some housing. These projects would add almost 1,900 housing units to the housing inventory of this neighborhood. Compared to the other Eastern Neighborhoods, the pipeline in the Mission is characterized by a larger number of smaller projects. The non-residential development pipeline in the Mission includes a small amount of office space (23,000 net additional sq. ft.), 61,000 sq. ft. of retail/entertainment space, and 74,000 sq. ft. of institutional or educational space. This pipeline of residential, non-residential, and mixed-use development activity would result in the loss of about 320,000 sq. ft. of PDR space. Most of this conversion or demolition (75 percent) would be attributable to projects that are not yet approved.
- ♦ There are a total of 49 projects in the **Showplace Square/Potrero Hill** development pipeline—including some of the largest projects proposed across all of the Eastern Neighborhoods. Almost all of the projects are residential or mixed use. The residential development pipeline in Showplace Square/Potrero Hill totals over 2,200 units in 45 projects. Most of those units (two-thirds) are in approved projects. The non-residential development pipeline consists of a relatively large amount of retail/entertainment space (over 200,000 sq. ft.) and smaller amounts of new or converted office space and educational or institutional space. Overall pipeline projects would reduce the office inventory in this area. About 210,000 sq. ft. of PDR space would be demolished or converted as a consequence of some of the projects in this development pipeline. Almost all of that loss (95 percent) is associated with projects that have been approved.

Figure 1
Households and Household Population in the Eastern Neighborhoods
(distribution by neighborhood)



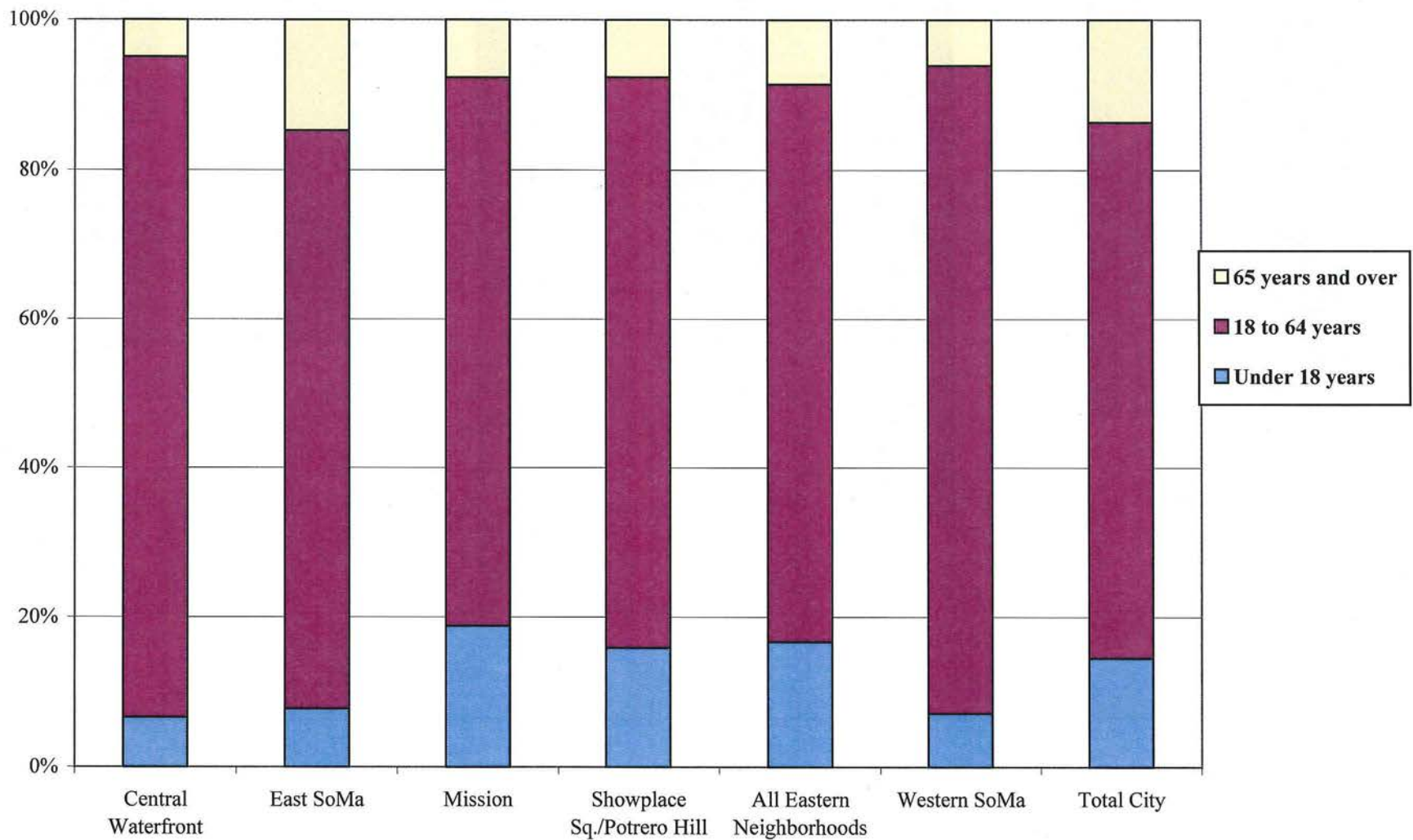
Source: Census 2000

Figure 2
Persons per Household



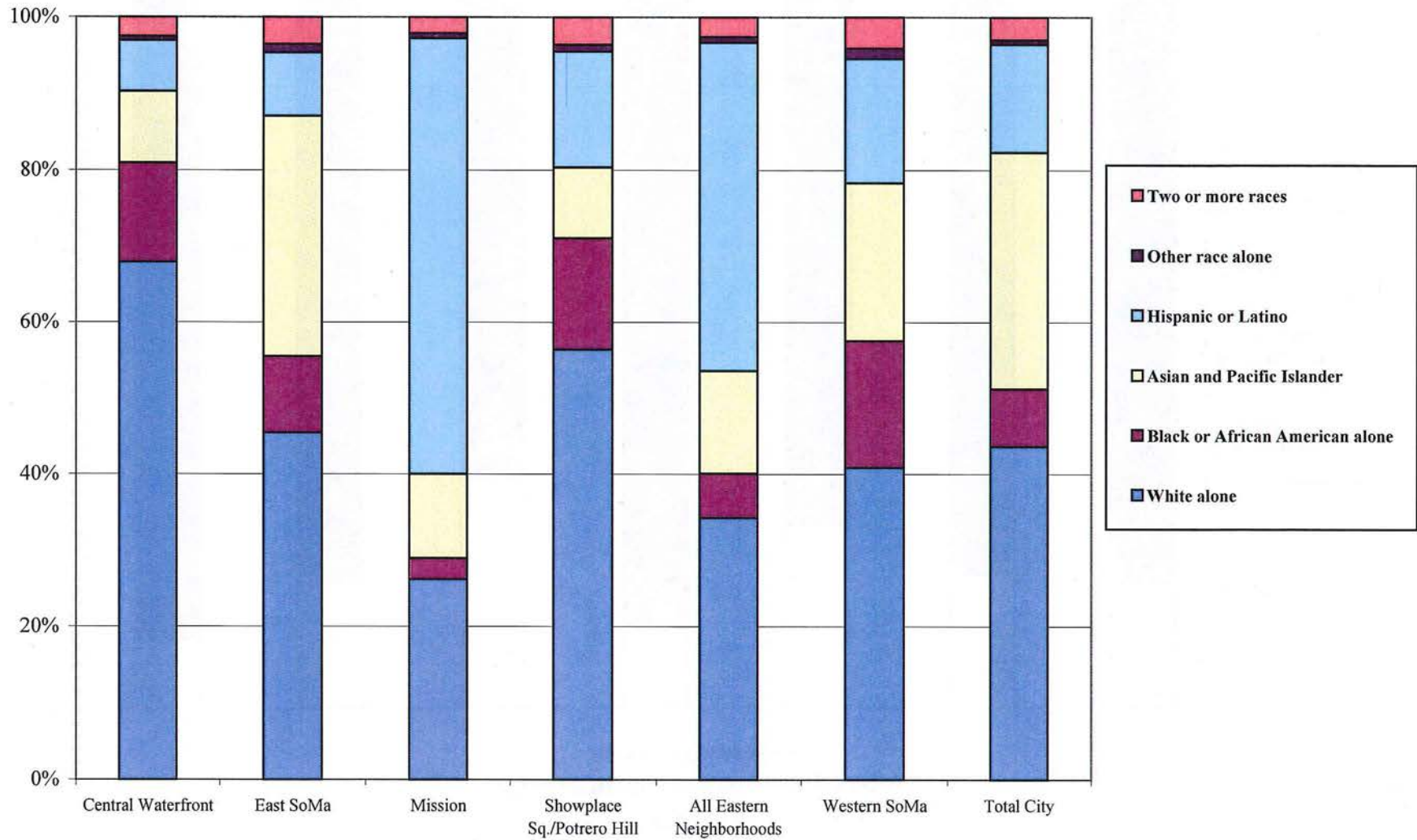
Source: Census 2000

Figure 3
Age Distribution
 (percent of population)



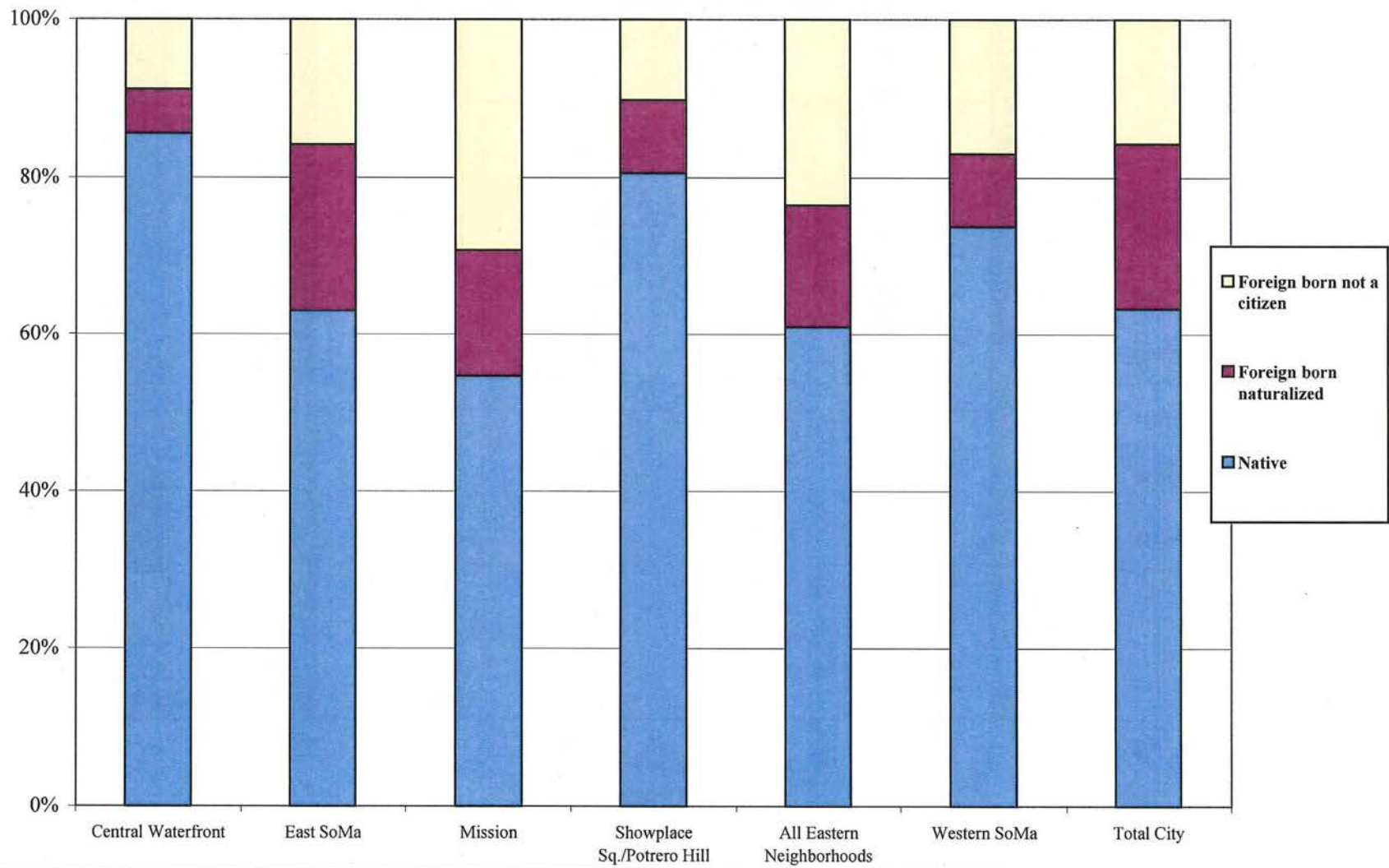
Source: Census 2000

Figure 4
Race/Ethnicity
 (percent of population)



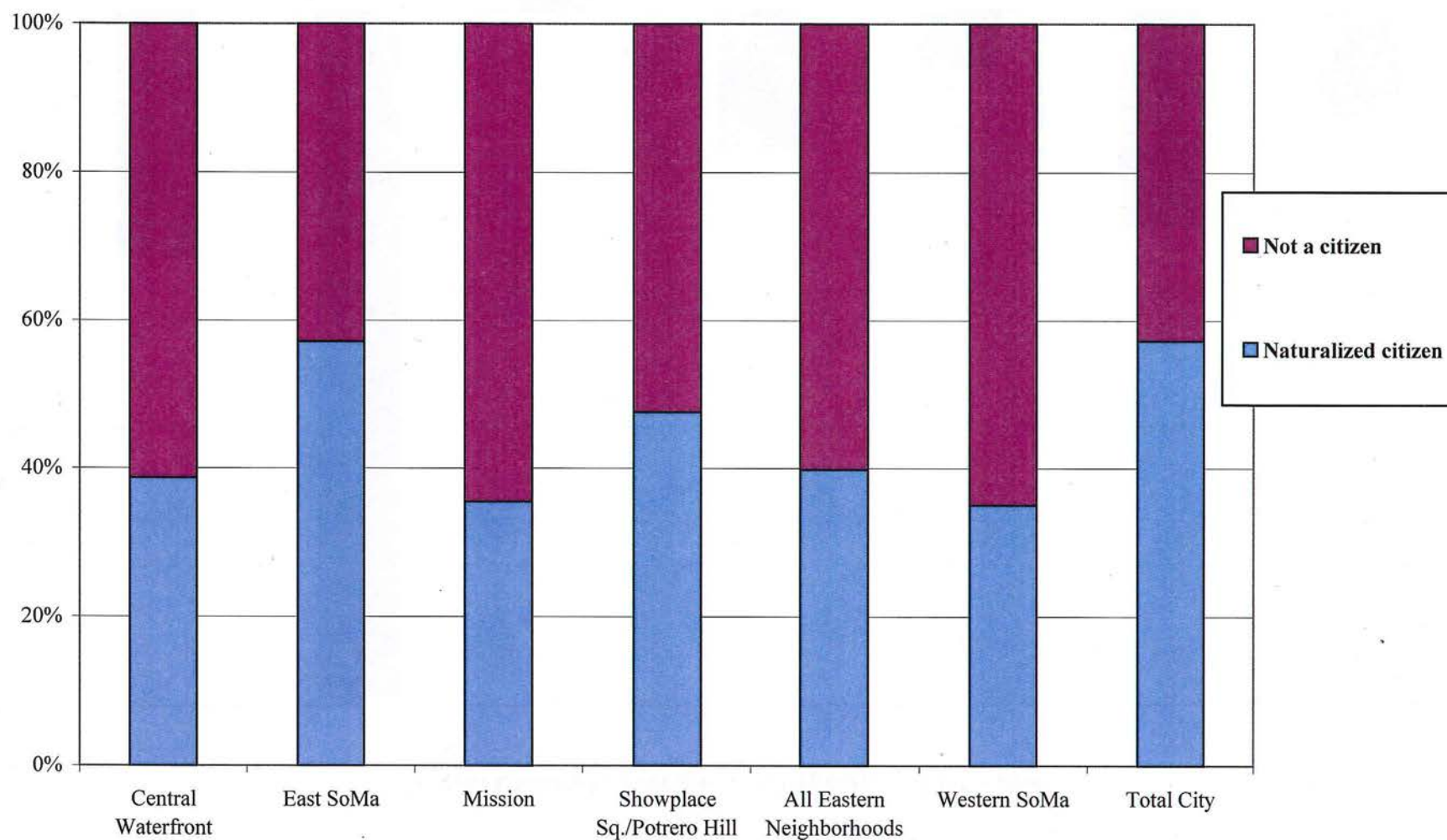
Source: Census 2000

Figure 5
Place of Birth and Citizenship Status
 (percent of population)



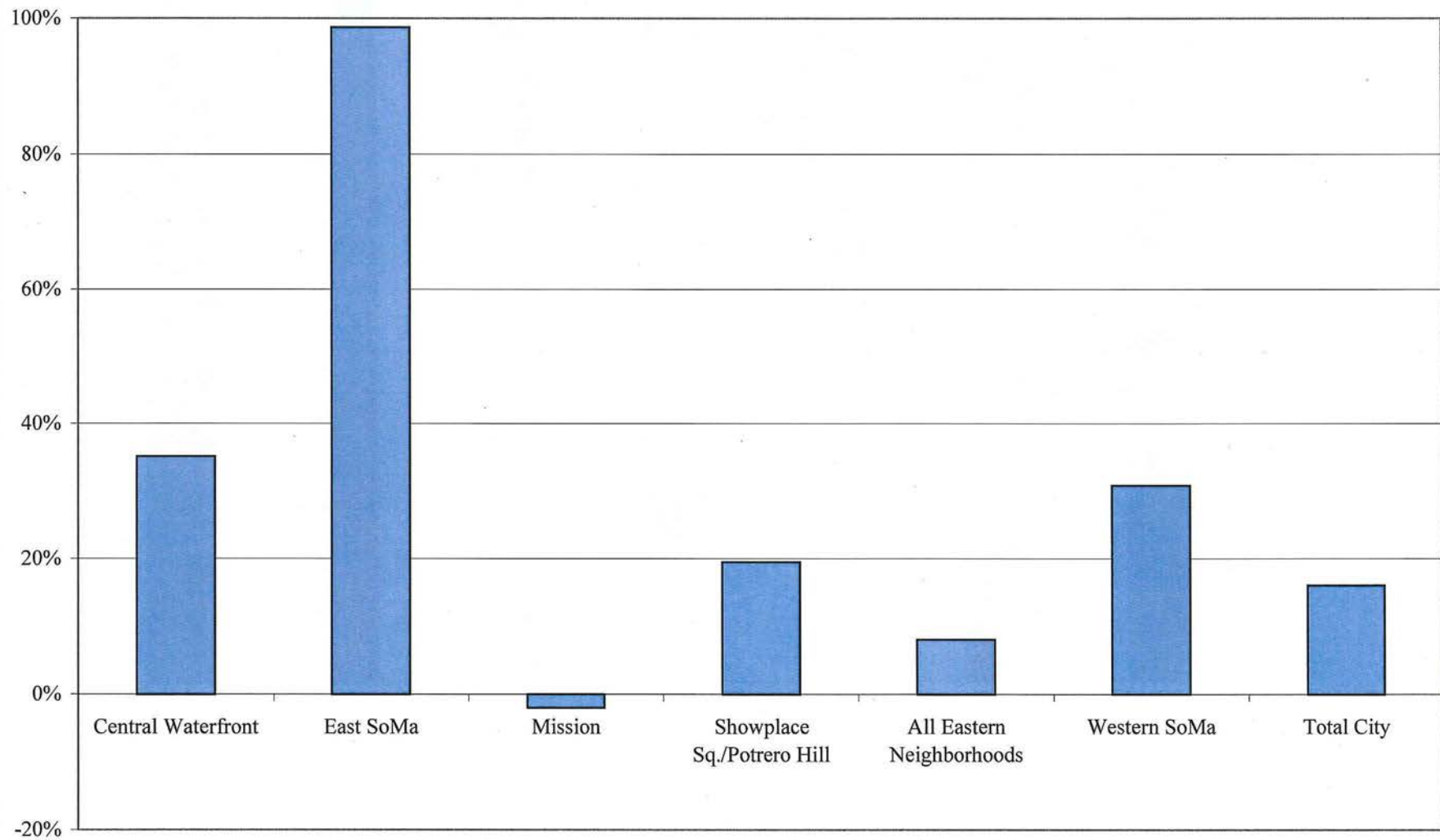
Source: Census 2000

Figure 6
Citizenship Status of the Foreign-born
(percent of foreign-born population)



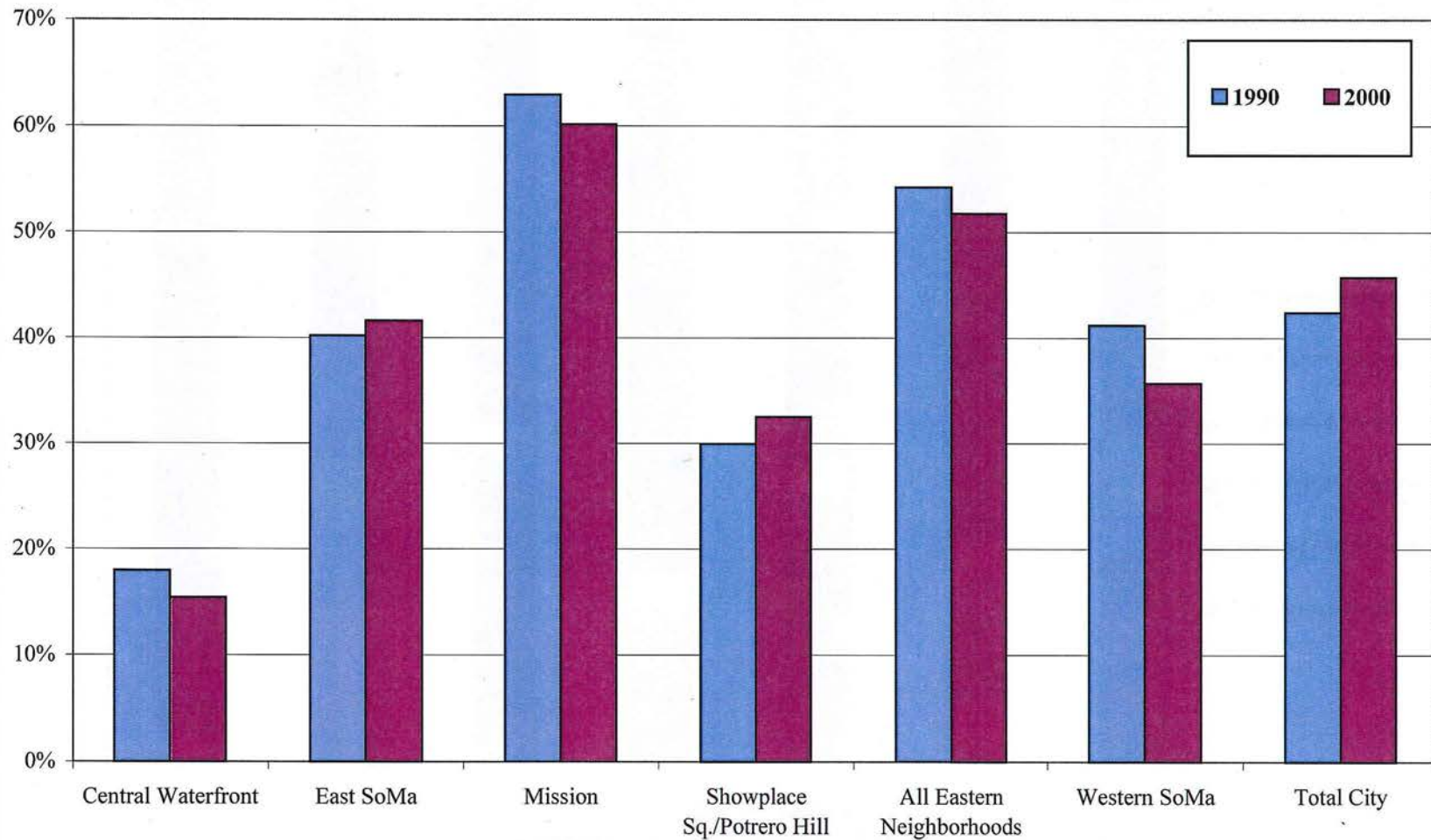
Source: Census 2000

Figure 7
Percent Change in Foreign-Born Population, 1990 - 2000



Source: 1990 Census and Census 2000

Figure 8
People who Speak Other than English at Home
(percent of population)



Source: 1990 Census and Census 2000

Figure 9
Language Use and English-Speaking Ability
 (percent of population)

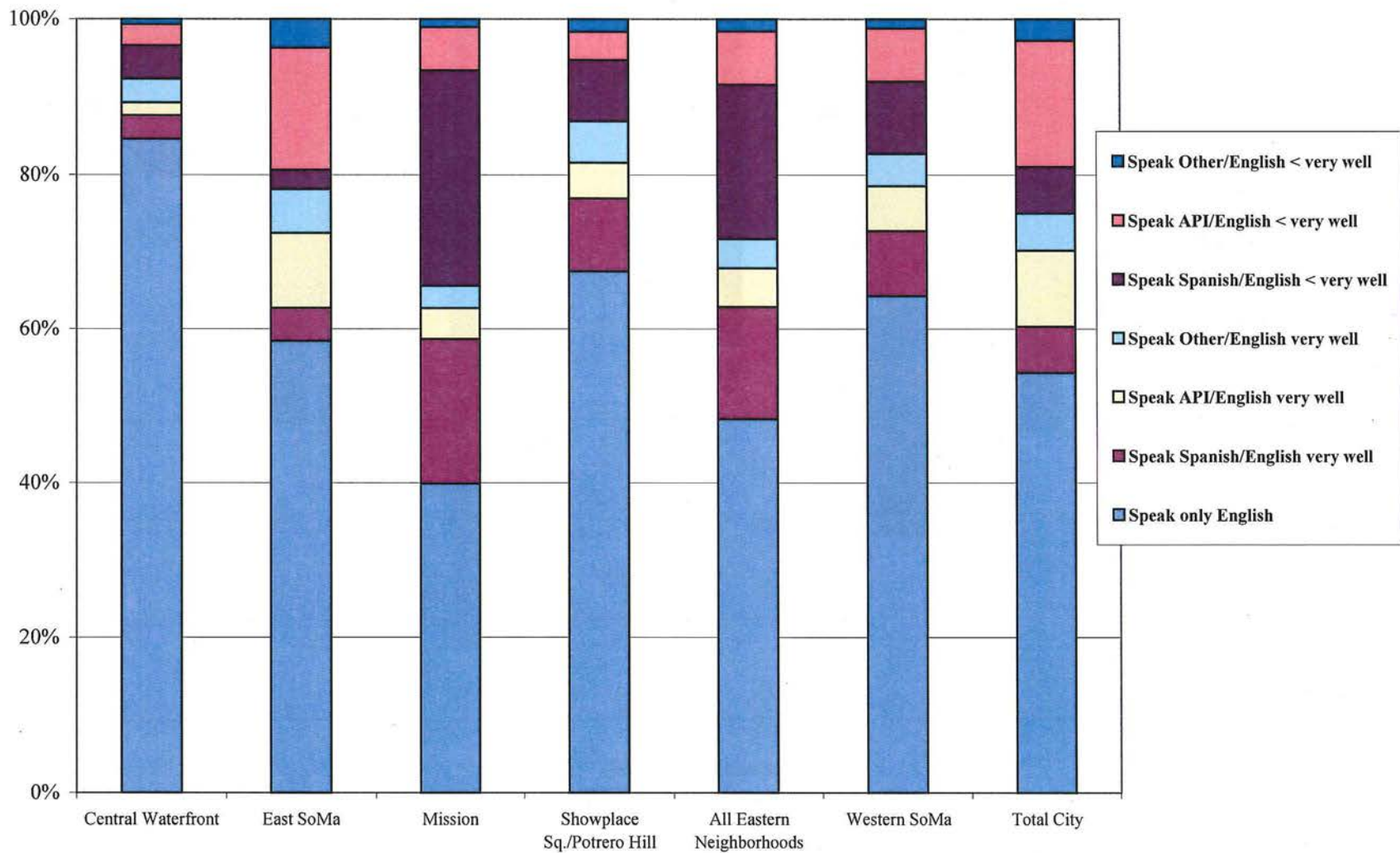
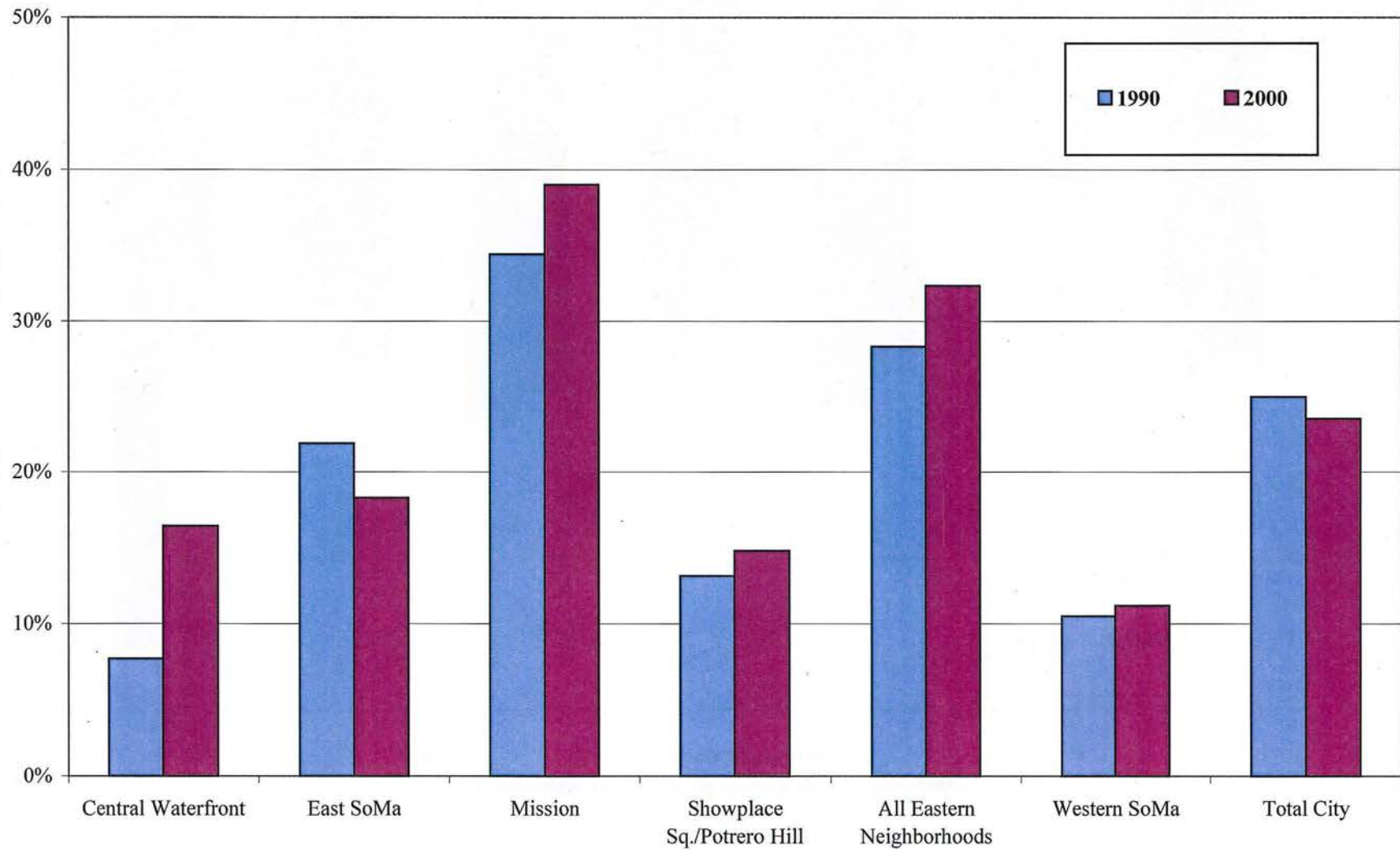
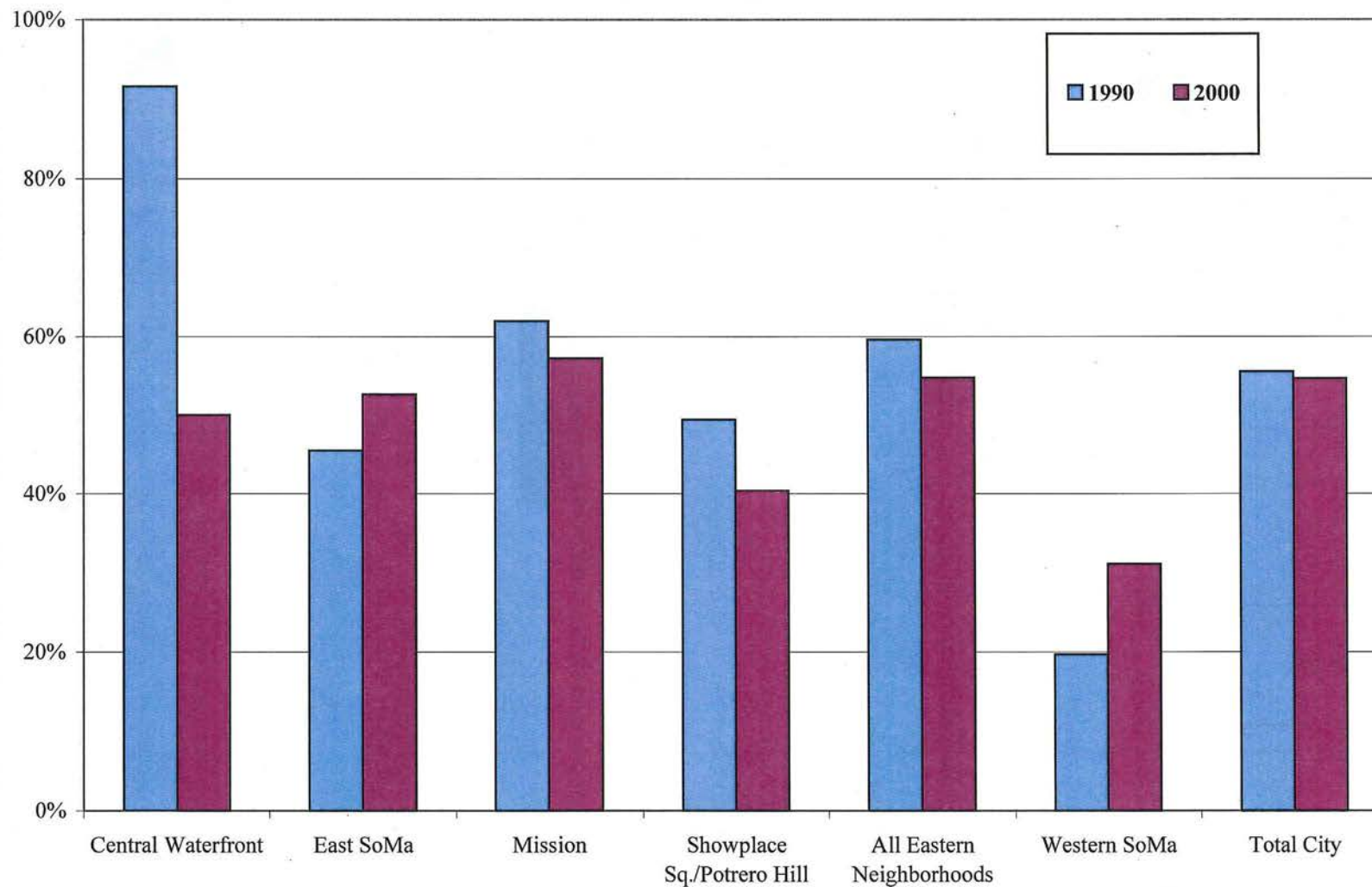


Figure 10
Linguistic Isolation
(percent of population)



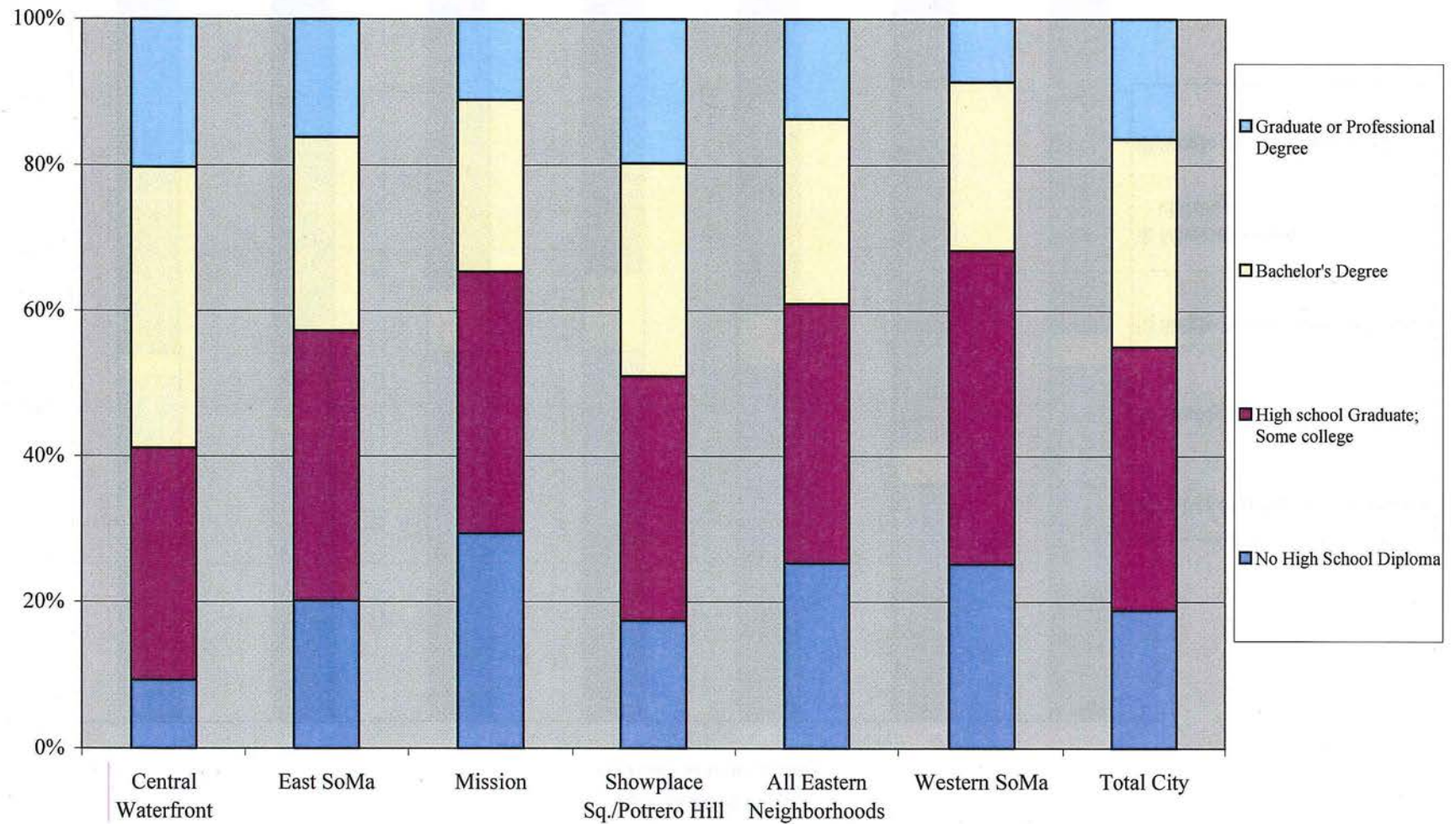
Source: 1990 Census and Census 2000

Figure 11
Linguistic Isolation of Non-English Speakers
(percent of non-English speakers)



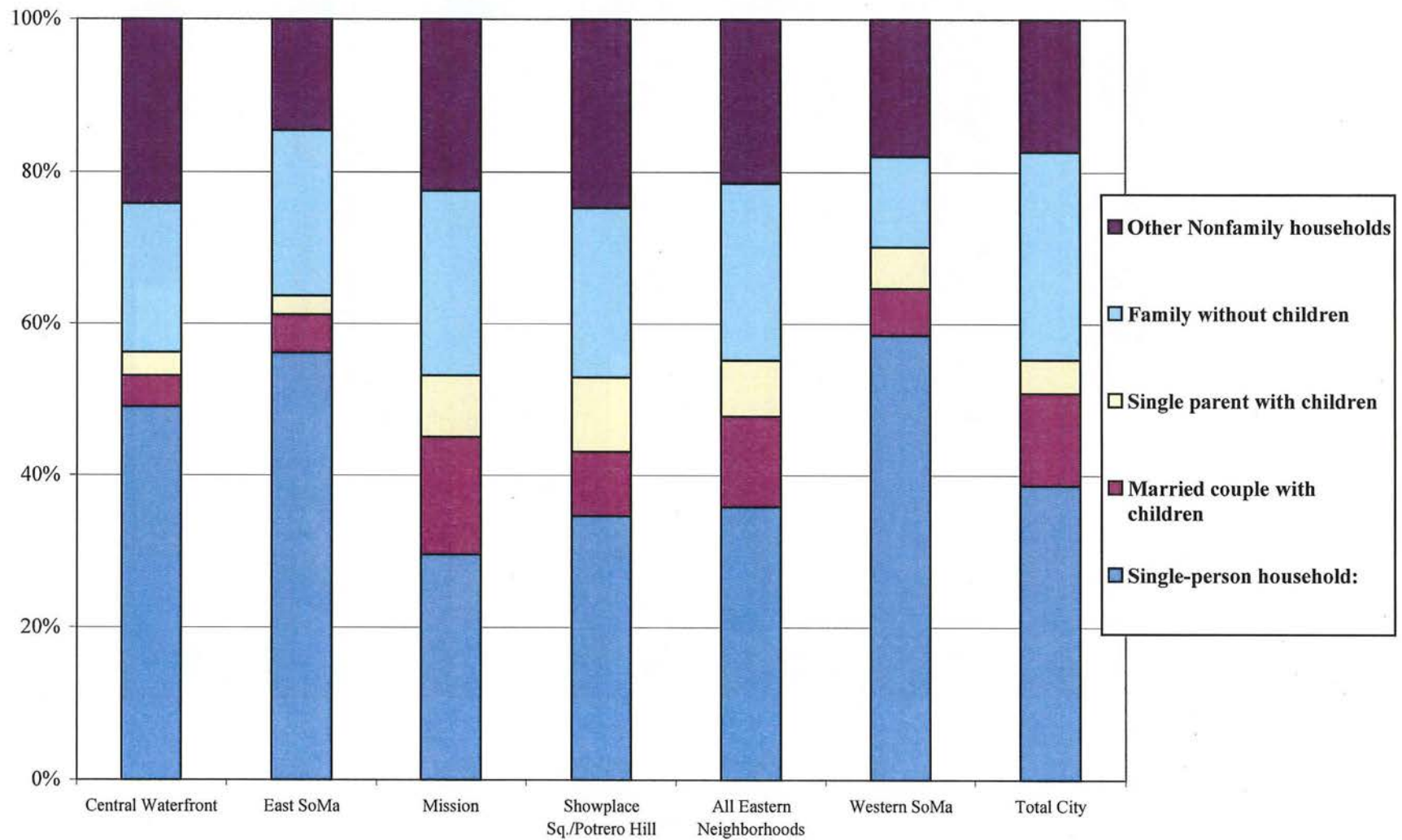
Source: 1990 Census and Census 2000

Figure 12
Educational Attainment
 (percent of the working-age population)



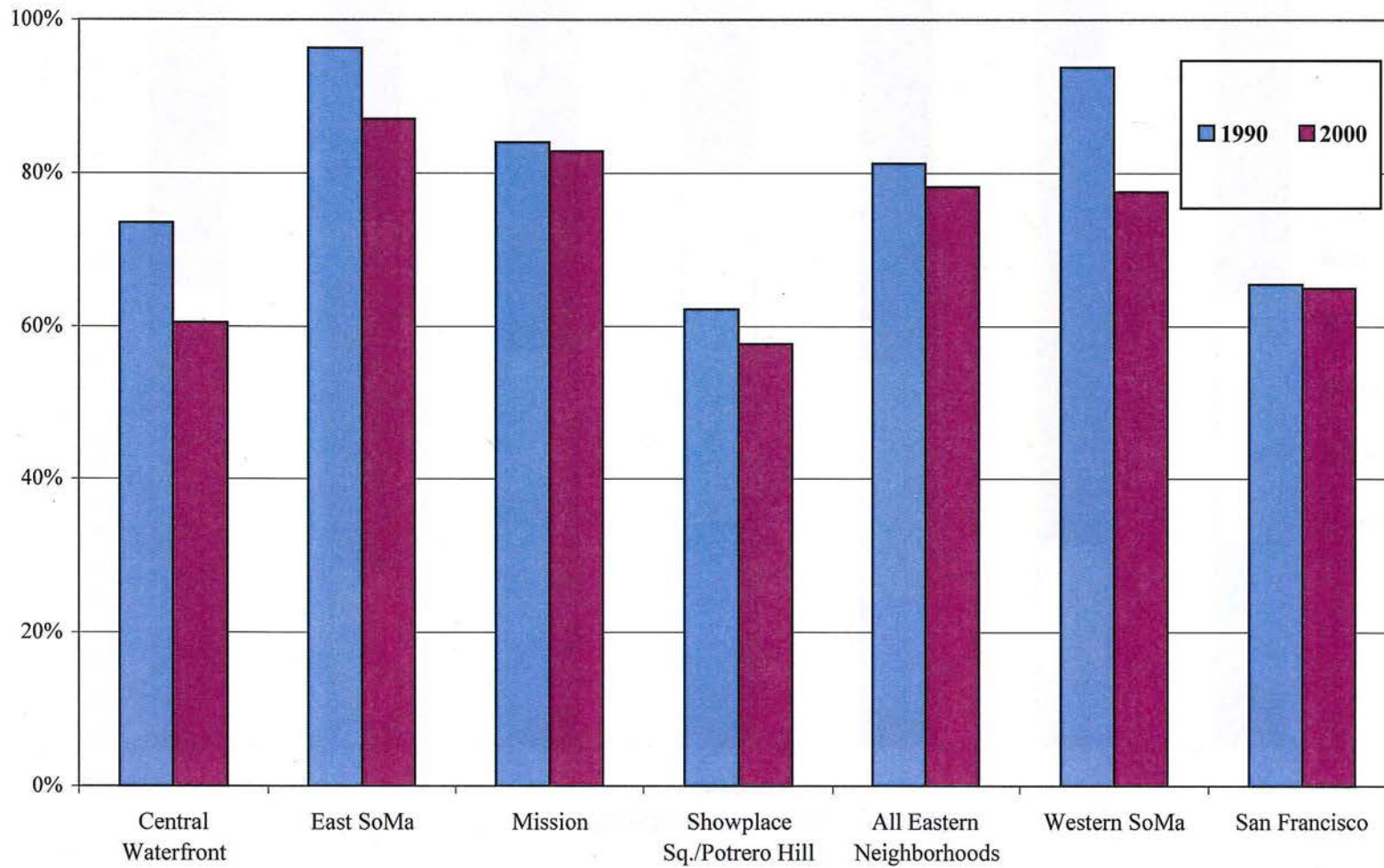
Source: Census 2000

Figure 13
Household Type
 (percent of households)



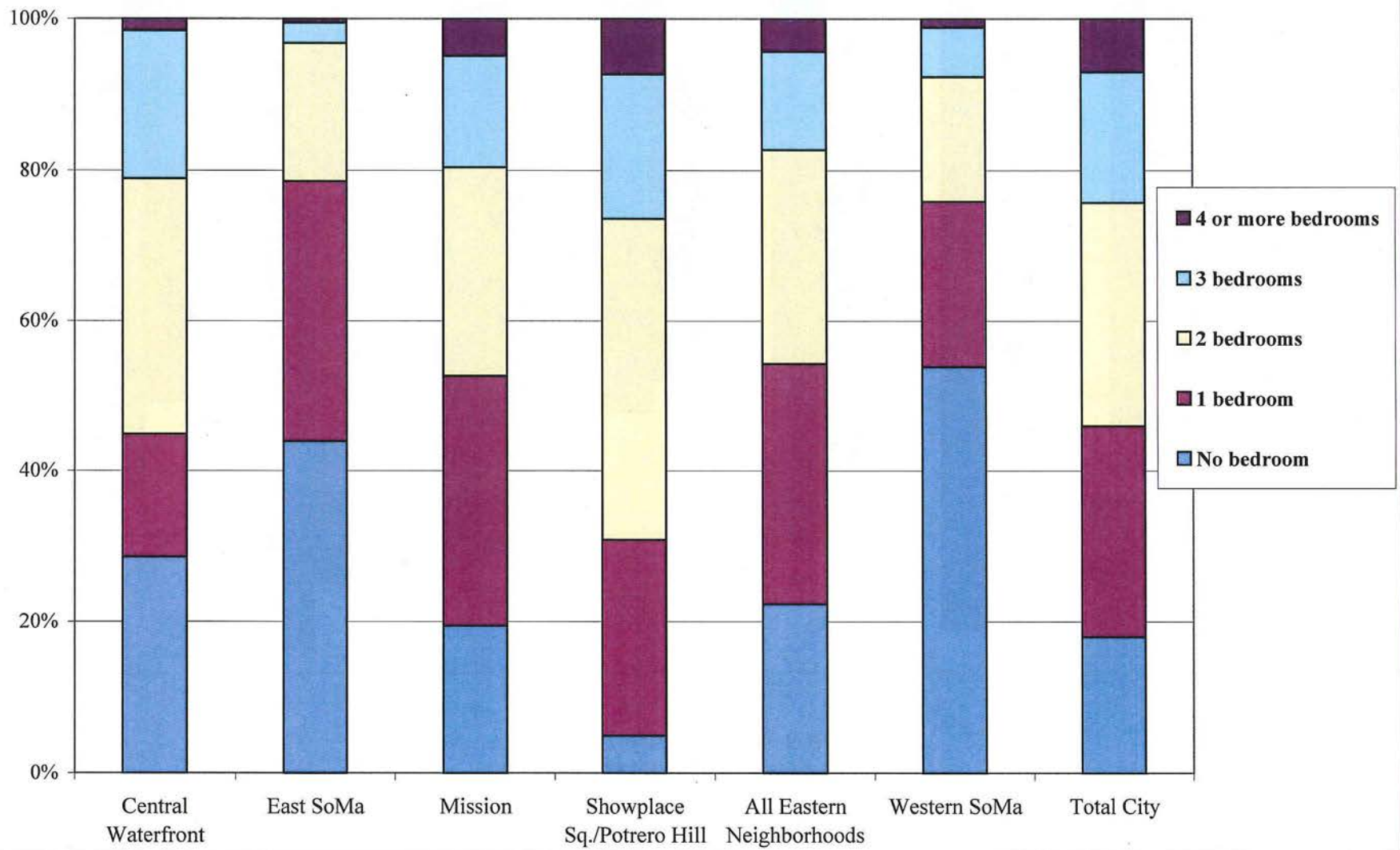
Source: Census 2000

Figure 14
Renter Households 1990 and 2000
(percent of units occupied by renters)



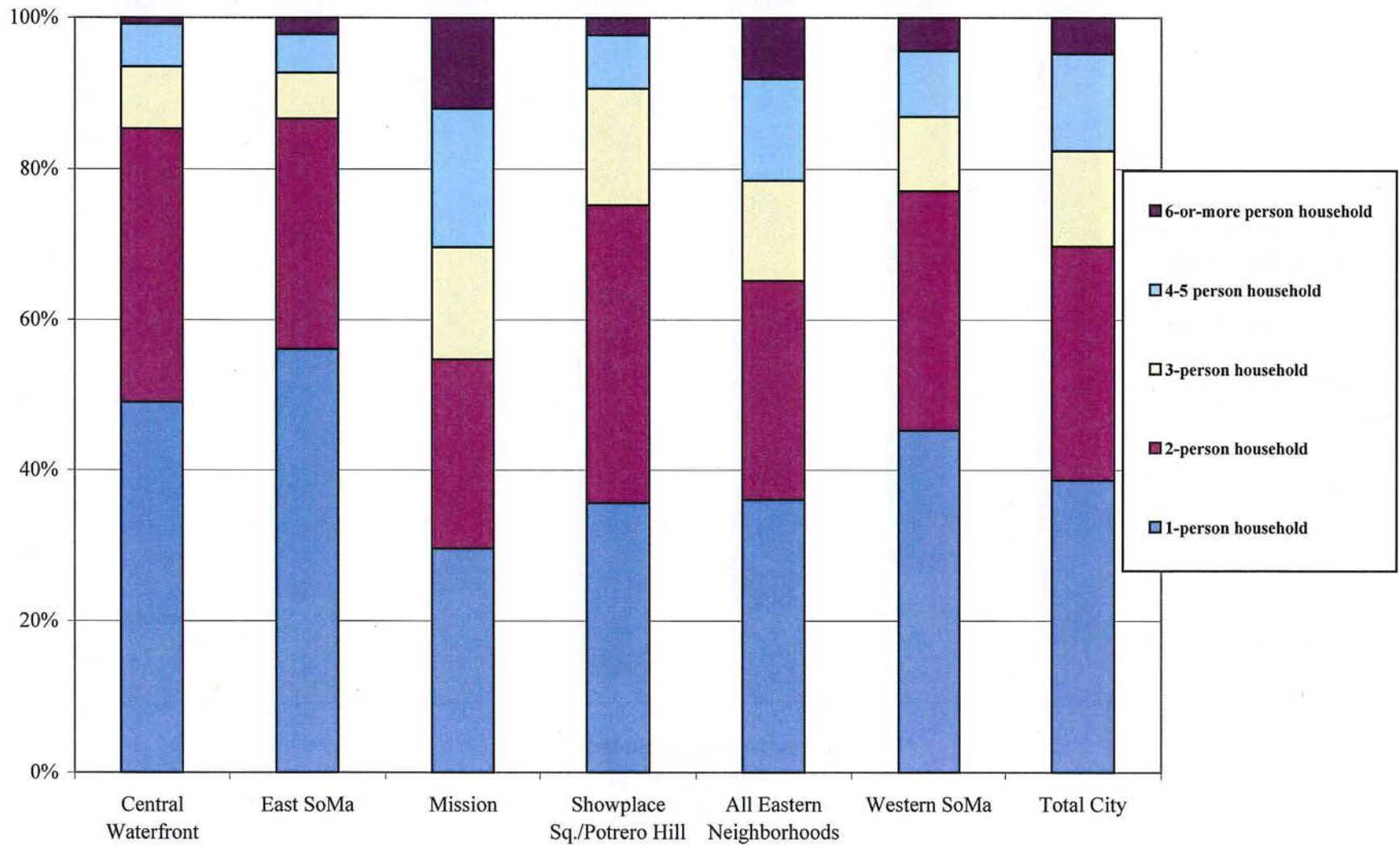
Source: 1990 Census and Census 2000

Figure 15
Number of Bedrooms per Unit
 (percent of units)



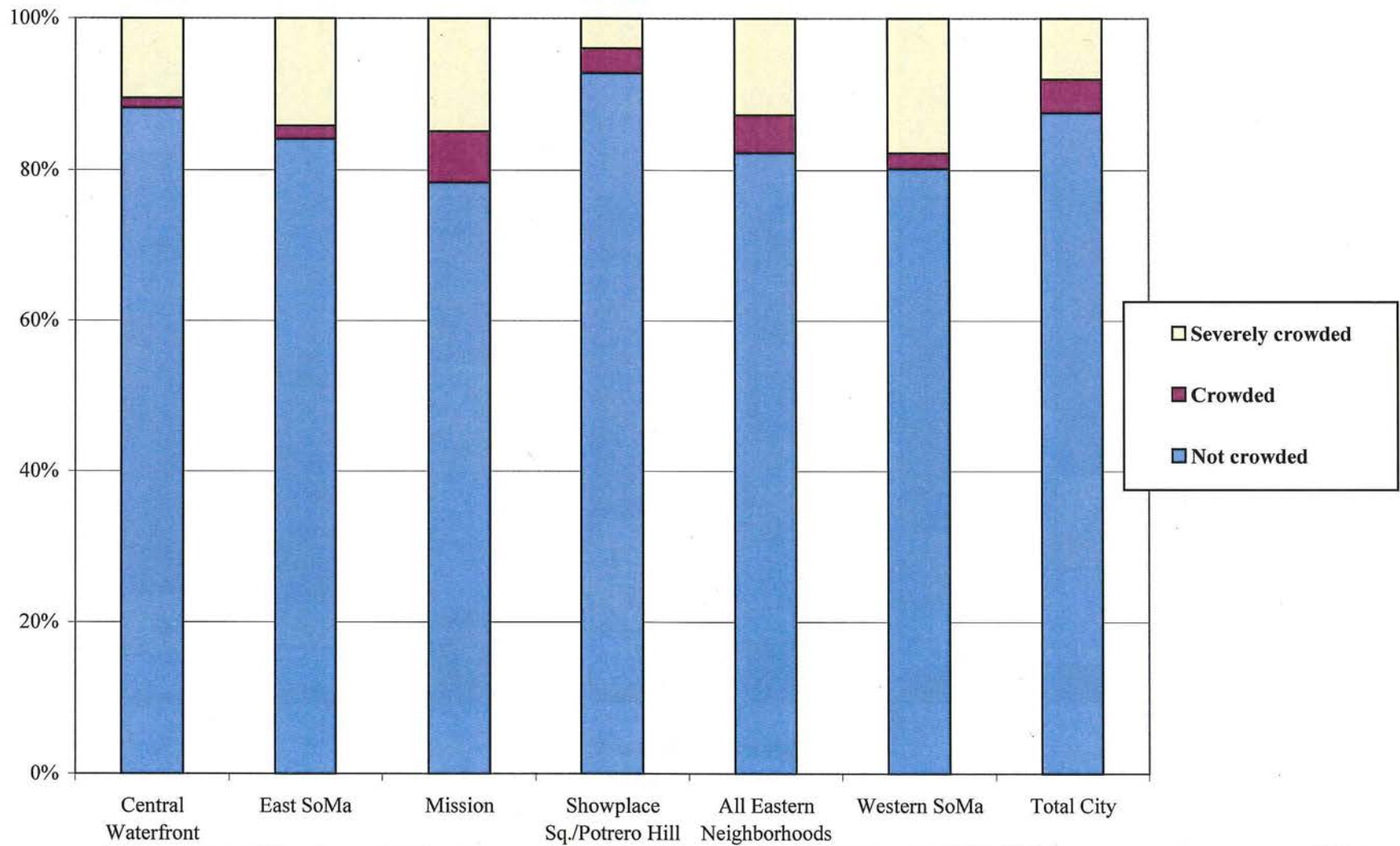
Source: Census 2000

Figure 16
Household Size
 (percent of households)



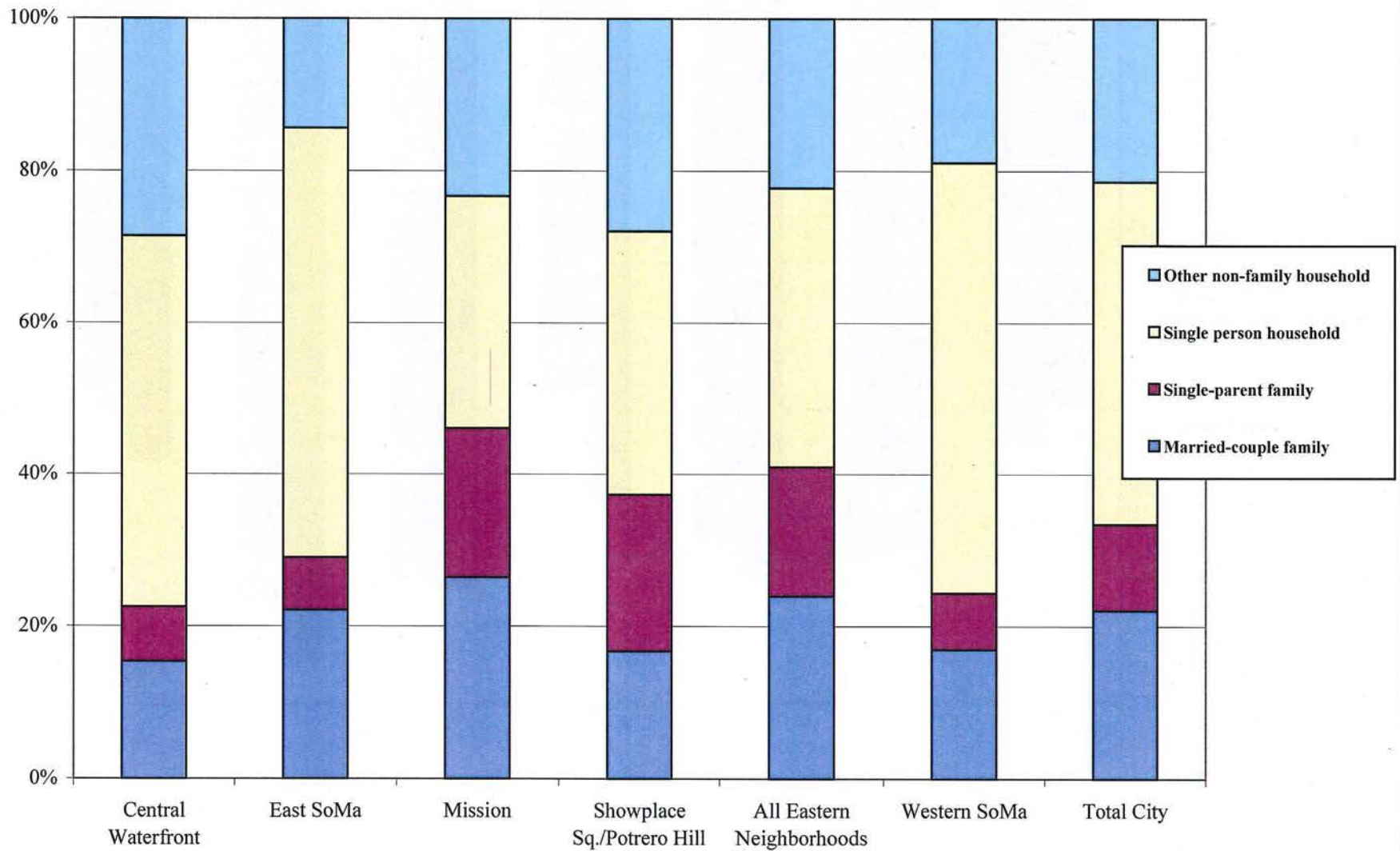
Source: Census 2000

Figure 17
Overcrowding
 (percent of households)



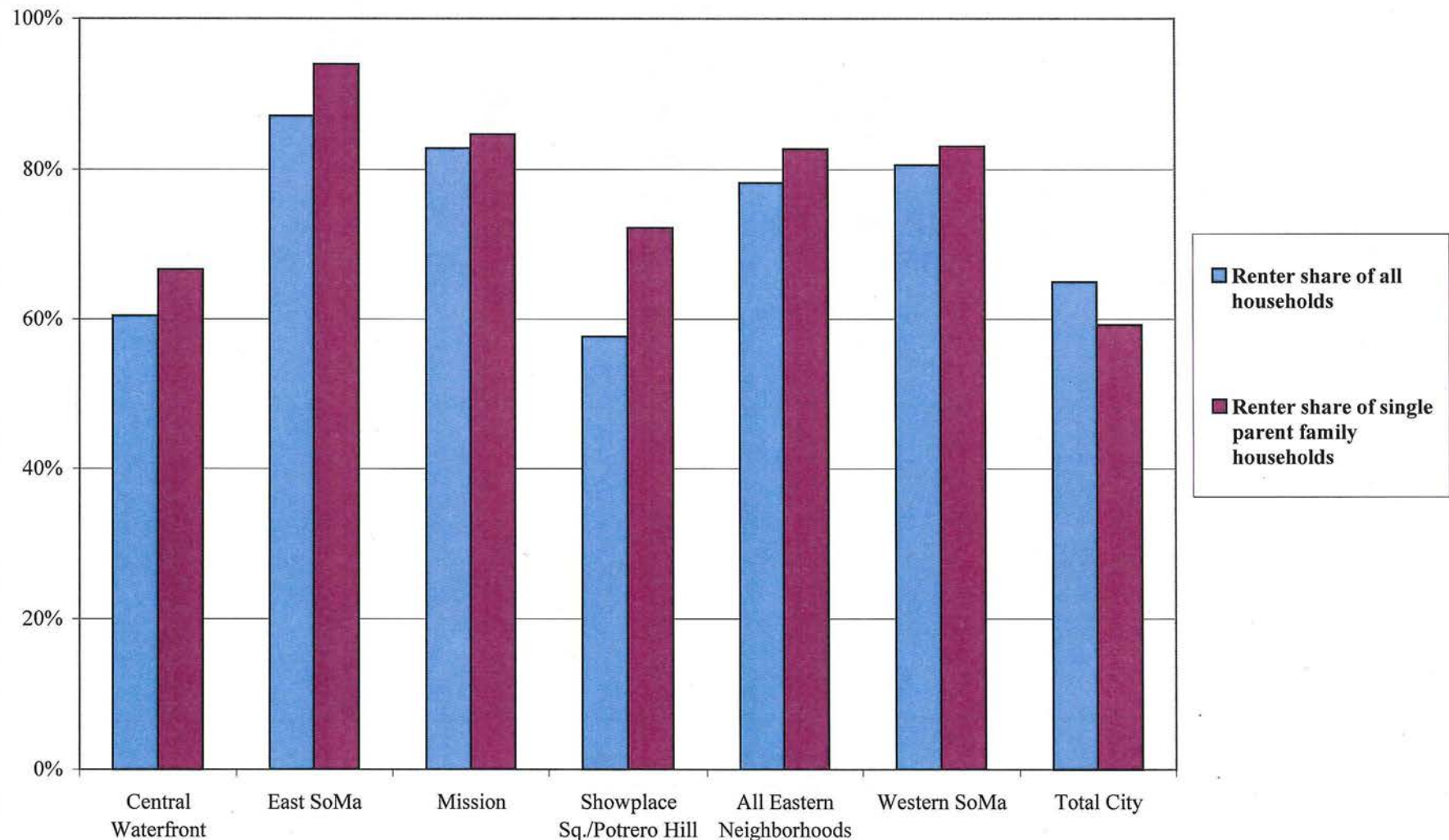
Source: Census 2000

Figure 18
Renter Households by Type
 (percent of renter households)



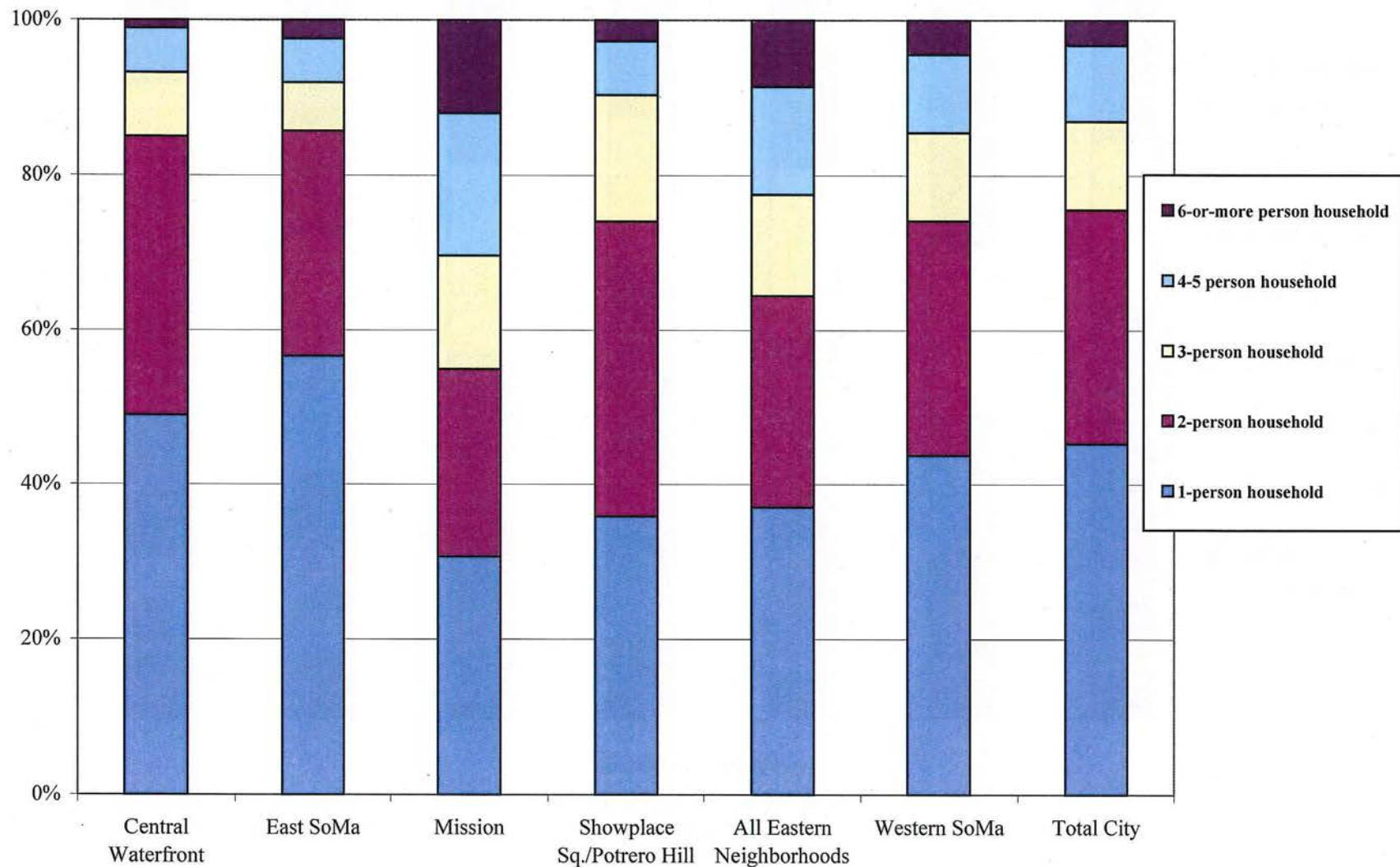
Source: Census 2000

Figure 19
Single Parent Families are a Disproportionate Share of Renter Households



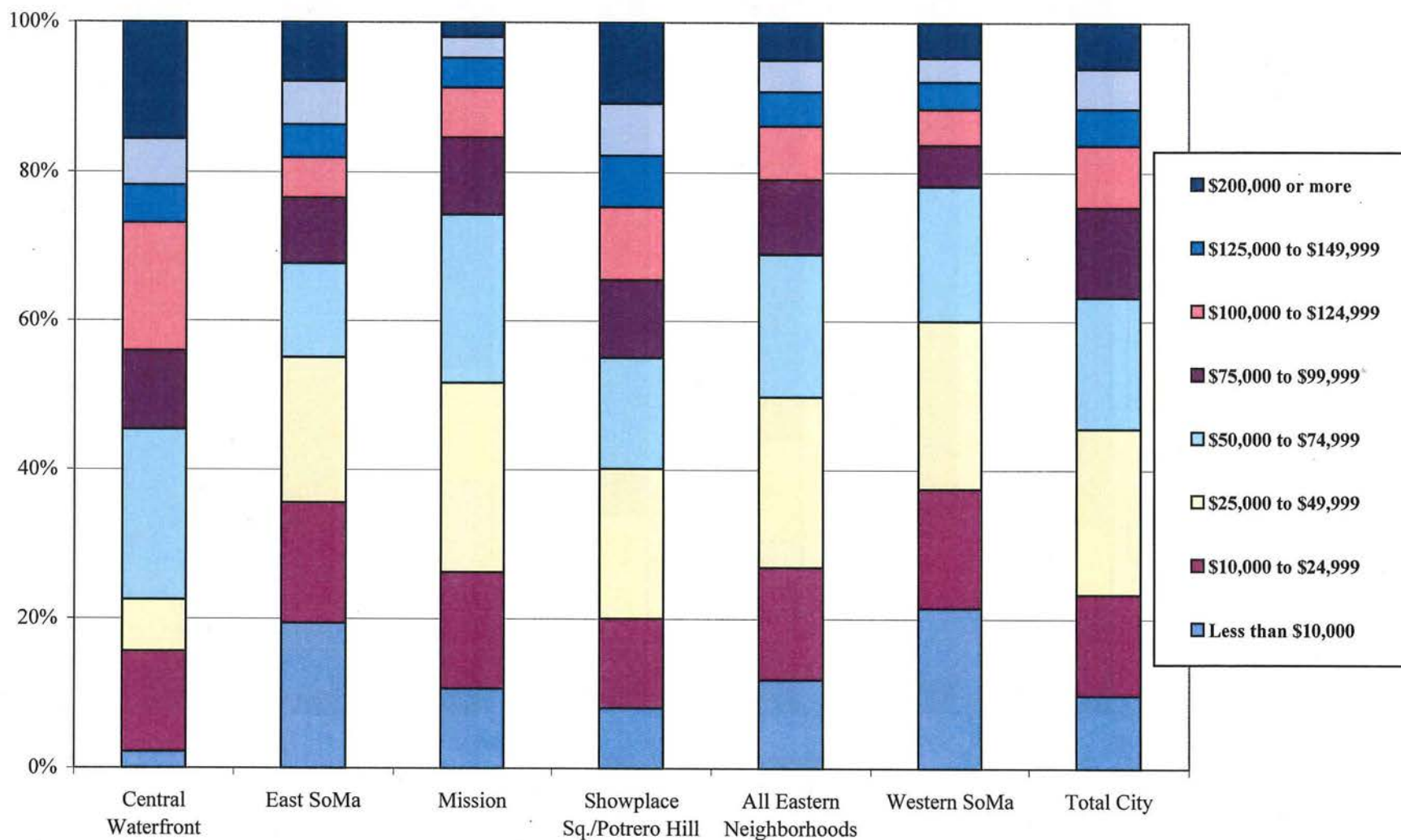
Source: Census 2000

Figure 20
Renter Households by Household Size
 (percent of renter households)



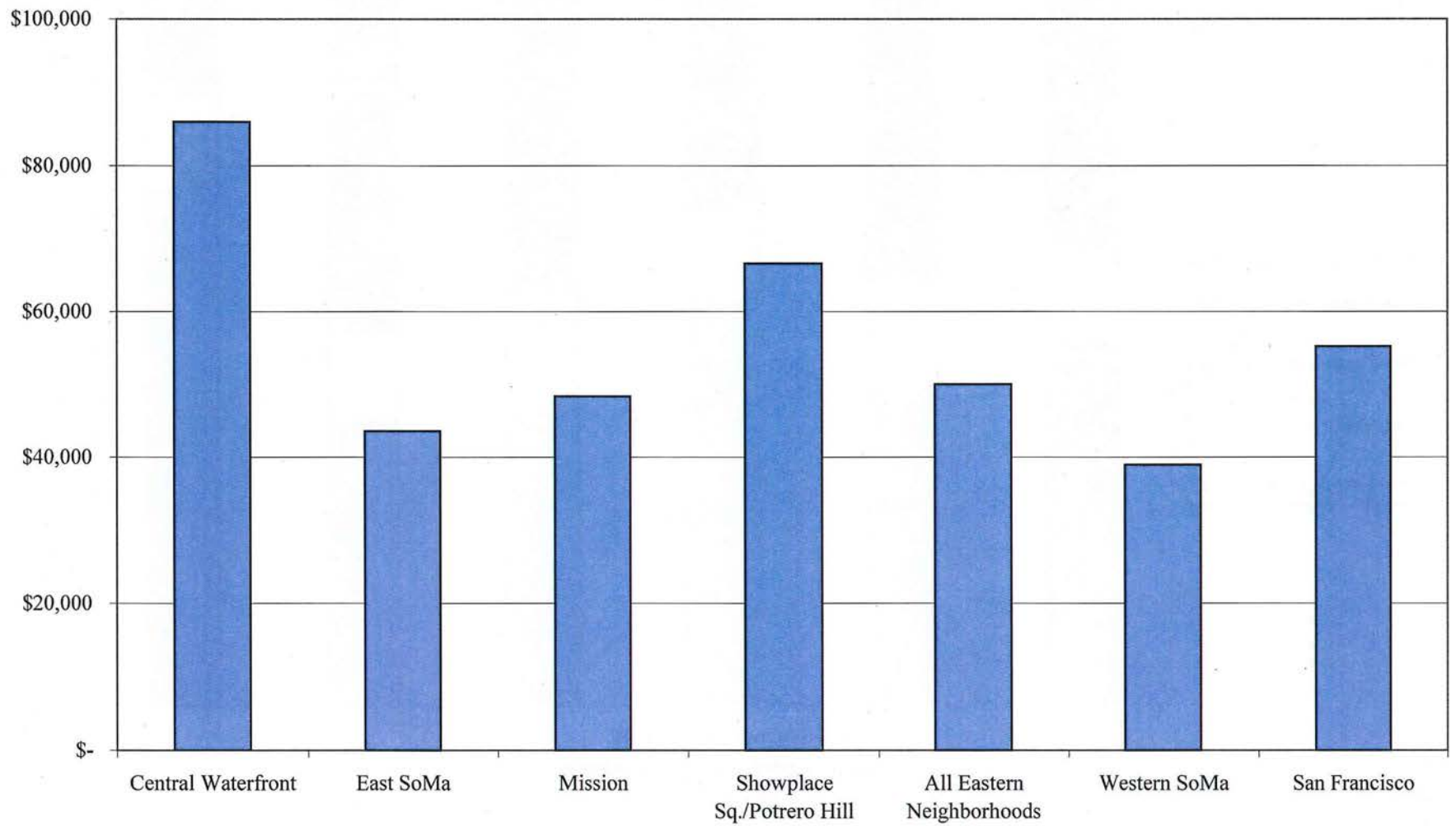
Source: Census 2000

Figure 21
Household Income Distribution
 (percent of households)



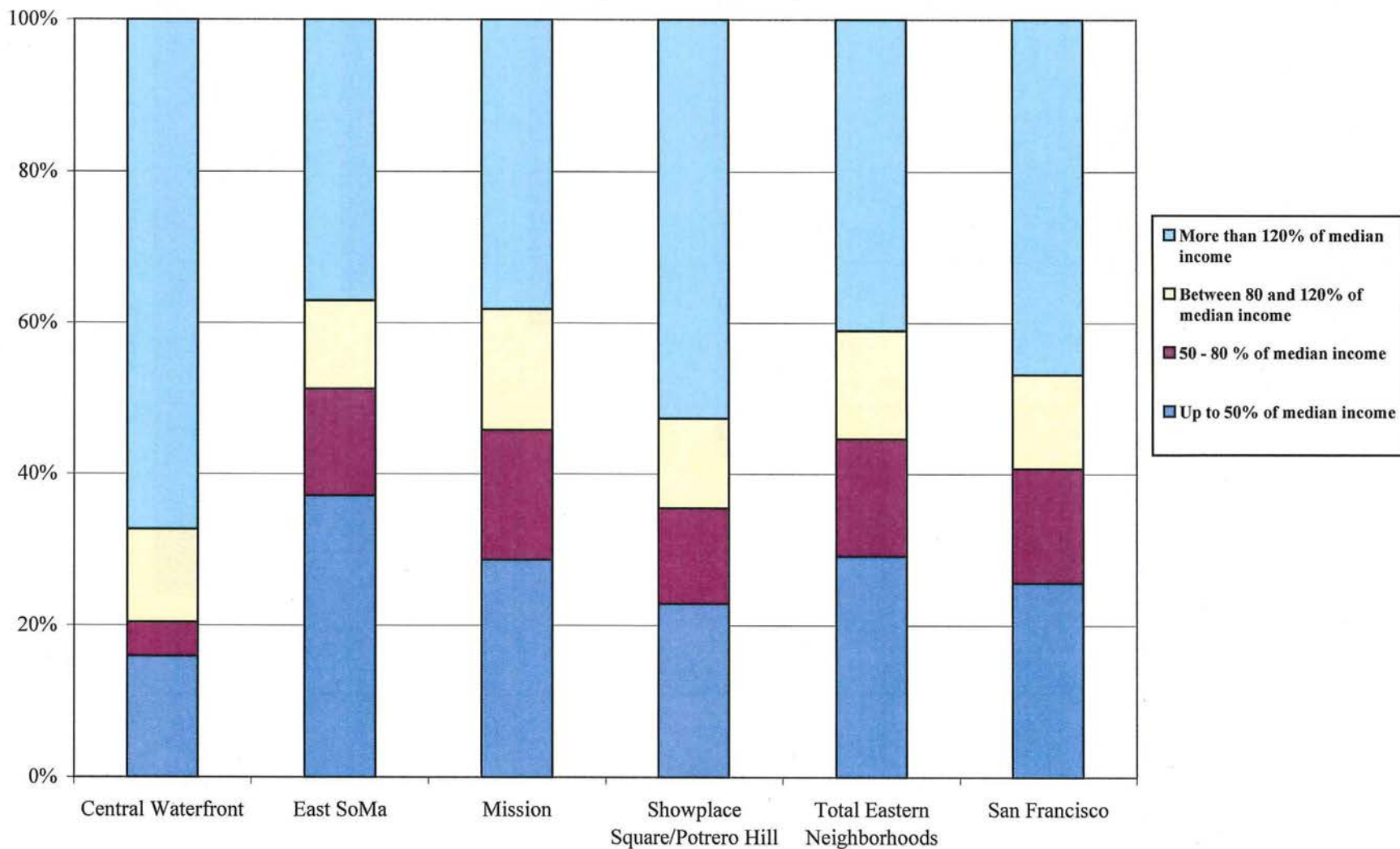
Source: Census 2000

Figure 22
Median Household Income
(1999)



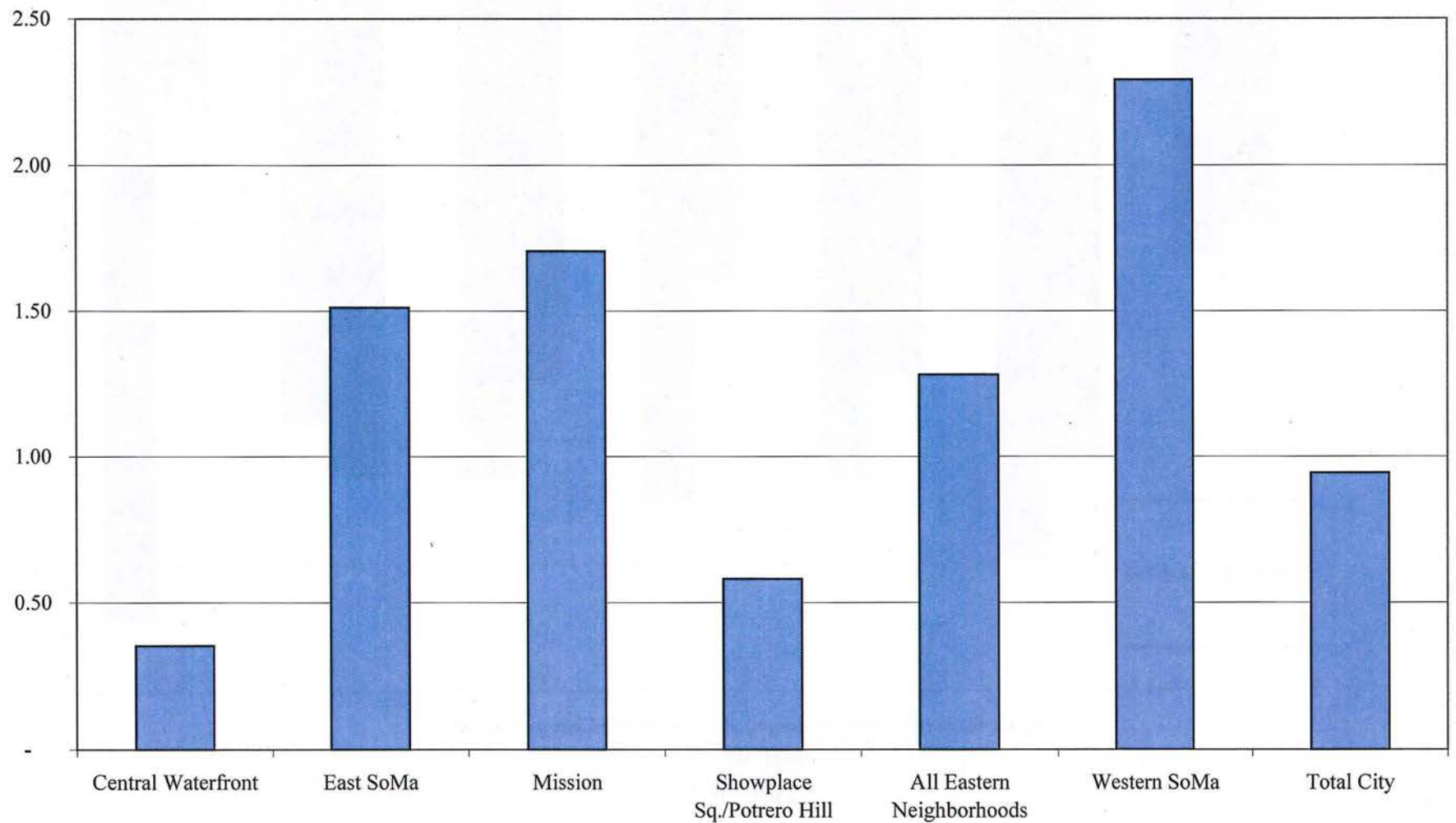
Source: Census 2000

Figure 23
Households by Income Category
 (percent of households)



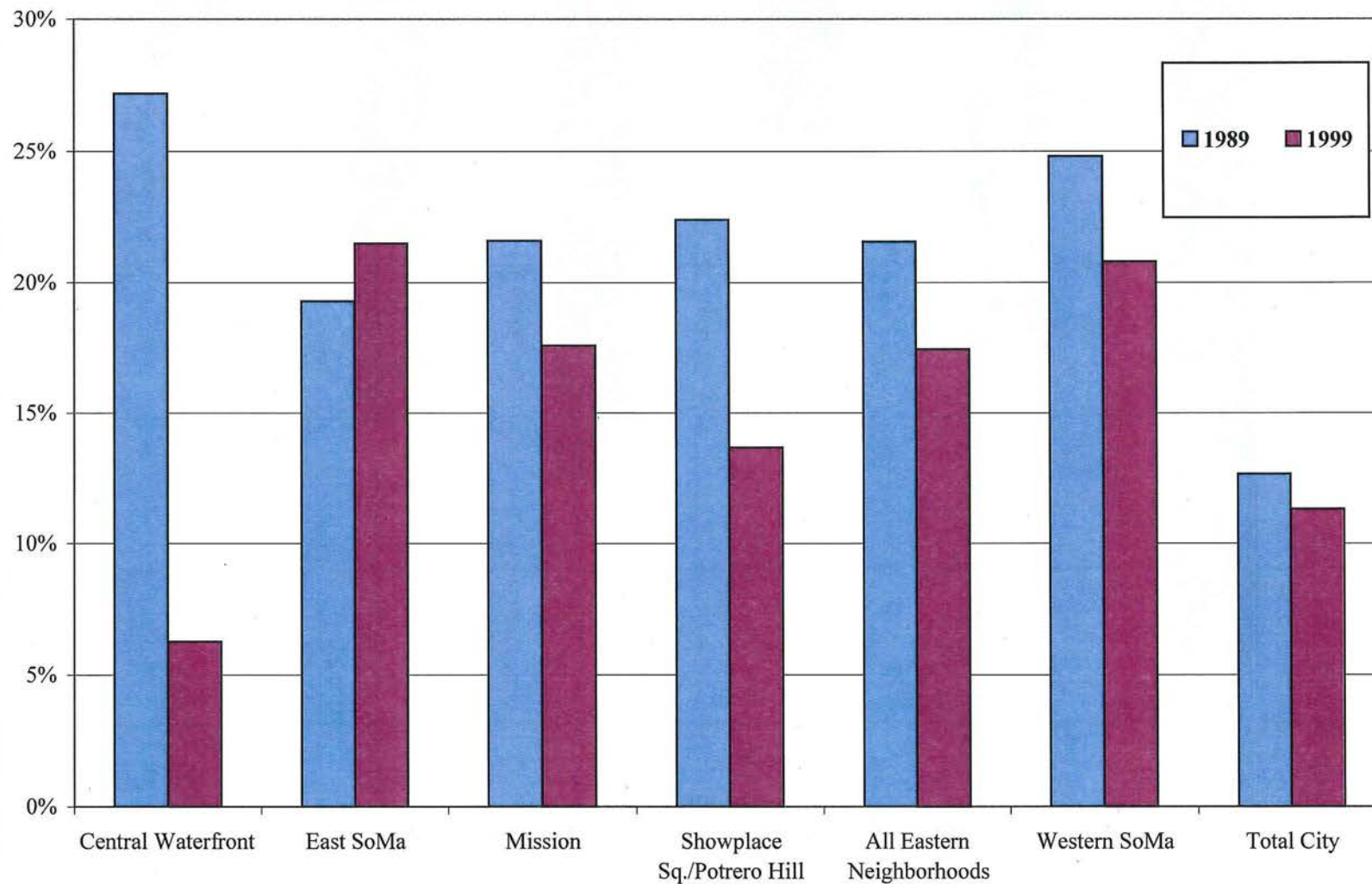
Source: Census 2000

Figure 24
Ratio of Low Household Incomes to High Household Incomes
(ratio of households)



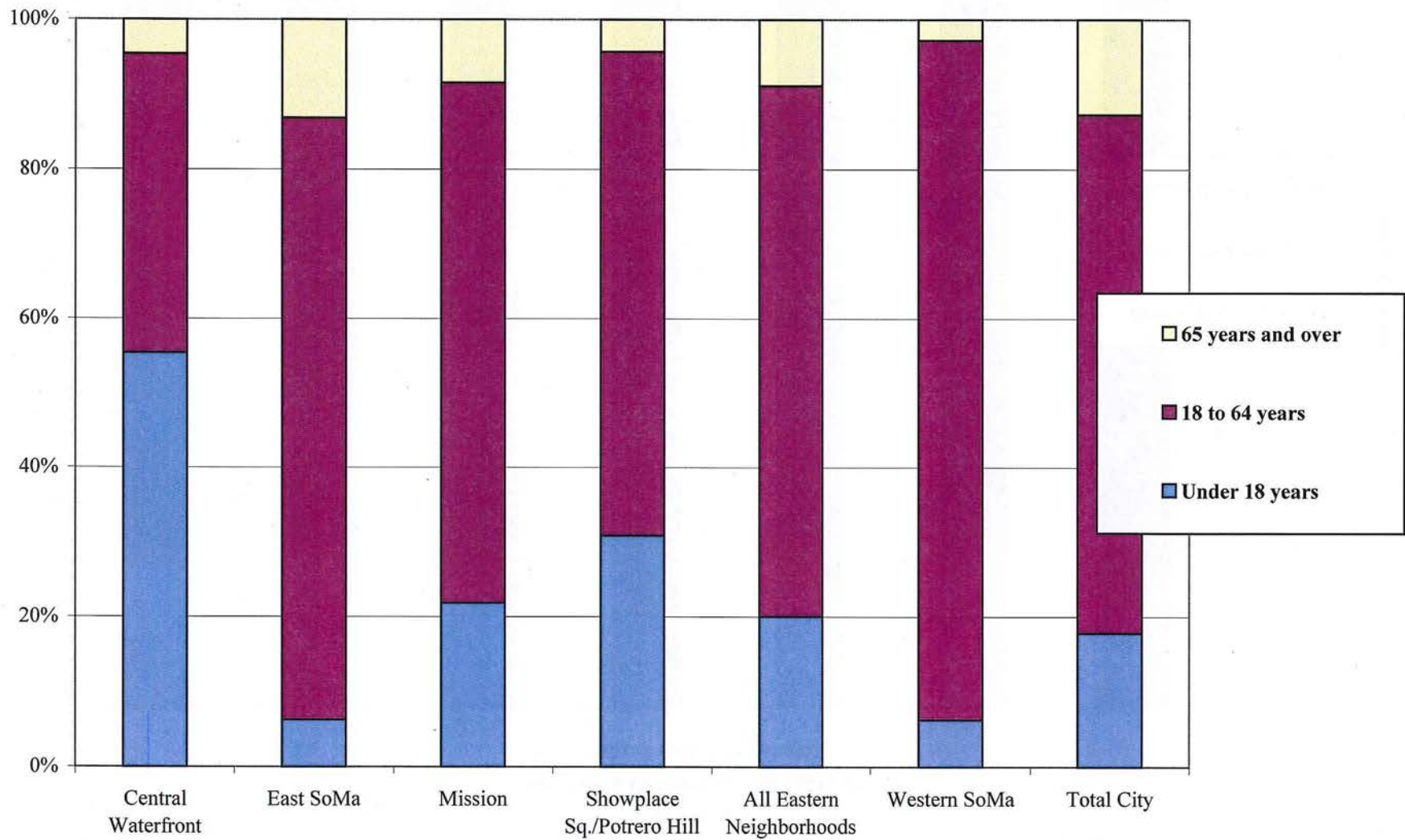
Source: Census 2000

Figure 25
Poverty Rate
(percent of the population at or below the federal poverty level)



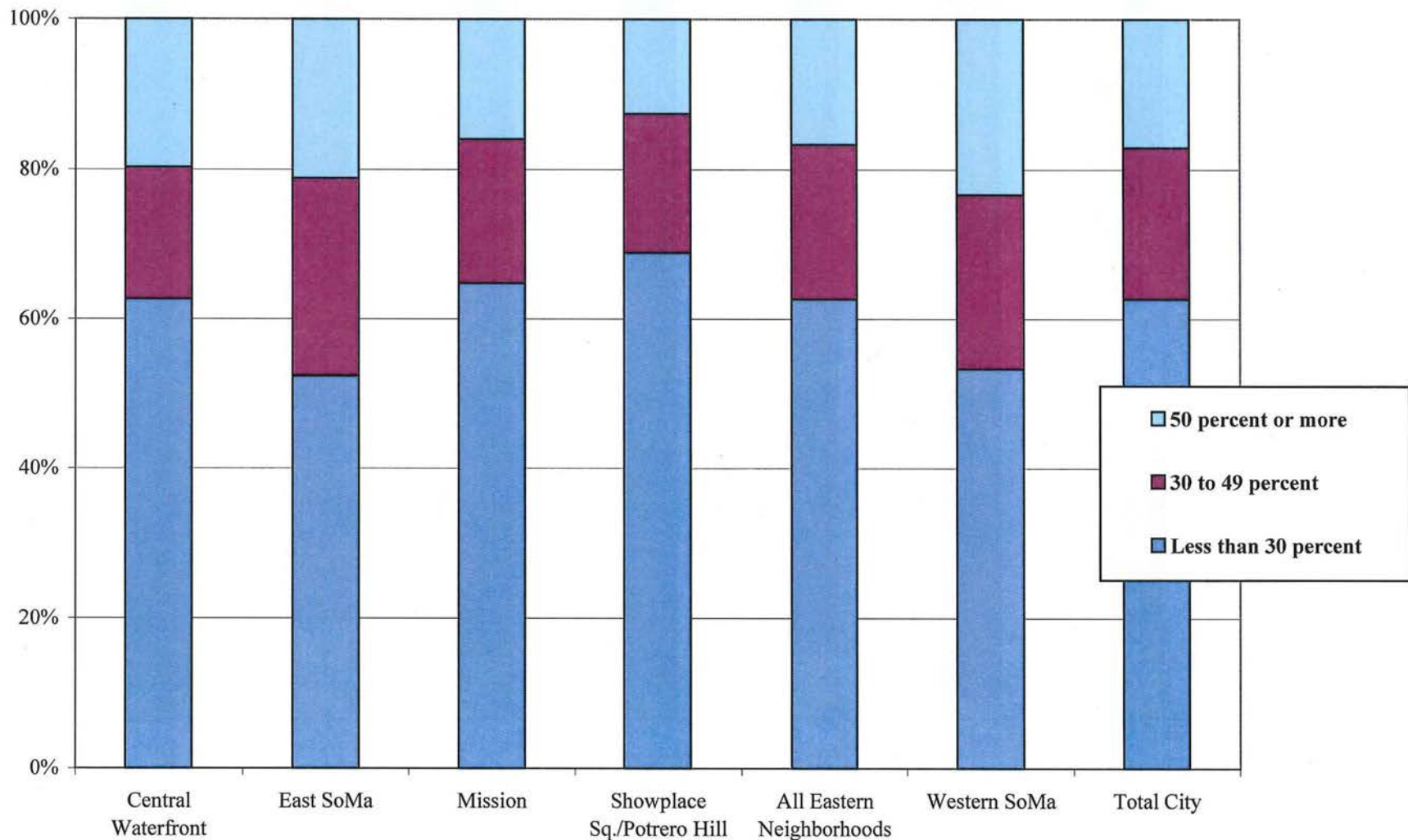
Source: 1990 Census and Census 2000

Figure 26
Age Distribution of People in Poverty
 (percent of people in poverty)



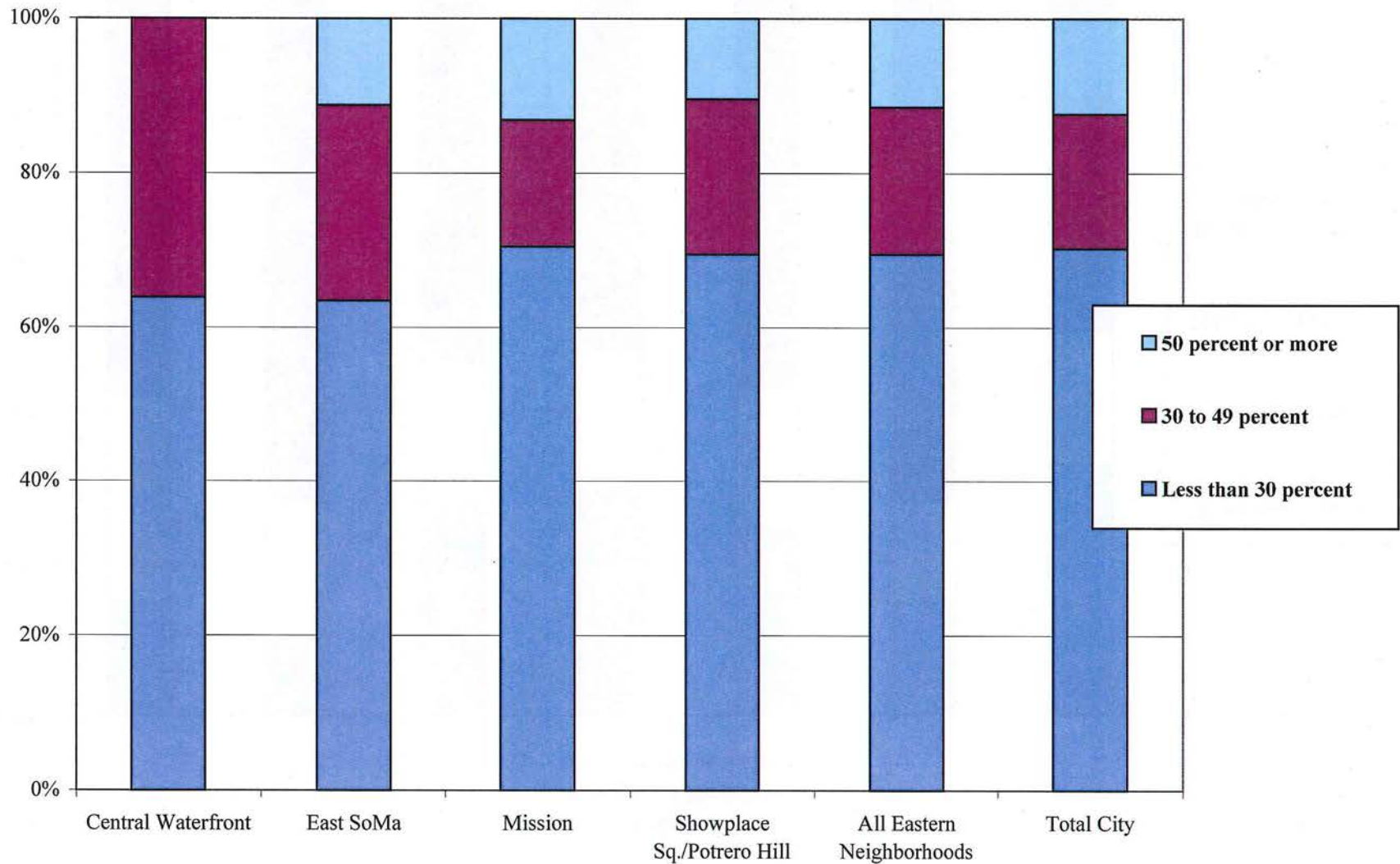
Source: Census 2000

Figure 27
Rent as a Percentage of Income
(percent of renter households)



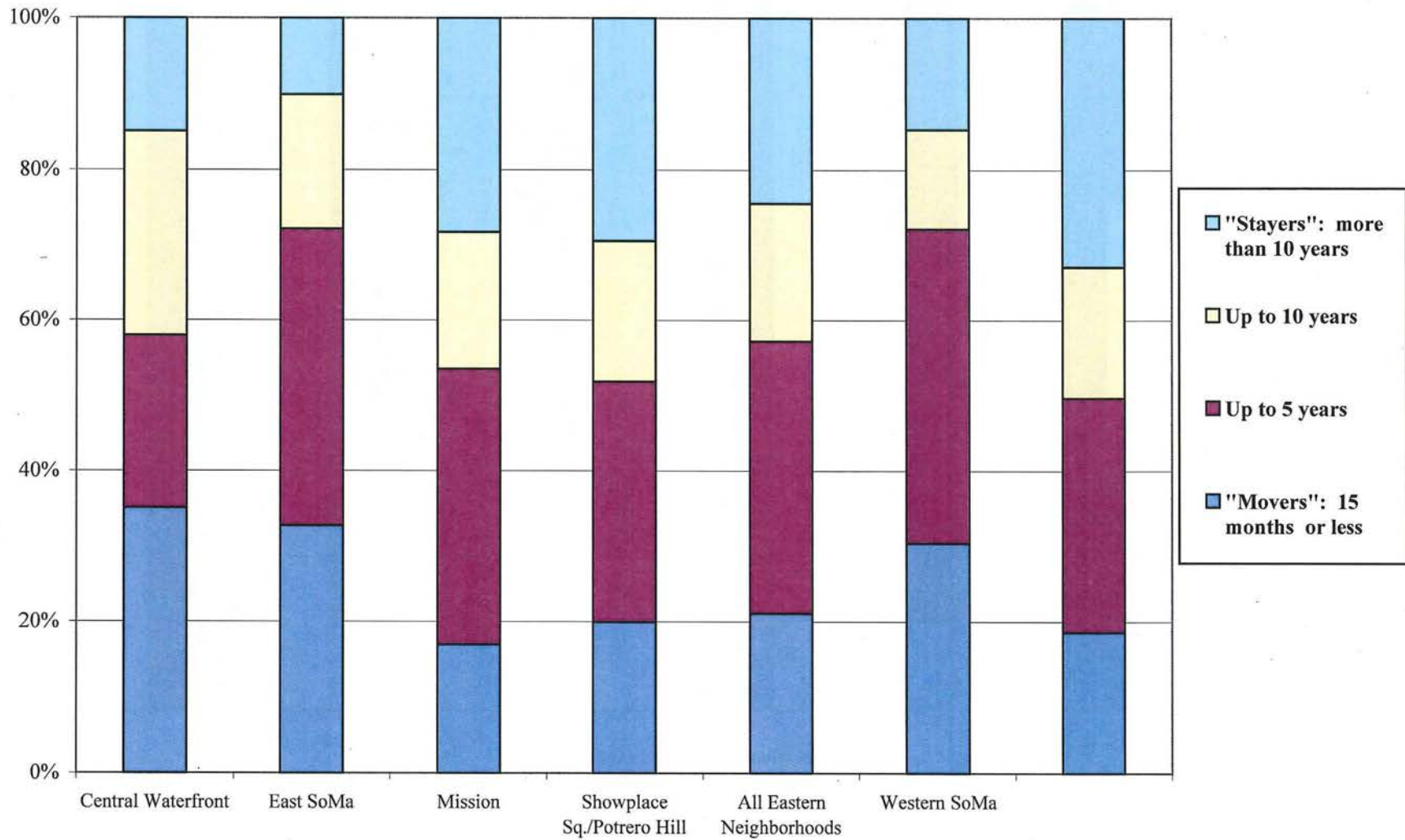
Source: Census 2000

Figure 28
Owner Costs as a Percentage of Income
 (percent of owner households)



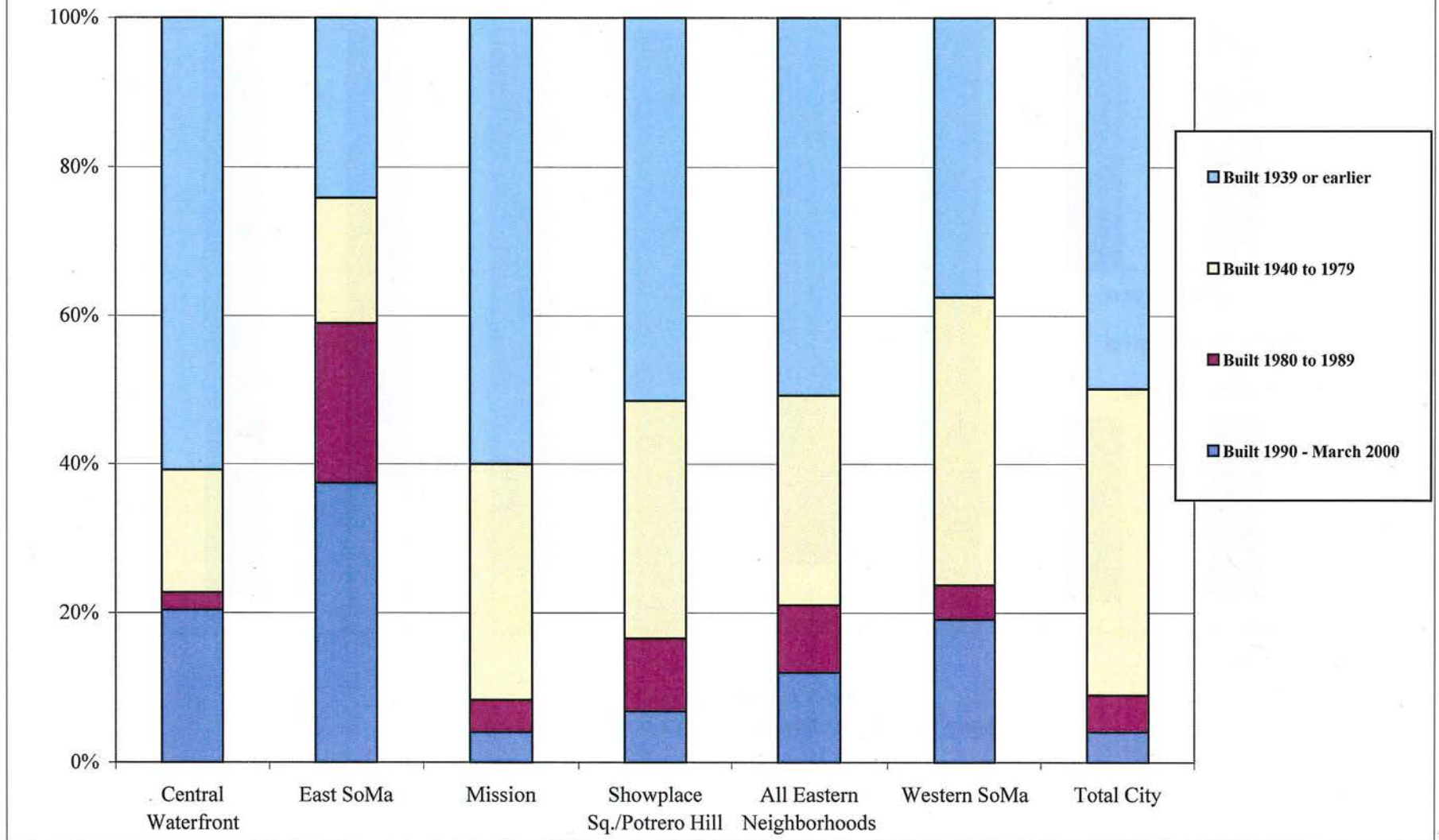
Source: Census 2000

Figure 29
Length of Residency
 (percent of households)



Source: Census 2000

Figure 30
Housing Inventory by Age
 (percent of units)



Source: Census 2000

Figure 31
Expanded View of the Housing Inventory, 2004
 (percent of units by type)

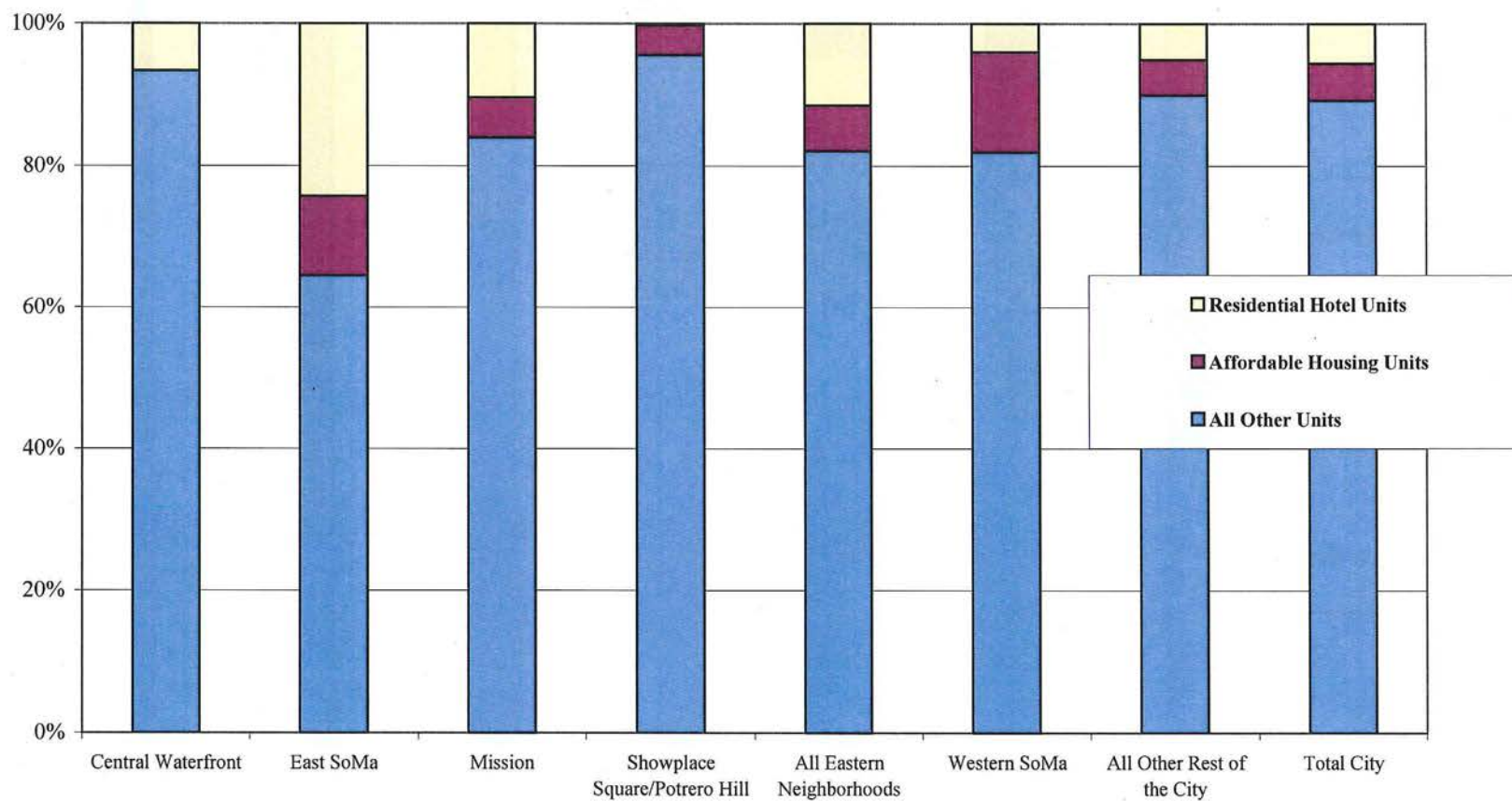
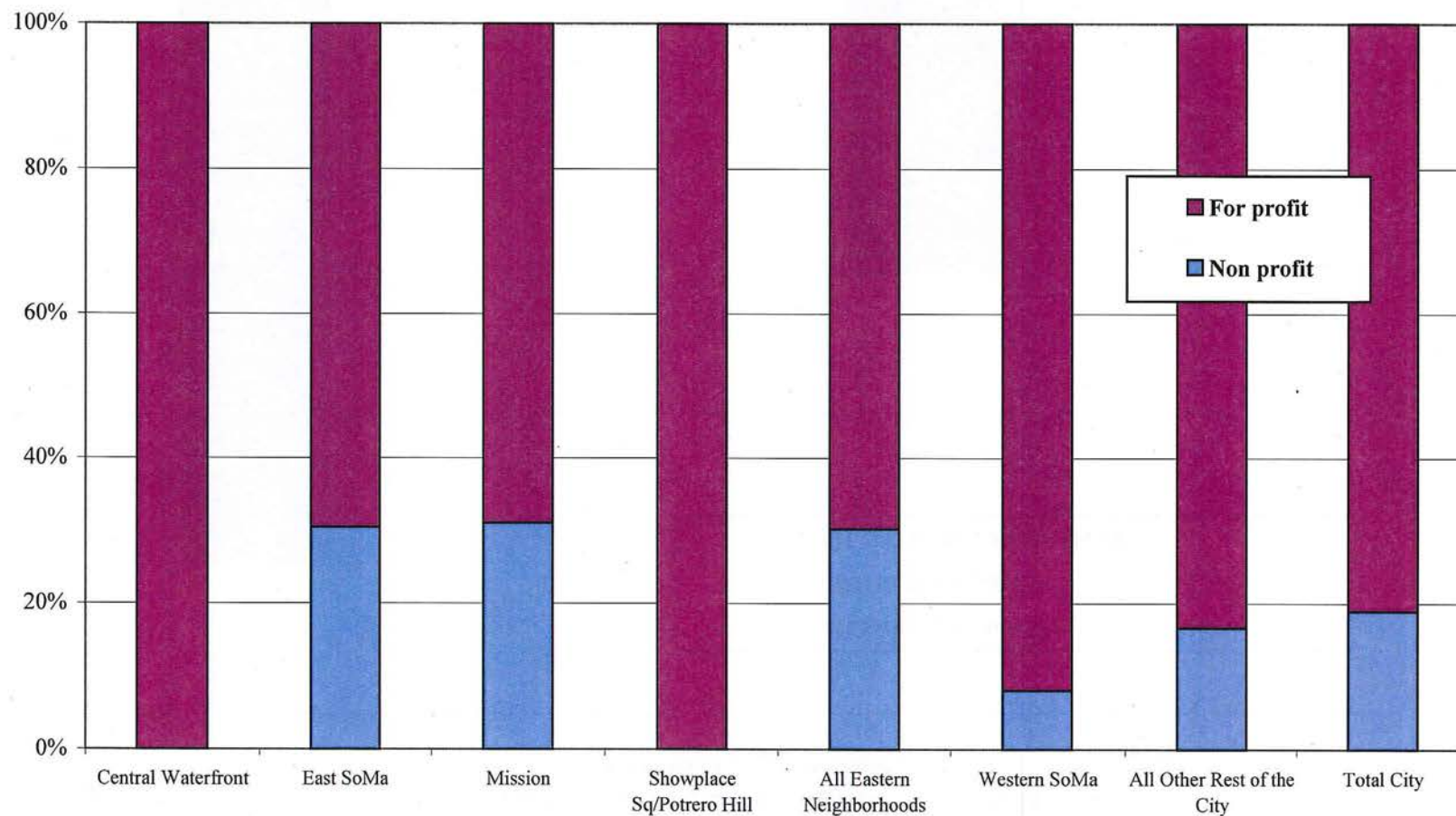
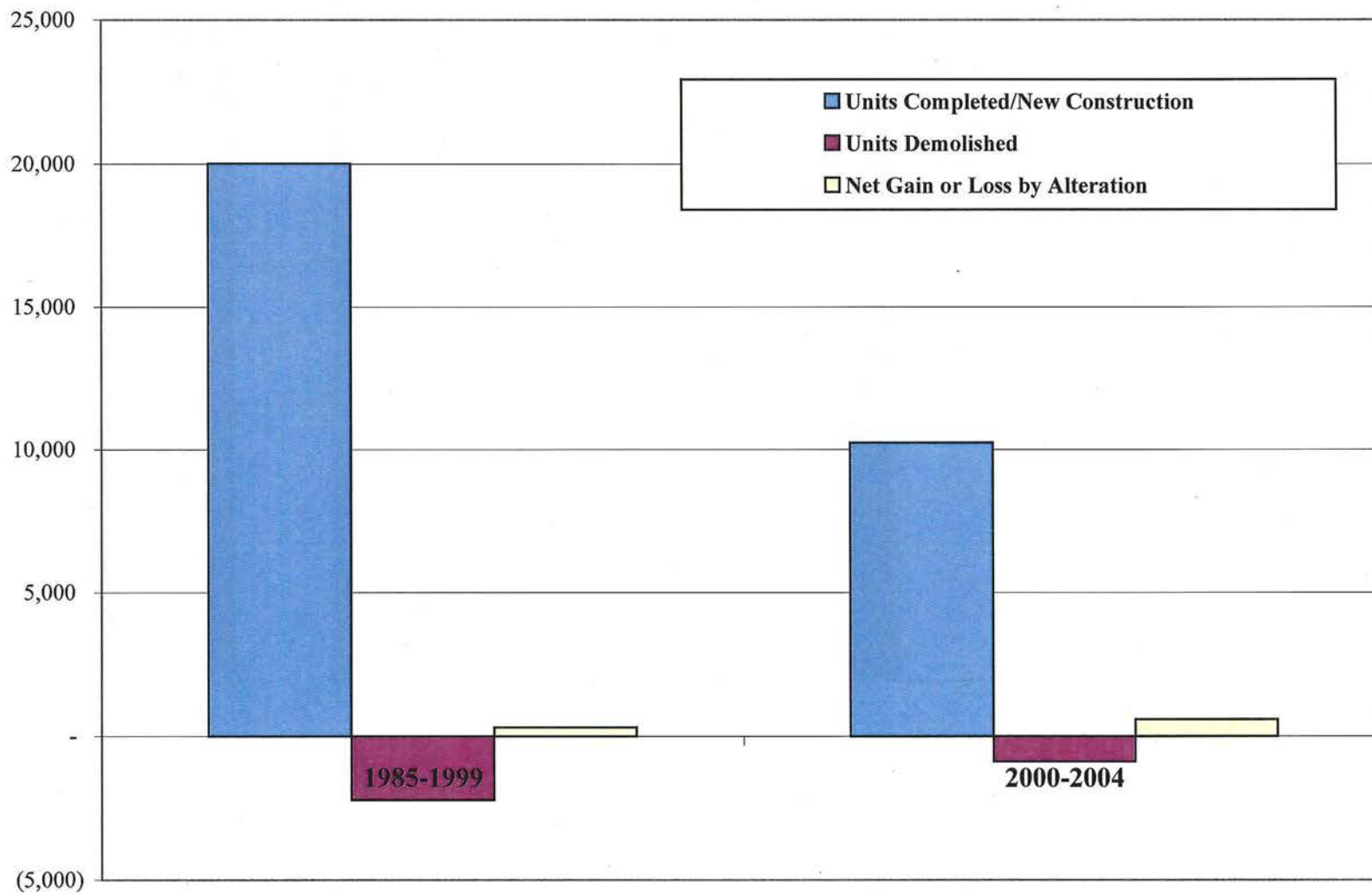


Figure 32
Extent to which Residential Hotels are Operated by Non-Profit Organizations
 (percent of units in 2005)



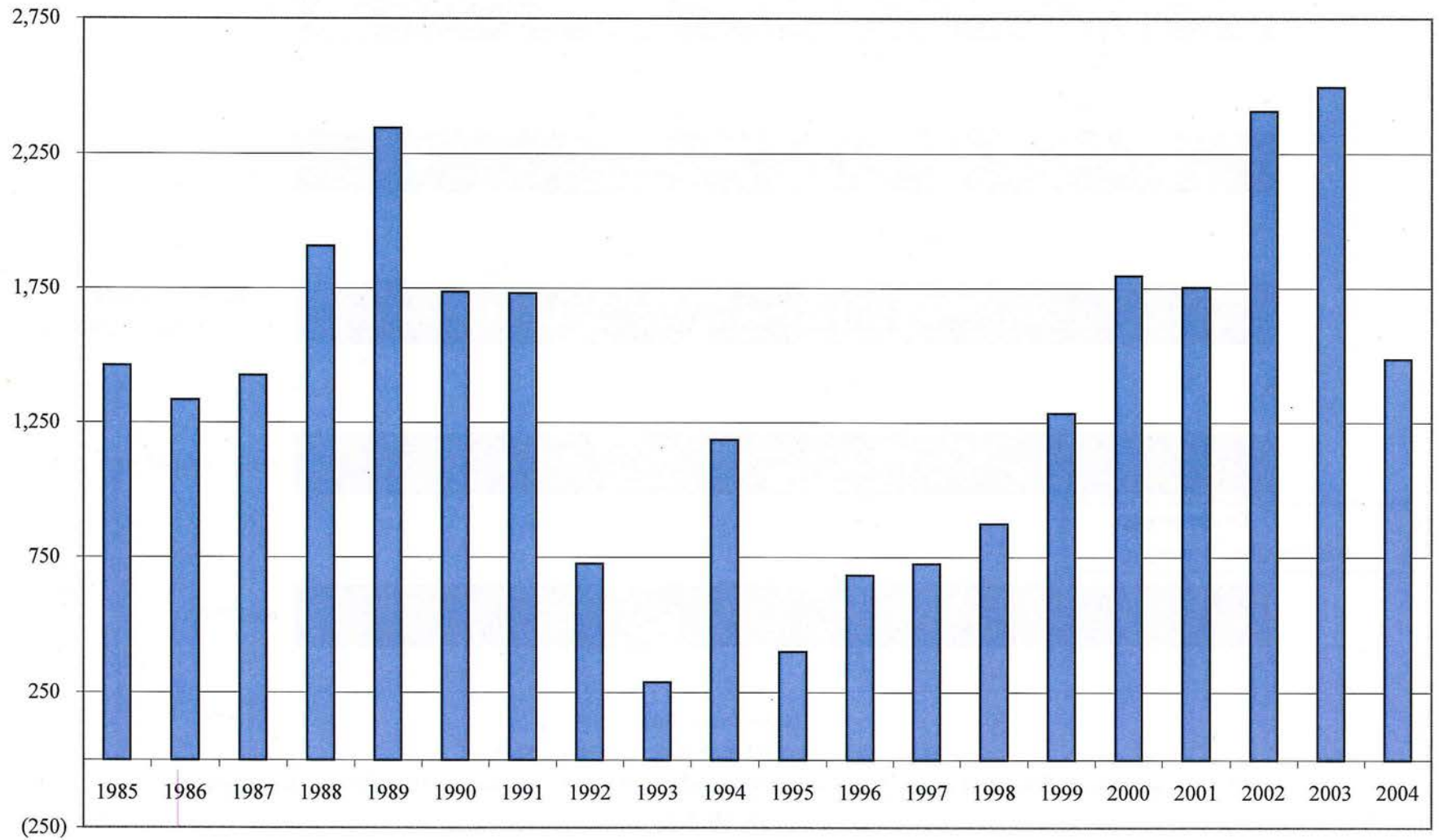
Source: San Francisco Planning Department

Figure 33
Changes in the Housing Inventory 1985 - 2004
(number of units by category)



Source: San Francisco Planning Department

Figure 34
Net Change in Housing Units in San Francisco, 1985 - 2004
(number of units)



Source: San Francisco Planning Department

Figure 35
Housing Inventory Change in the Eastern Neighborhoods compared to Housing Inventory Change
in the Rest of San Francisco, 2000 - 2004
 (percent of units)

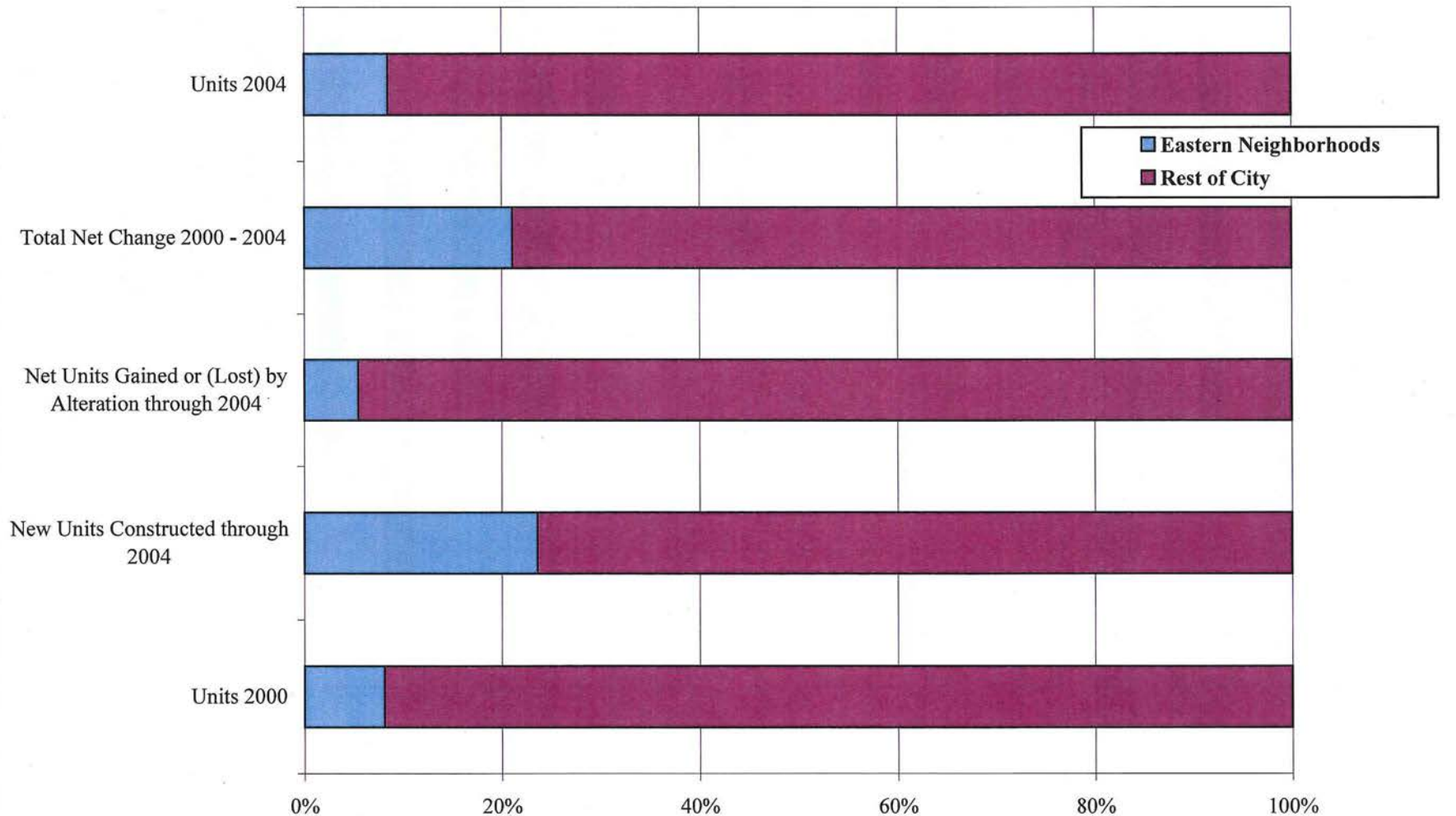
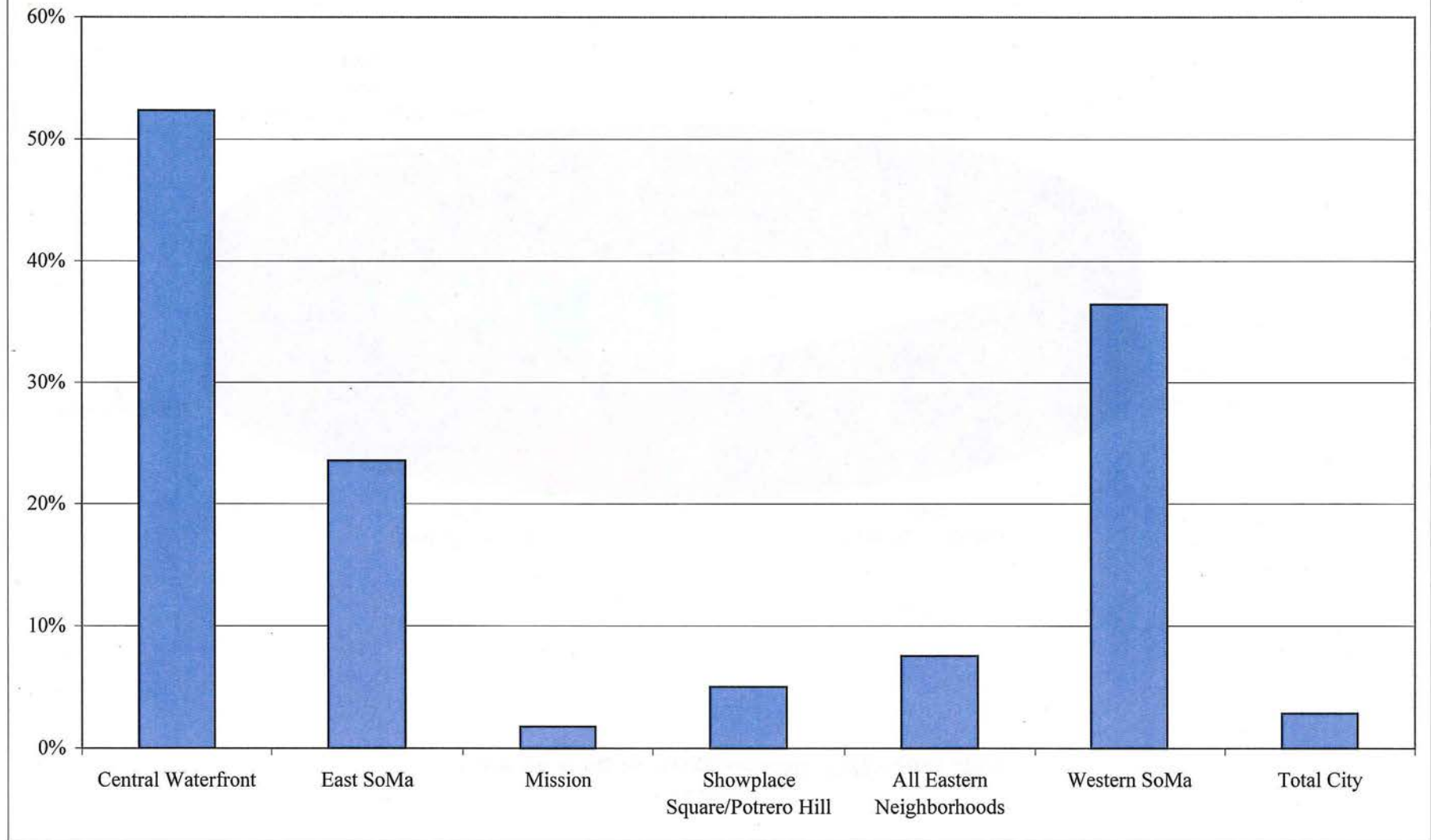


Figure 36
Percent Change in the Number of Housing Units by Neighborhood, 2000 - 2004



Source: San Francisco Planning Department

Figure 37
Live/work Units by Neighborhood, 1987 - June 2005

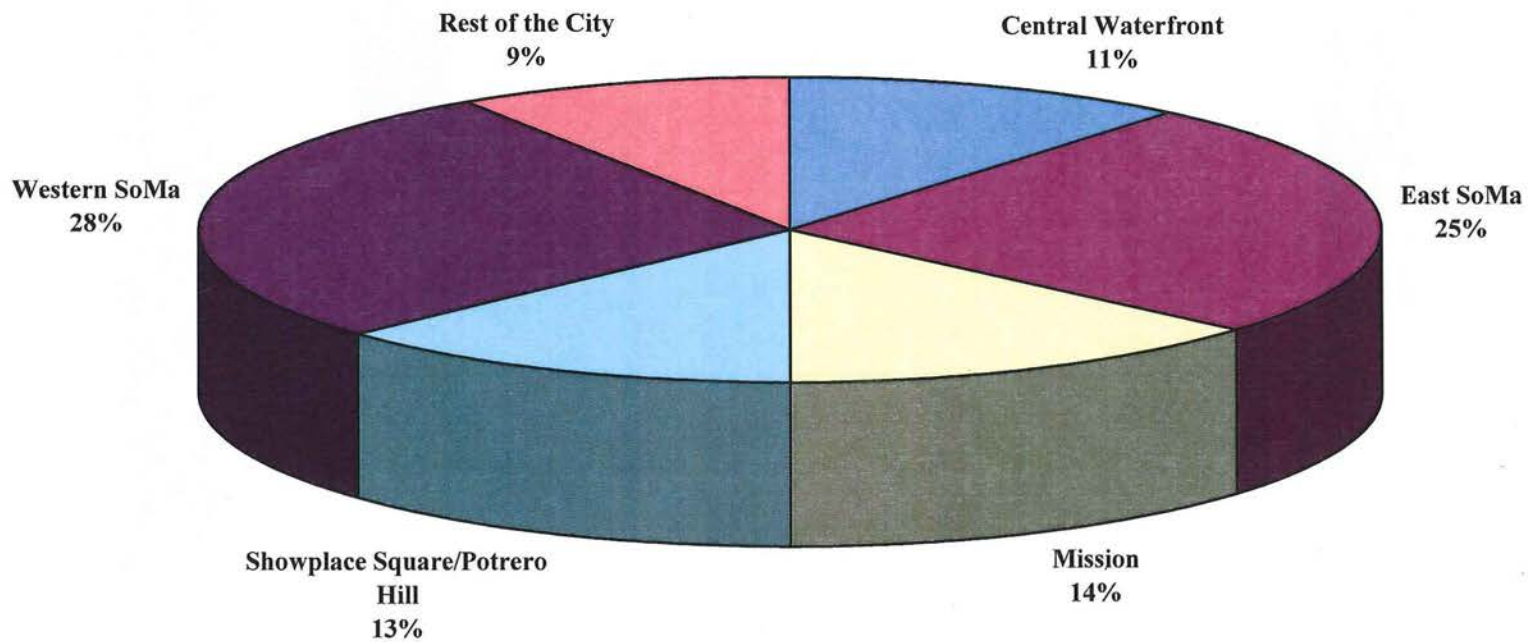
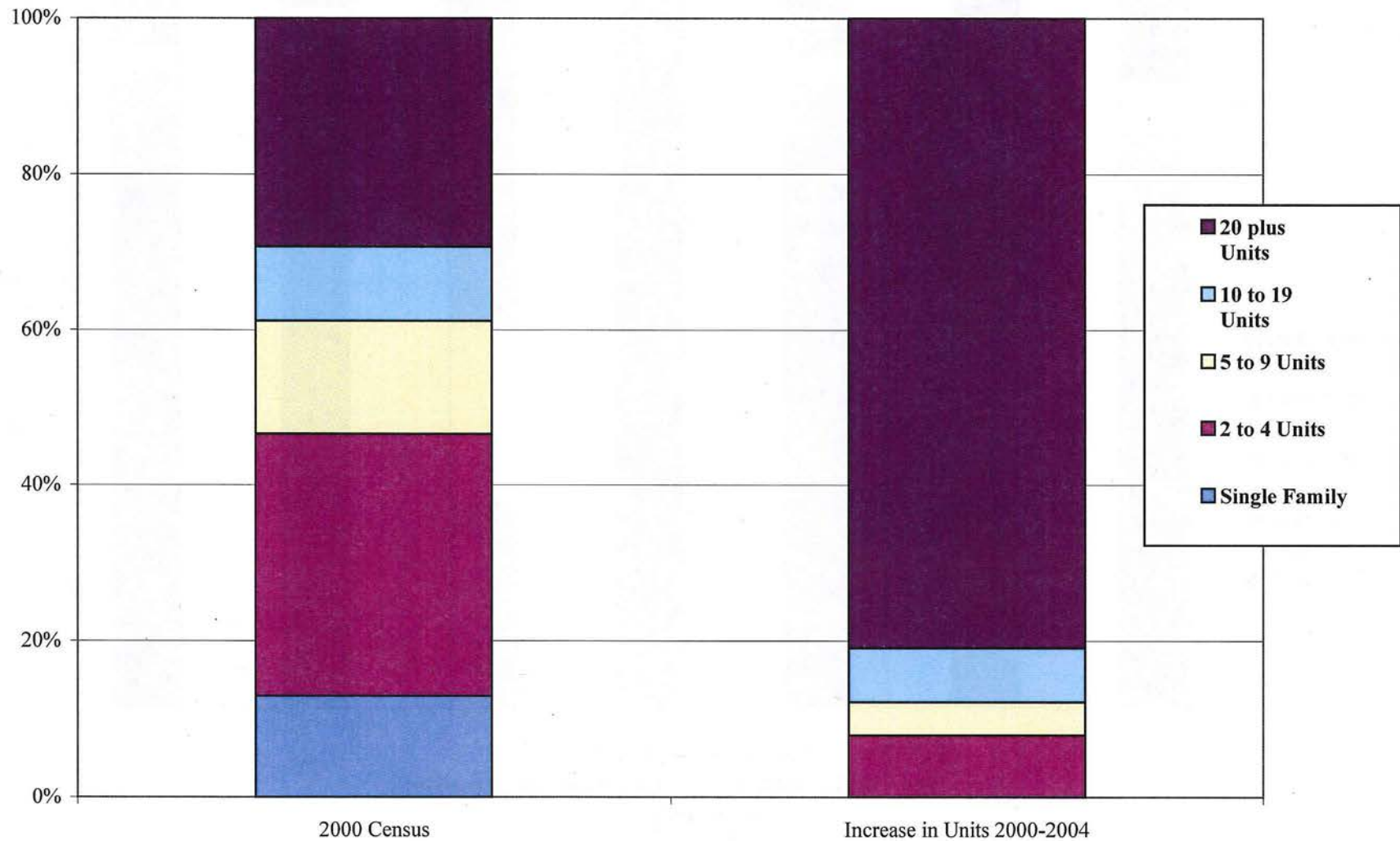


Figure 38
Eastern Neighborhoods Housing by Building Type, 2000 compared to New Construction 2000-2004
 (percent of units by type)



Source: Census 2000 and San Francisco Planning Department

Figure 39
Increase in Housing Units by Building Type, 2000 - 2004
 (percent of units by type)

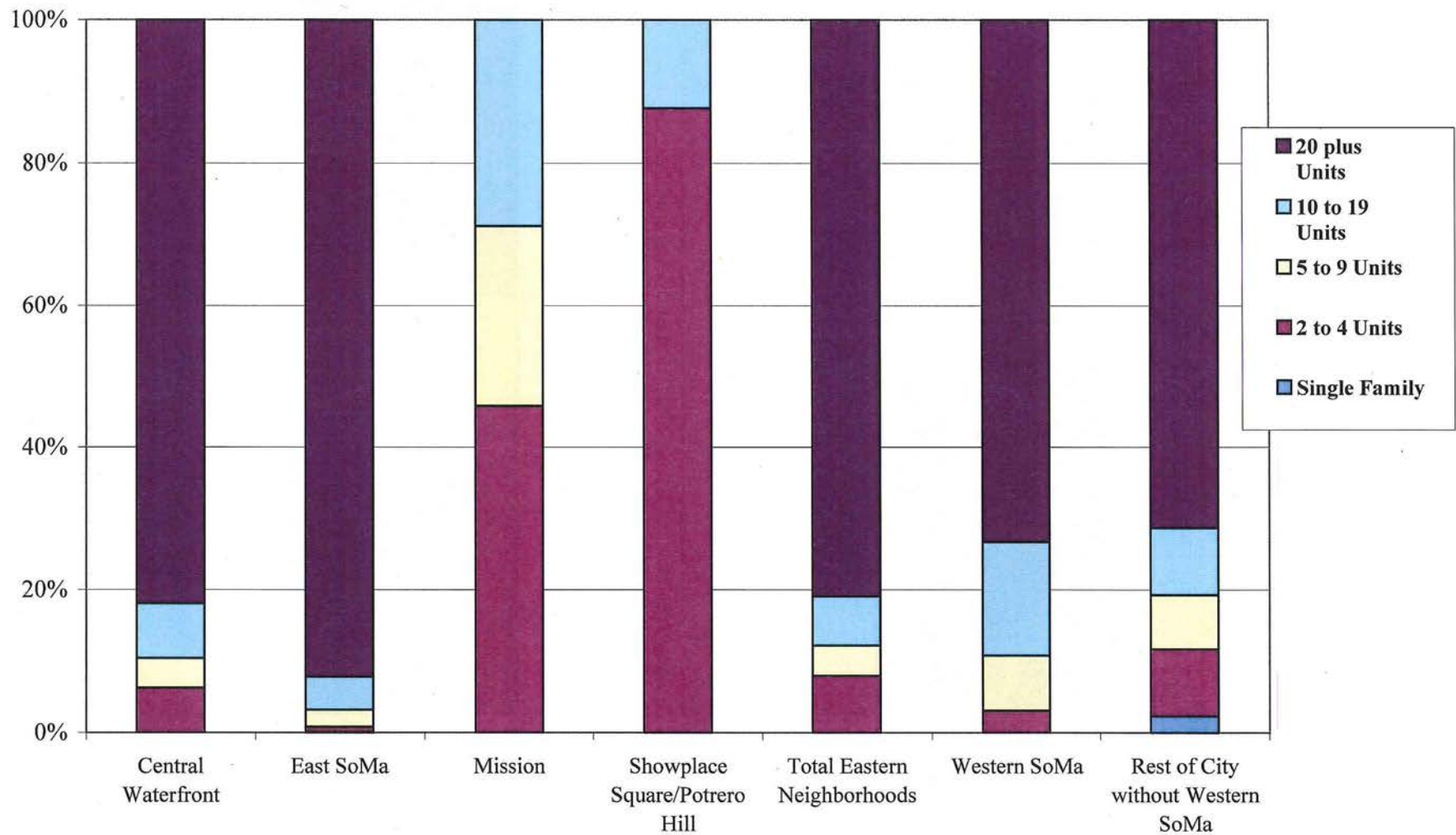
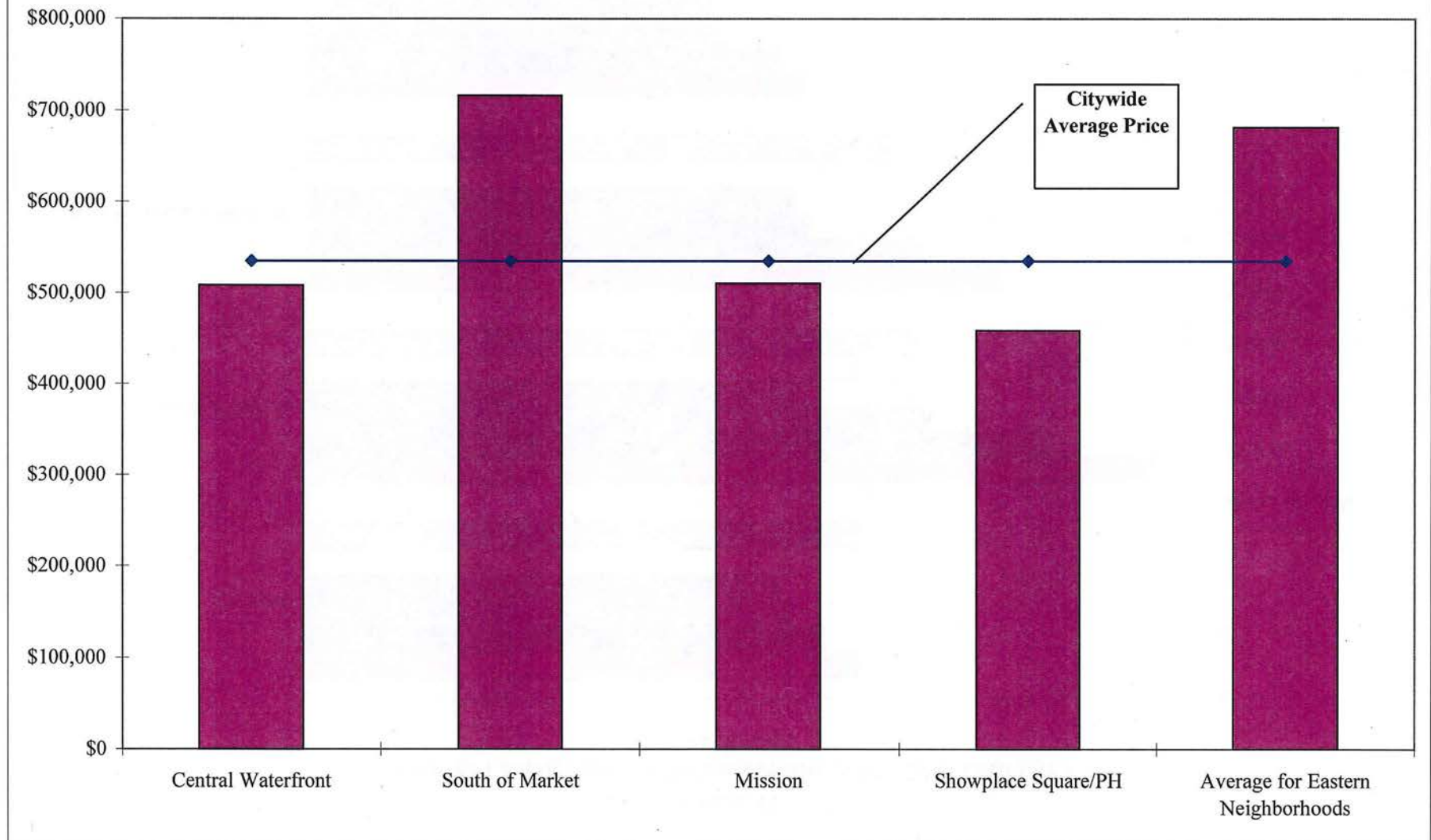
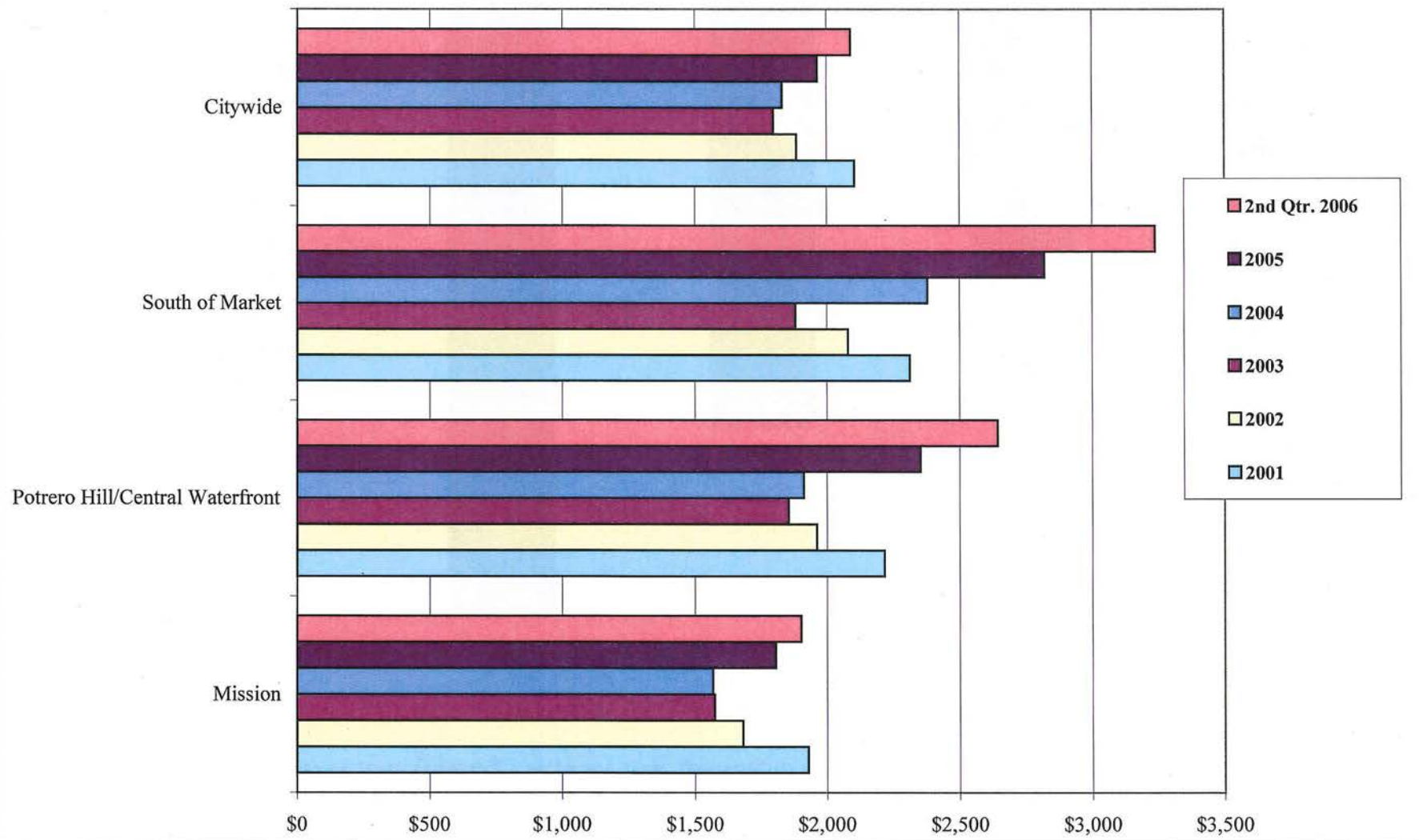


Figure 40
Initial Market Rate Housing Prices for New Housing in the Eastern Neighborhoods, 2000 - 2003



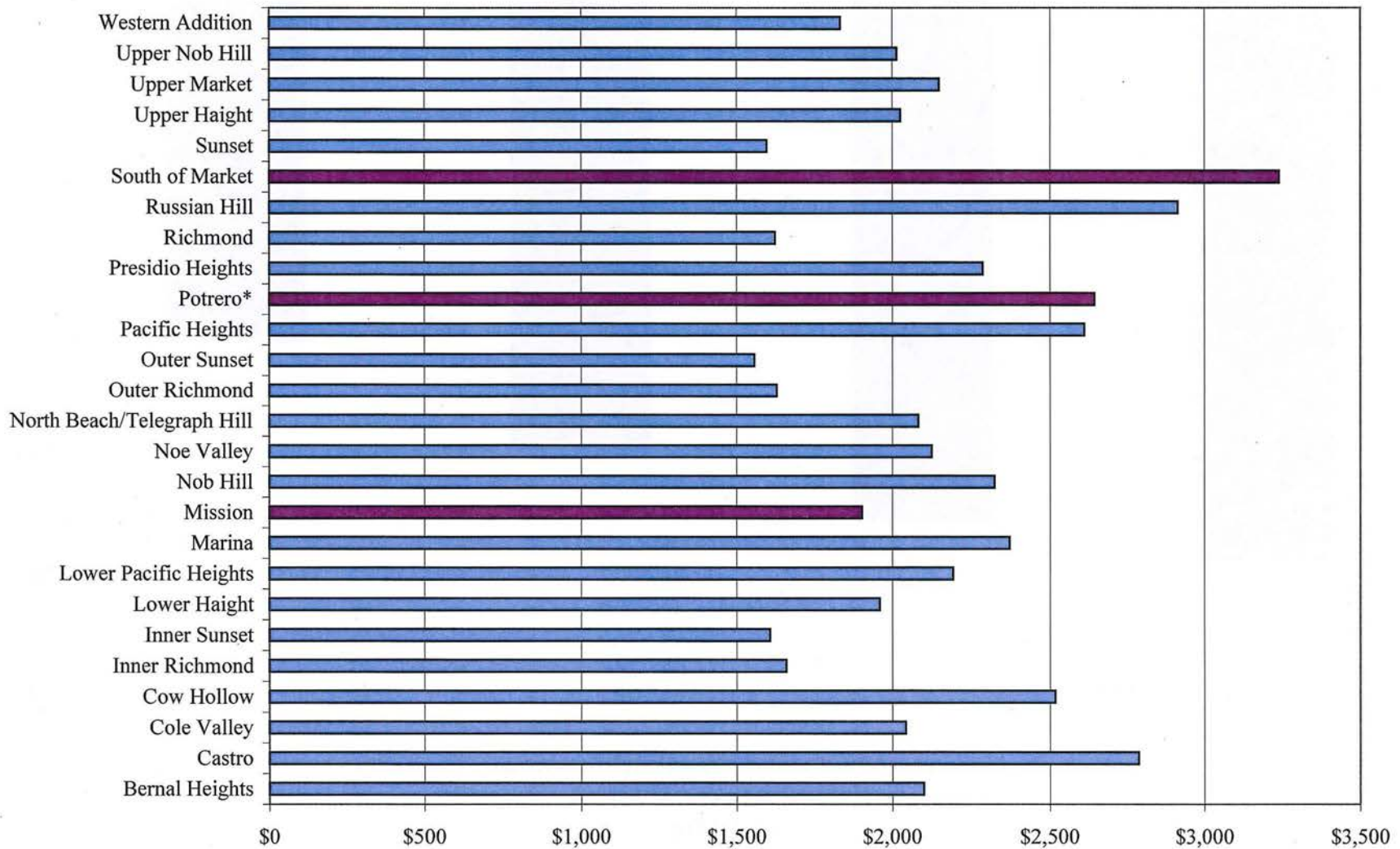
Source: MetroScan, San Francisco Assessor's Office

Figure 41
Average Listing Rents by Neighborhood, 2001 - 2006 (2nd Qtr.)
 (all unit sizes)



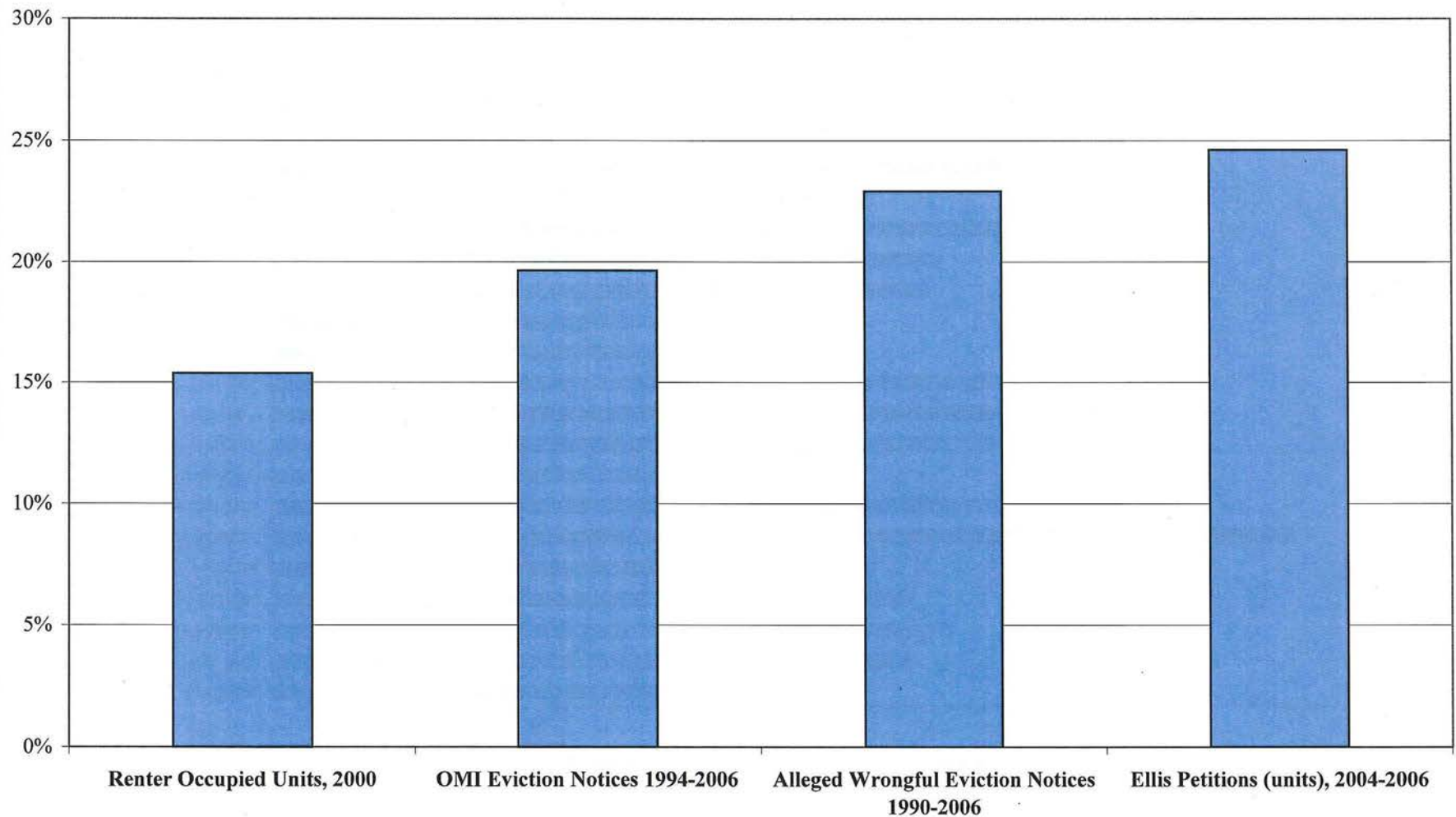
Source: MetroRent, Inc.

Figure 42
Average Listing Rents by Neighborhood, 2006 (2nd quarter)



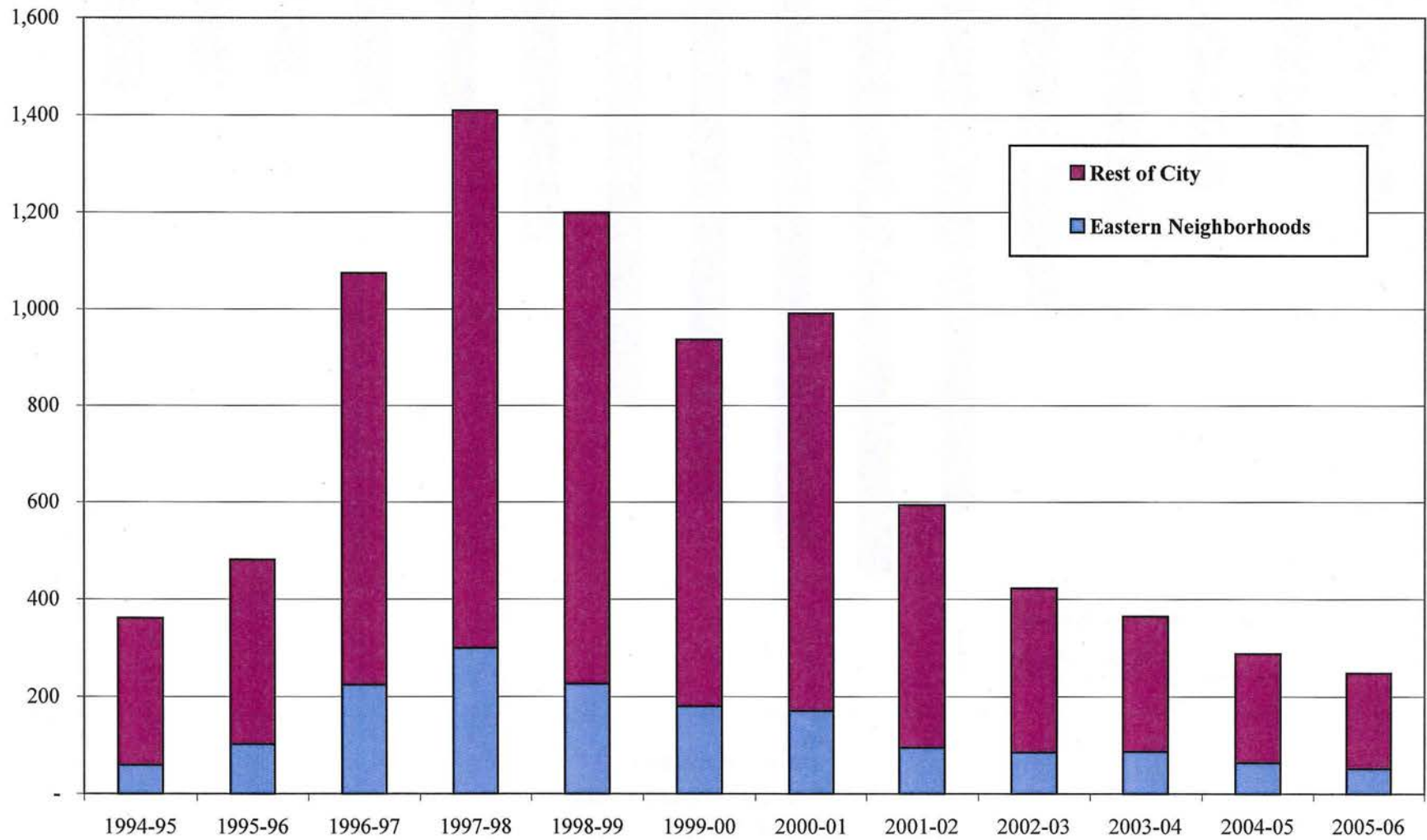
Source: MetroRent, Inc.

Figure 43
Evictions and Ellis Petitions
(Eastern Neighborhoods share of Citywide totals)



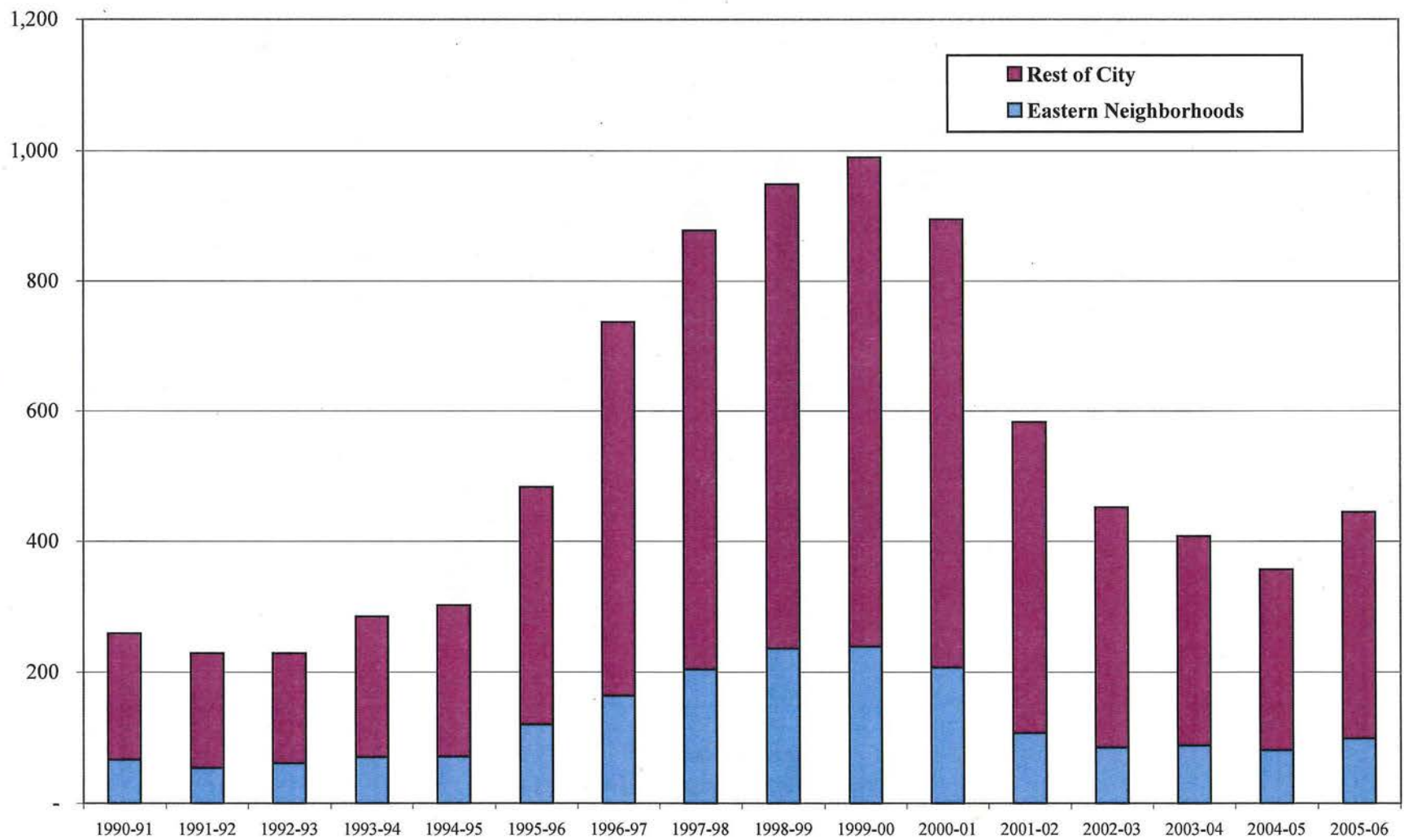
Source: San Francisco Rent Board Annual Statistical Report, FY 2005-06 and Census 2000

Figure 44
Owner-Move-In (OMI) Evictions
(number of notices)



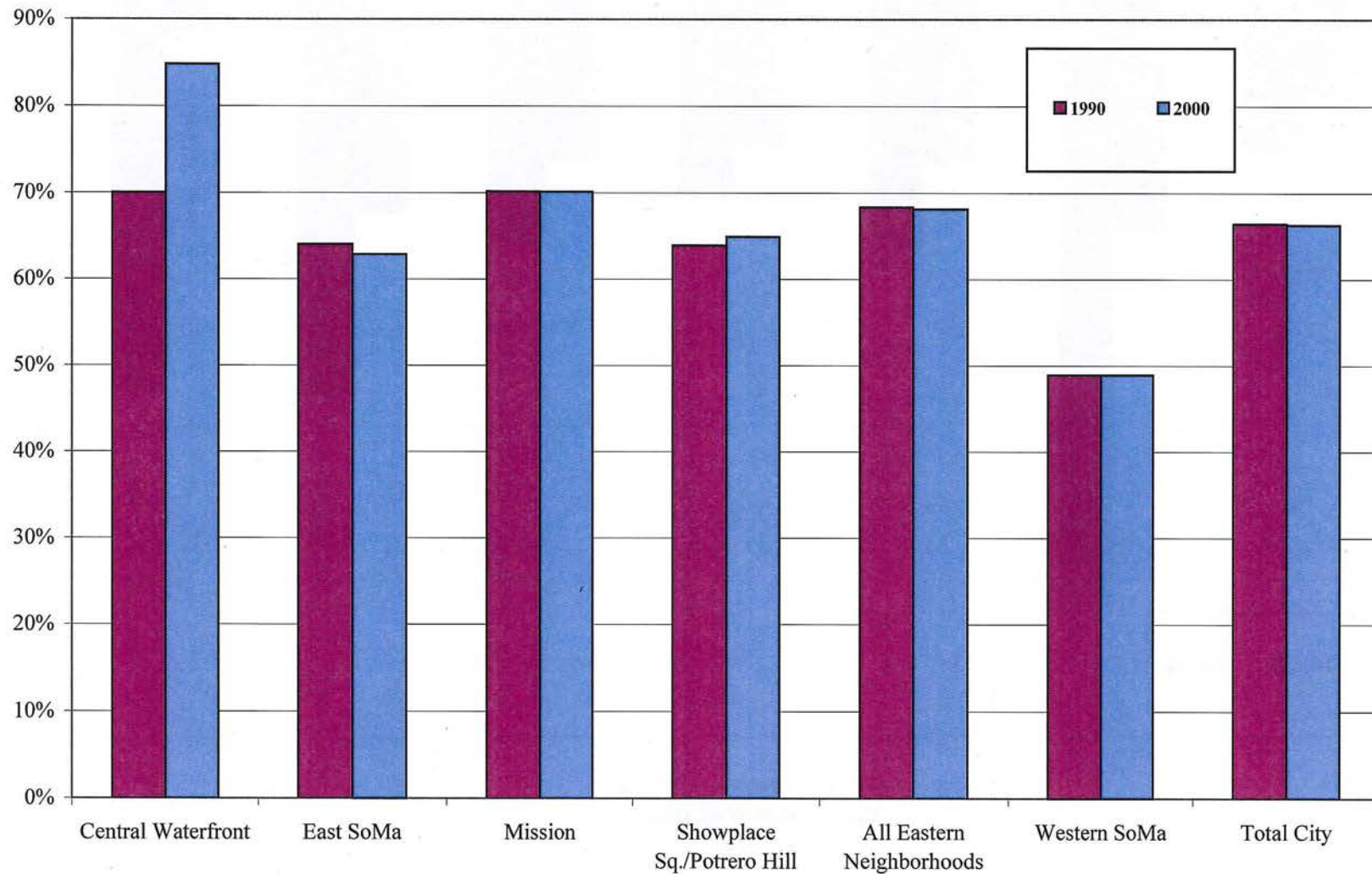
Source: San Francisco Rent Board Annual Statistical Report, FY 2005-06

Figure 45
Alleged Wrongful Evictions
(number of reports)



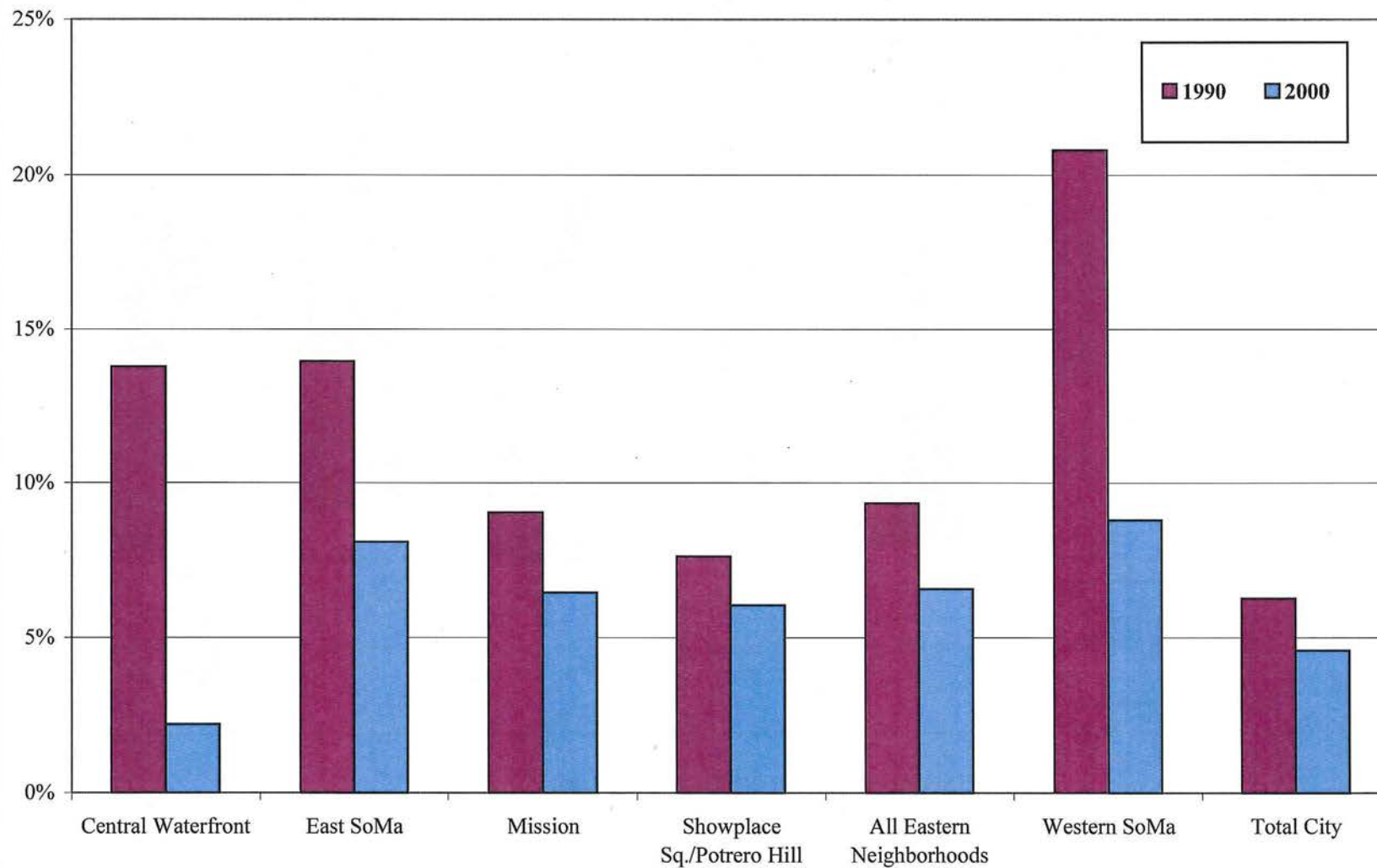
Source: San Francisco Rent Board Annual Statistical Report, FY 2005-06

Figure 46
Labor Force Participation
(percent of population 16 years and older)



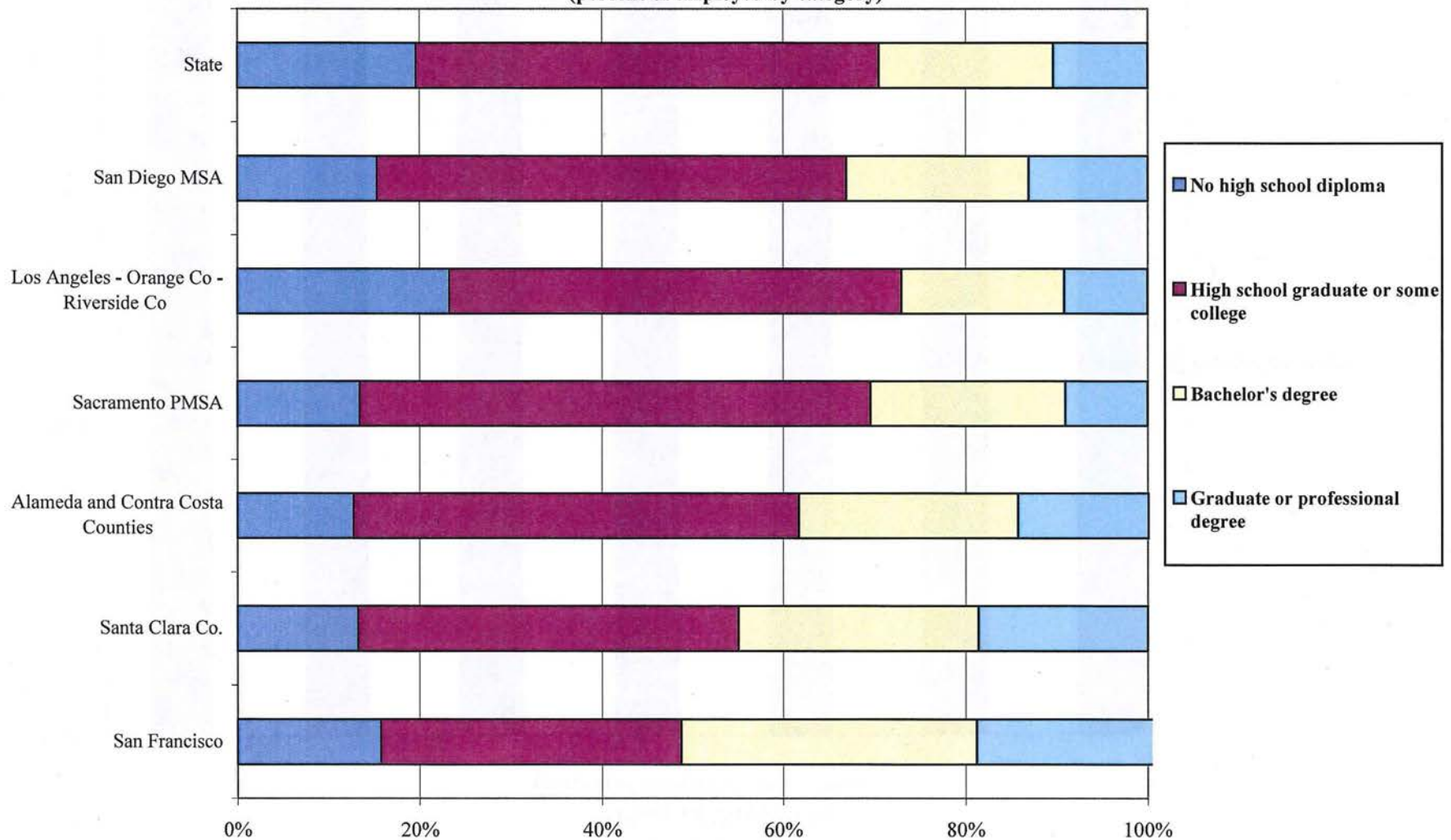
Source: 1990 Census and Census 2000

Figure 47
Unemployment Rates
(percent of civilian labor force)



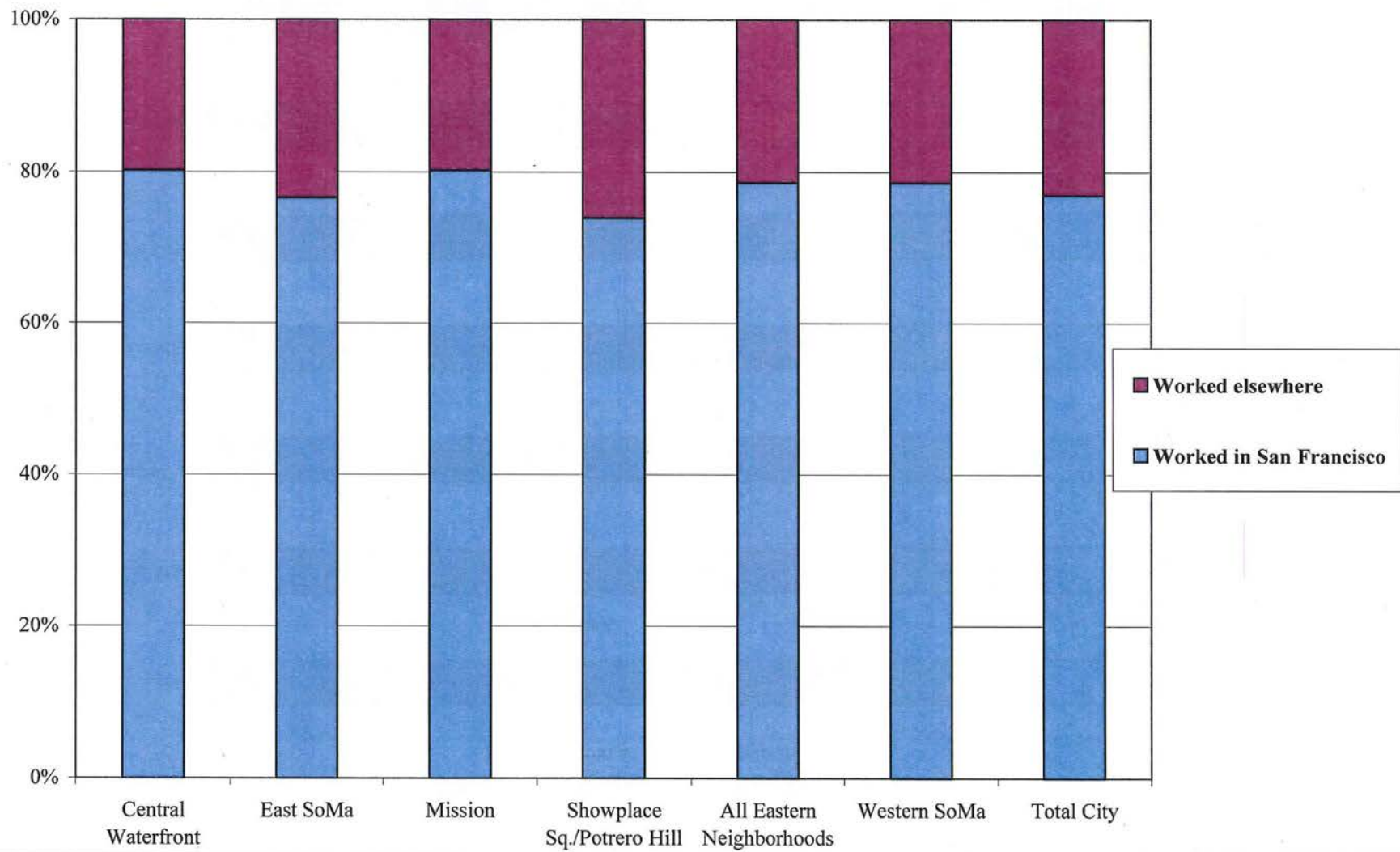
Source: 1990 Census and Census 2000

Figure 48
Educational Attainment of Employed Residents
 (percent of employed by category)



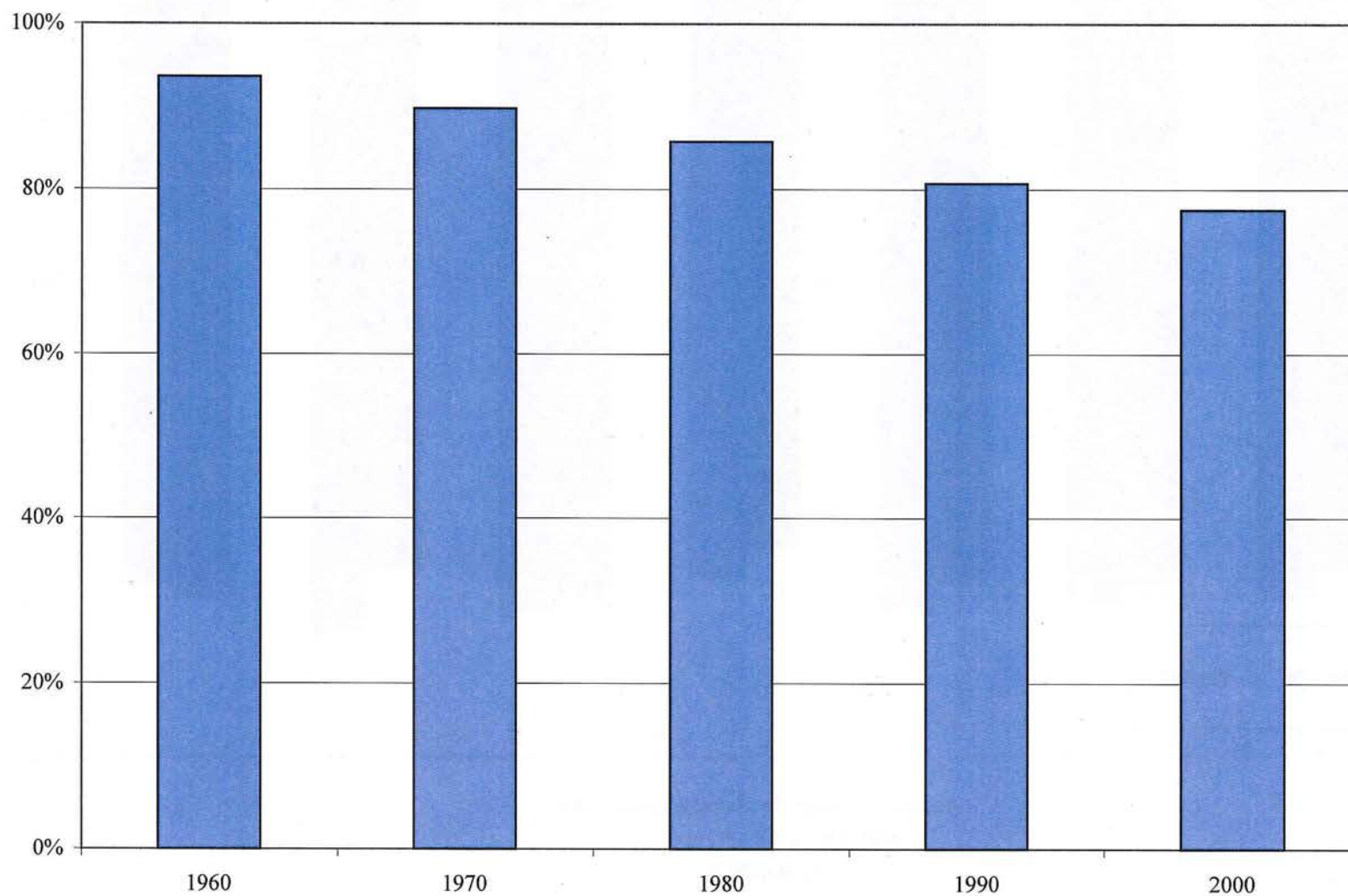
Source: U.S. Census Bureau, American Community Survey, 2004

Figure 49
Place of Work, 2000
 (percent of workers by place of residence)



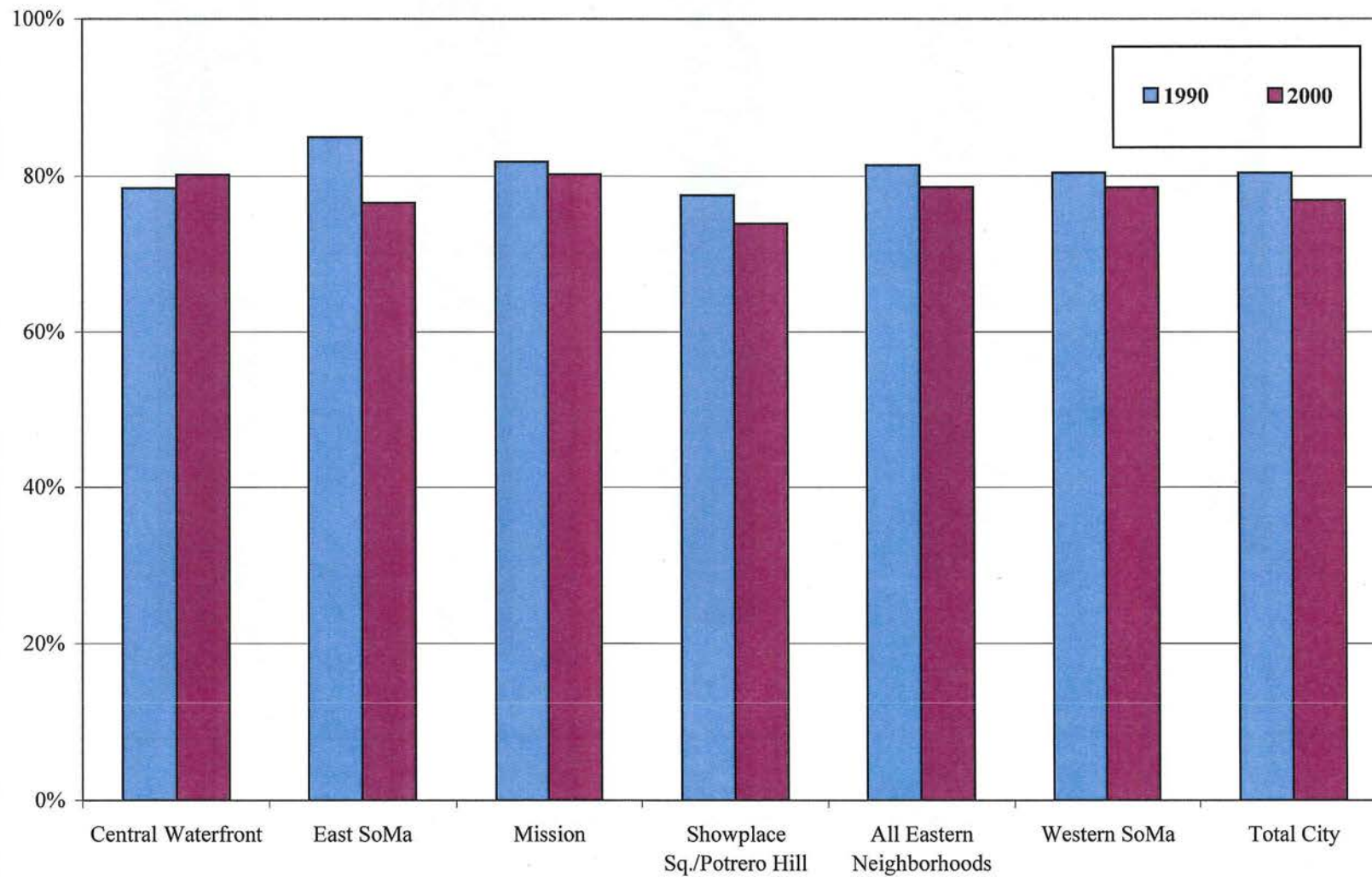
Source: Census 2000

Figure 50
San Francisco Employed Residents Working in San Francisco
(percent of employed residents)



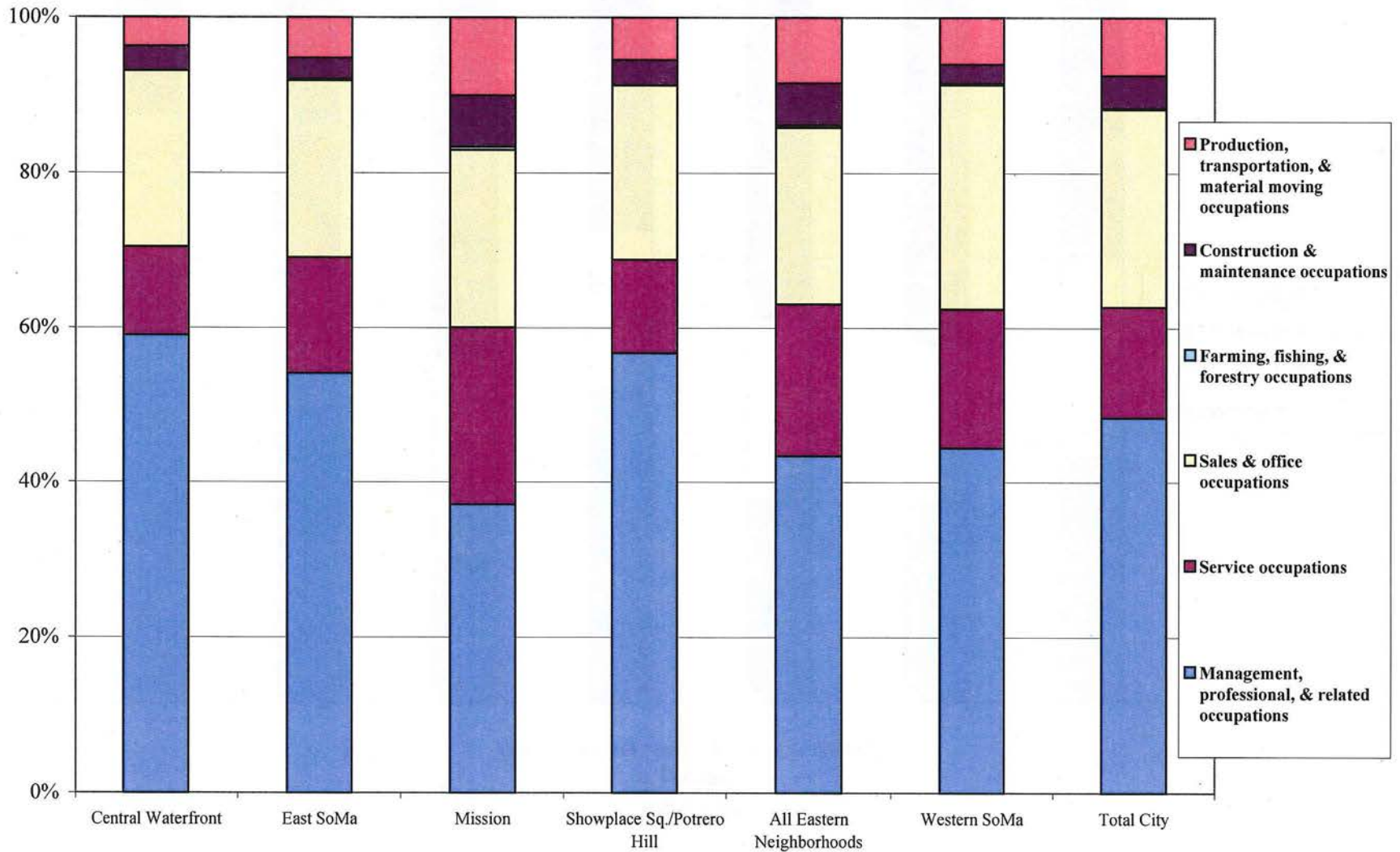
Source: 1960 - 2000 Decennial Census summarized by the Metropolitan Transportation Commission

Figure 51
Work in San Francisco
(percent of workers by place of residence)



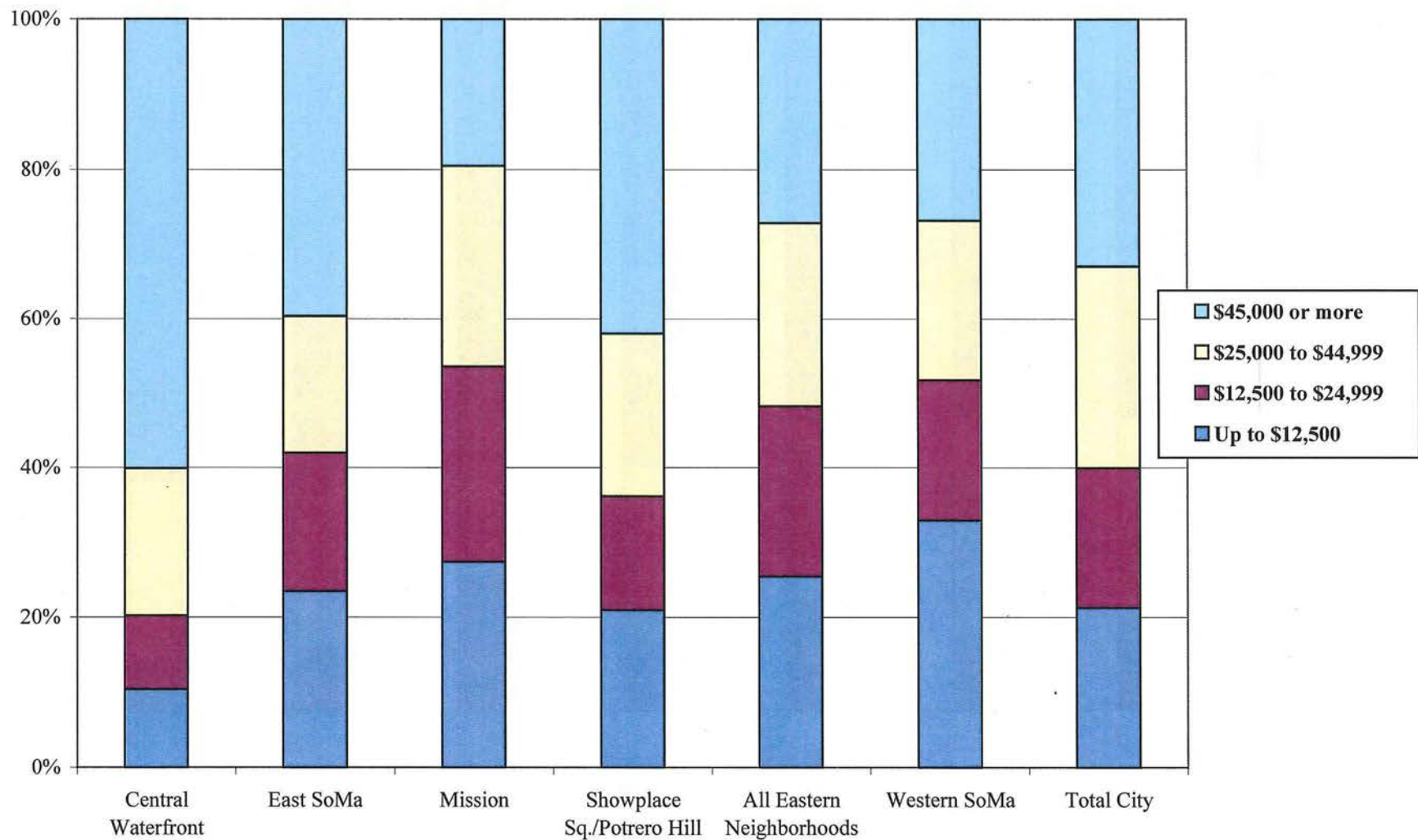
Source: 1990 Census and Census 2000

Figure 52
Occupations of Employed Residents
 (percent of workers by place of residence)



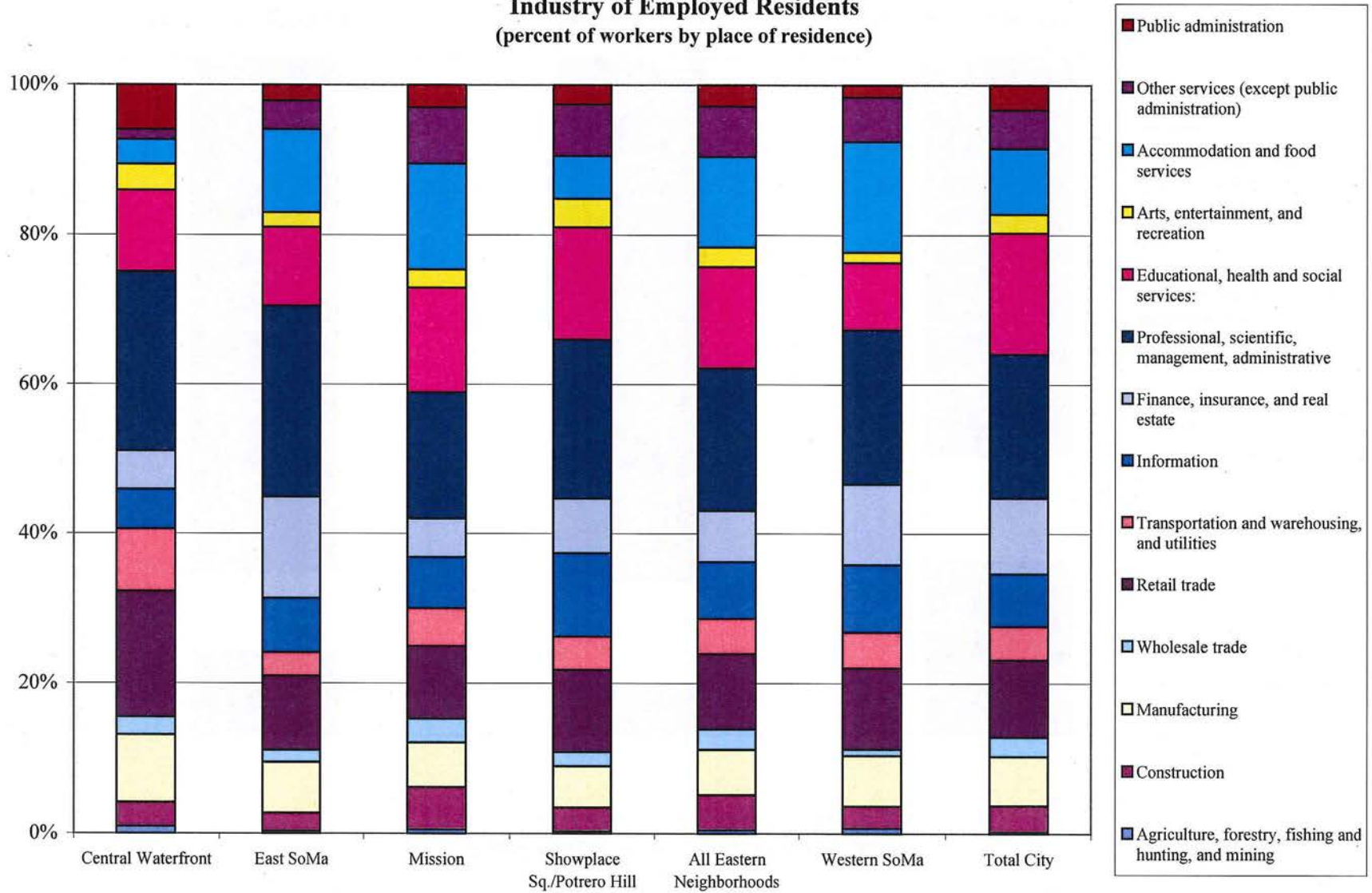
Source: Census 2000

Figure 53
Earnings
 (percent of workers by place of residence)



Source: Census 2000

Figure 54
Industry of Employed Residents
 (percent of workers by place of residence)



Source: Census 2000

Figure 55
Employment by Business Activity, 2000
 (percent of jobs by place of work)

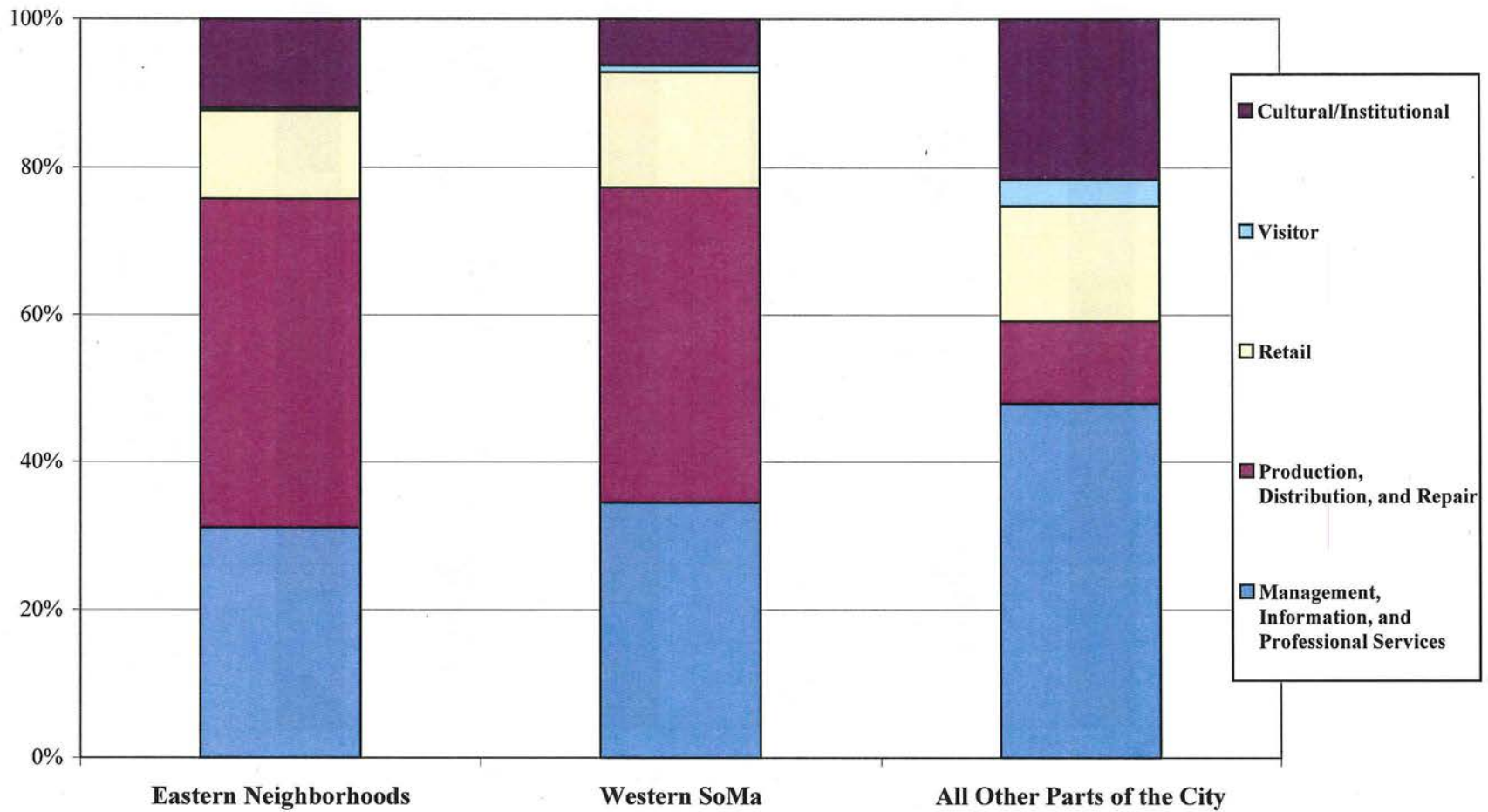
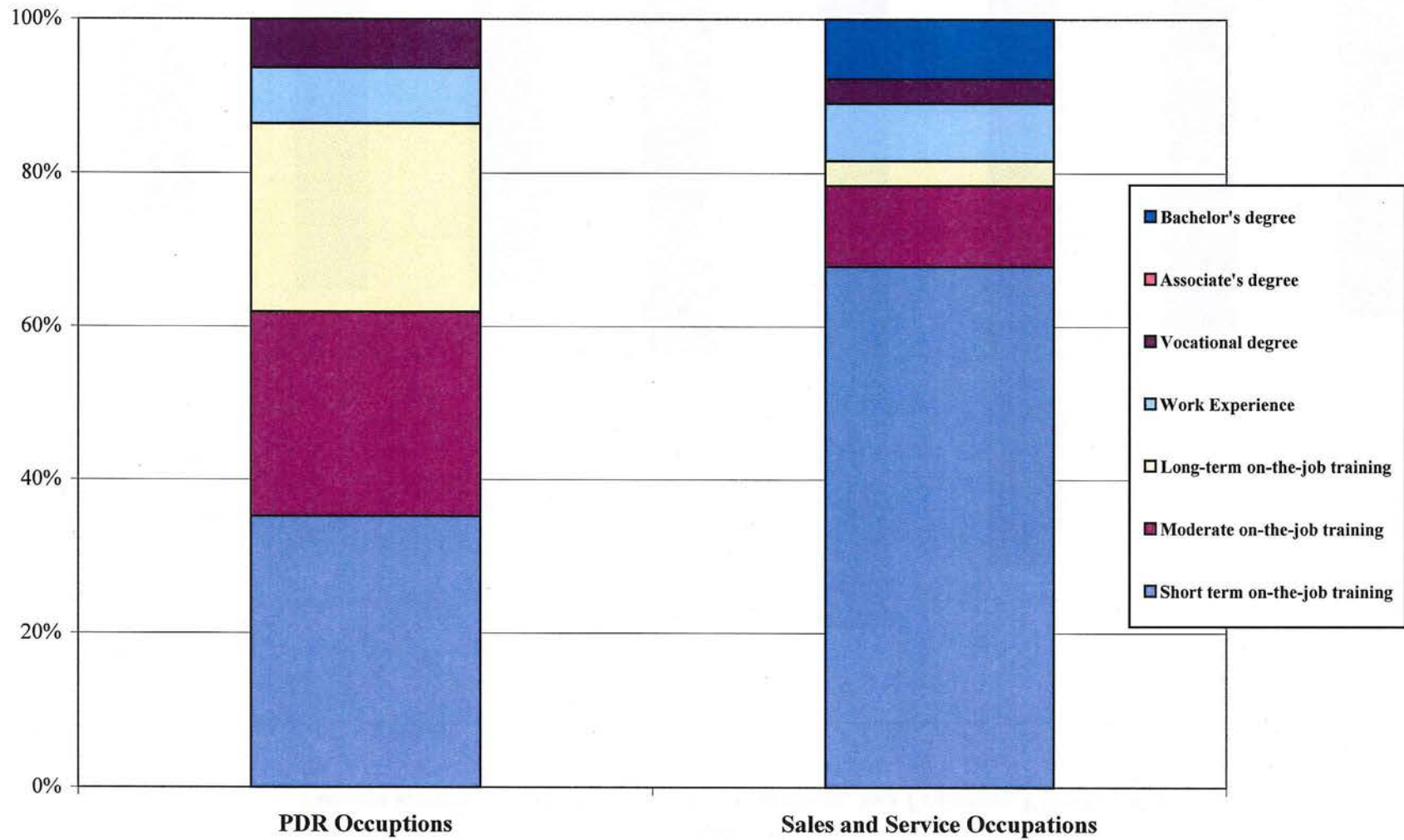
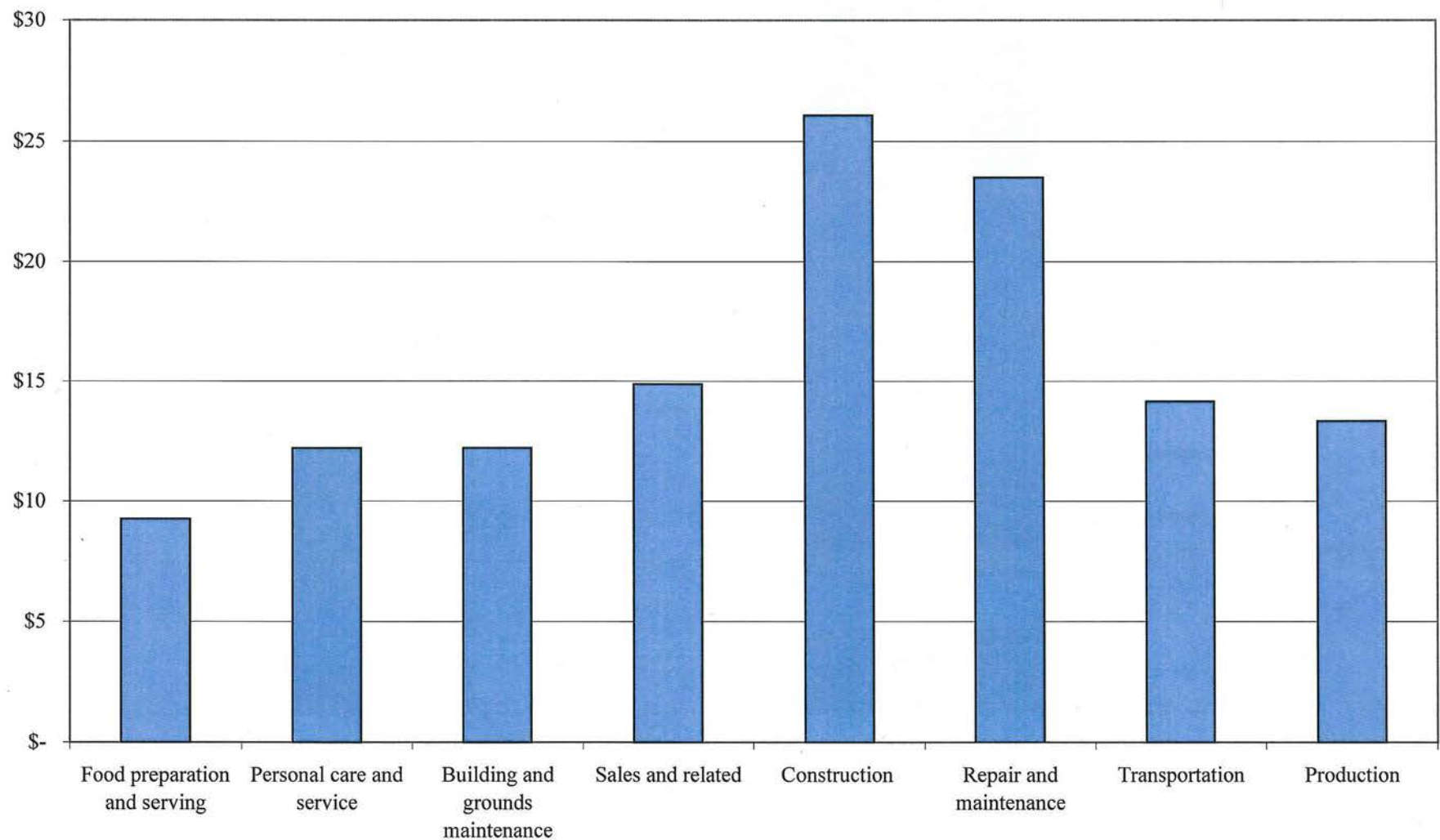


Figure 56
Comparison of the Skills Ladders for PDR and Sales/Service Occupations
 (percent of positions by skill/experience level)



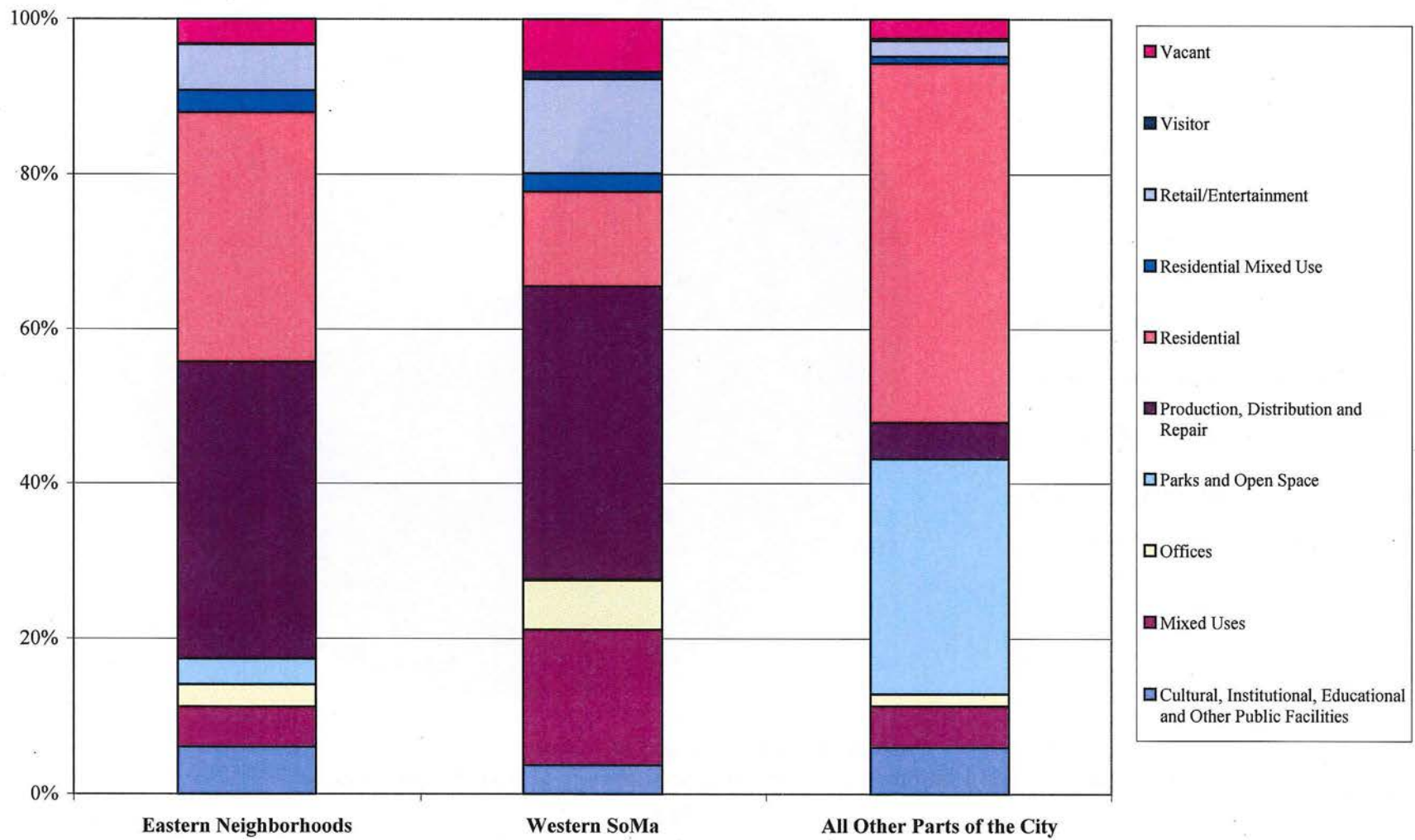
Source: U.S. Department of Labor, Bureau of Labor Statistics

Figure 57
Median Hourly Wages for Selected Occupations, San Francisco PMSA, 2004



Source: U.S. Department of Labor, Bureau of Labor Statistics

Figure 58
Land Area by Use, 2004
 (percent of acres)



Source: San Francisco Planning Department Commerce and Industry Inventory, 2005

Figure 59
Residential Pipeline by Planning Application and Building Permit Status
(number of units as of March 31, 2006)

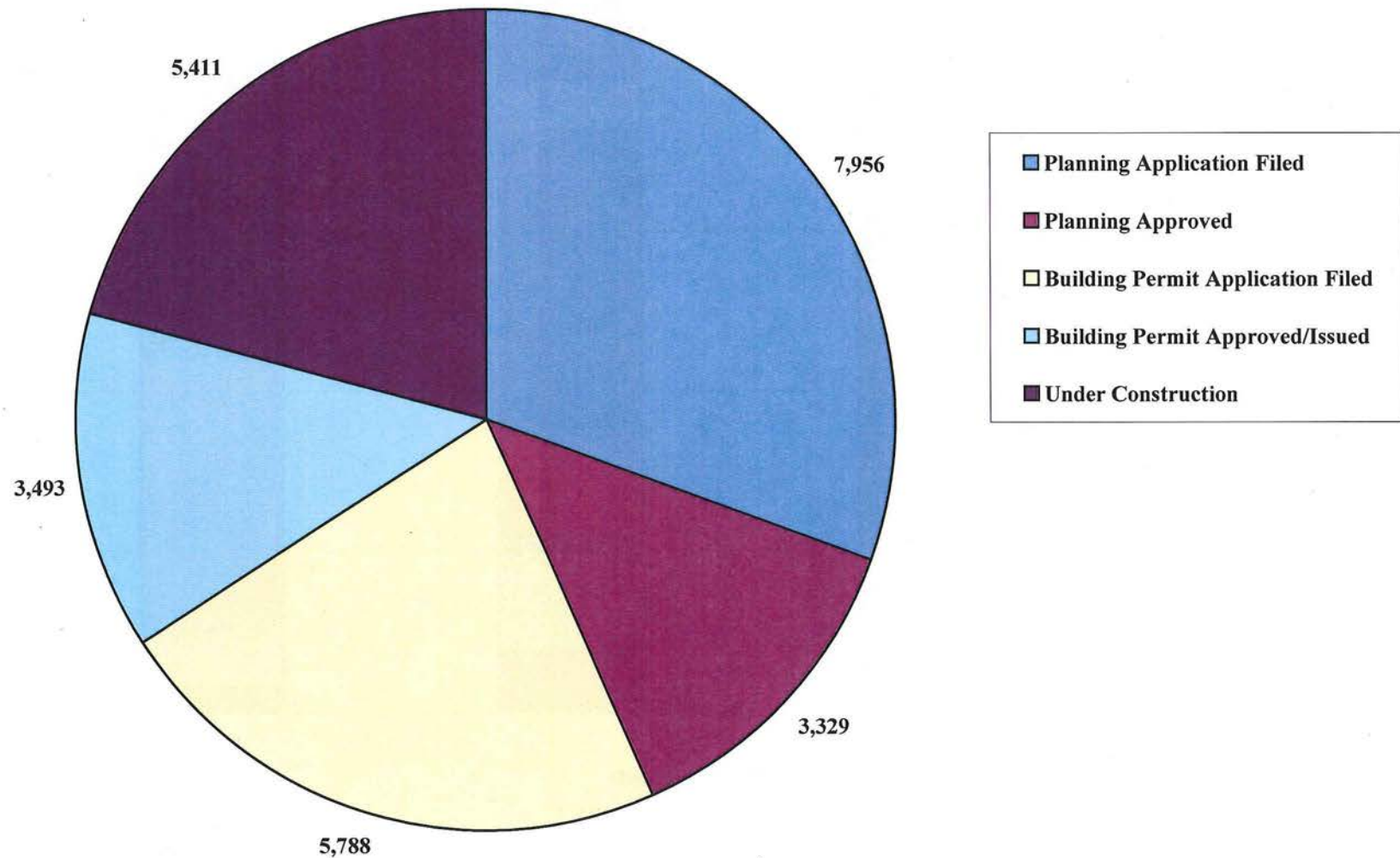
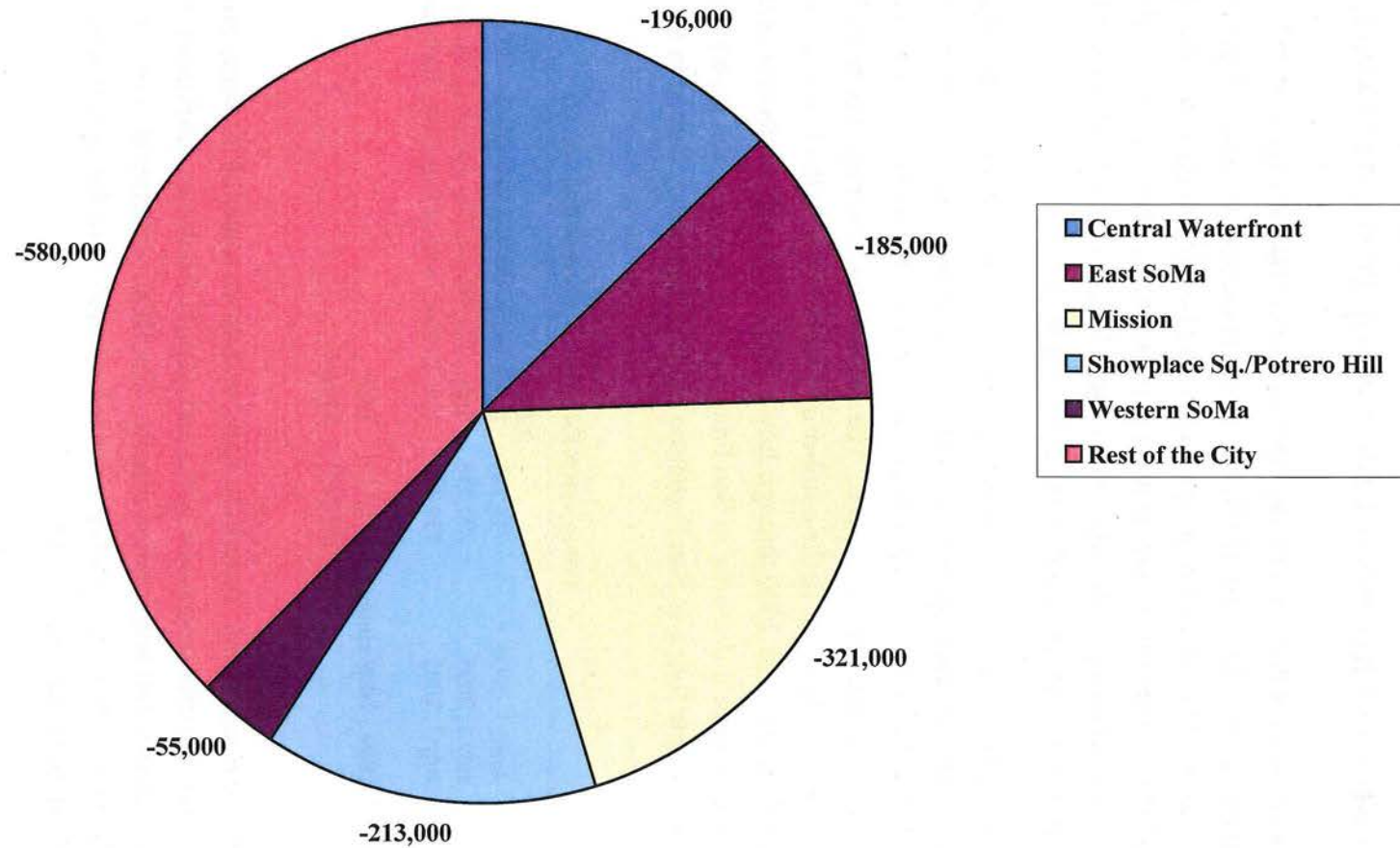


Figure 60
Net Loss of PDR Space by Planning Area, Pipeline Projects as of March 31, 2006
(square feet of building space)



Source: San Francisco Planning Department, Pipeline Summary Report, March 31, 2006

APPENDIX

CITYWIDE AND REGIONAL CONTEXT FOR POPULATION AND EMPLOYMENT

SAN FRANCISCO'S POPULATION: INCREASING OR DECREASING?

In 2000, there were 777,000 people living in San Francisco, just over 11 percent of the total Bay Area population. The number of people occupying housing in the city (household population) totaled 757,000; others (the group quarters population) numbered about 20,000 residents, or 2.5 percent of the total living in the city. There were 329,700 households in San Francisco, and the average household size was 2.3 persons-per-household.

Both the state government and the federal government prepare annual estimates of local population—official estimates for the purpose of revenue allocation, among other things. As shown in **Table A.1**, there are significant differences in the assessment of what has happened to San Francisco's population since 2000. The official state estimates prepared by the Department of Finance show an *increase* in the number of people living in the City—an increase of about 18,000 people from April 2000 through July 1, 2005. The official federal estimates prepared by the U.S. Census show a *decrease* in San Francisco's population; the federal estimates show 37,000 fewer people living in San Francisco in 2005 than were counted in the 2000 Census.¹

TABLE A.1 POPULATION ESTIMATES FOR SAN FRANCISCO		
		<u>Source</u>
April 1, 2000	776,733	U.S. Census, Decennial Census
July 1, 2005	794,850	State of California Department of Finance
July 1, 2005	739,426	U.S. Census, Annual Population Estimates
2000 - 2005 change	18,117 (37,307)	DOF Census

The difference is surprising, since both agencies rely on many of the same primary data sources—vital statistics (registered births and deaths), Medicare enrollment records, federal income tax returns, and immigration reports. The DOF estimates also use drivers' license address changes. The Census incorporates information from the annual American Community Survey of San Francisco households.

¹ The Department of Finance releases the January 1 series of population estimates in May of each year. The estimates for San Francisco released in May 2006 show San Francisco's population reaching almost 799,000 by January 1, 2006, an increase of 5,700 over the updated population estimate for January 1, 2005 (792,952).

The state and federal estimates are in agreement on natural increase—the difference between births and deaths. Both show a net natural increase of about 11,000 people between April 2000 and July 1, 2005. The estimates diverge significantly on migration—most significantly on internal or domestic migration. **Table A.2** presents the comparison of the July 1, 2005 estimates and the components of the 2000-2005 change as estimated by each agency.

TABLE A.2 COMPONENTS OF CHANGE FOR SAN FRANCISCO POPULATION ESTIMATES					
	2000 (April 1)	U.S. Census Annual Population Estimates		California Department of Finance Official State Estimates	
		2005 (July 1)	Change from April 1, 2000	2005 (July 1)	Change from April 1, 2000
Total population	776,733	739,426	(37,307)	794,850	18,117
Births			43,679		44,592
Deaths			(33,128)		(33,063)
Net International Migration			44,659		51,782
Net Domestic Migration			(91,409)		(45,194)
Residual			(1,108)		-
			(37,307)		18,117
SOURCE: U.S. Census Bureau and State of California Department of Finance.					

While the state estimates show about 7,000 more international migrants than do the federal estimates, the key difference is the estimate of domestic migration—people moving between San Francisco and some other county in California or elsewhere in the U.S. While both sets of estimates show a net out-migration during this period, the federal estimates are two times the state estimates—91,000 people moving out of the City and County of San Francisco over these five years, compared to 45,000 people moving out. Review of the annual estimates for each intervening year indicates that the federal estimates of net domestic migration are consistently twice as high as the state estimates.

The state annual estimates track more closely the level of economic activity in the City. The state estimates show positive net migration in the early years of the period, from 2000 – mid-2002 and an increase in out-migrants as job opportunities are substantially reduced by late 2002-early 2003.

The Census annual population estimates are also influenced by the results of the new American Community Survey. Those results for San Francisco also show a decline in population. Analysts caution that those survey results are best used as indicators of the characteristics of the population—age distribution, race/ethnicity, employment status, income, household type, etc.—and are less reliable as estimates of absolute numbers.

The state estimates showing ongoing population growth in San Francisco are more consistent with the changes in the City's housing supply. City data show a net increase of about 10,000 housing units in San Francisco from the 2000 Census through 2004.² Even accounting for the observation that substantial numbers of the new units may not be occupied by households living full-time in San Francisco (some units are maintained as secondary housing in San Francisco for people whose permanent residence is elsewhere, and some units are maintained as corporate apartments), the dramatic population decline implied in the federal estimates is not consistent with this substantial increase in the housing stock. Furthermore, rental market data indicate a decline in the citywide apartment vacancy rate—to under four percent in 2006.

An increase in the City's population, consistent with the increased housing supply, represents a change from conditions of the 1980s and 1990s. During those decades, the growth of the City's population was not matched by an increase in housing supply. Therefore, population growth occurred as a result of increases in the number of people living in existing housing.

BUSINESS ACTIVITY AND EMPLOYMENT IN SAN FRANCISCO

There were about 600,000 people working in San Francisco in 2004.³ This estimate includes full-time and part-time wage and salary employment as well as proprietors employment (the self-employed and partners in partnerships).⁴ Wage and salary jobs in San Francisco total about 503,600 in 2004. With the ratio of proprietors to wage and salary employment generally about one-to-five (or 20 percent), the self-employed add about 100,000 to the total employment count.

San Francisco's role as a place of work in the region has diminished over time as employment has grown at a faster rate in other parts of the region. In 1990, San Francisco claimed about 20 percent of total regional wage and salary employment—one in every five jobs. By 2004, 16 percent of Bay Area jobs were in San Francisco.

There have been significant fluctuations in the level of employment in San Francisco and elsewhere in the Bay Area over the past decade. While the region's economy in general

² San Francisco Planning Department, *Housing Inventory 2001-2004*, July 2005.

³ These estimates of employment by place of work count part-time and full-time jobs equally. People who hold more than one job may be counted more than once.

⁴ The estimate of total employment by place of work including partners and the self-employed is based on data from the U.S. Bureau of Economic Analysis (BEA) combined with estimates from the State of California Employment Development Department (EDD). The State data measure wage and salary employment by place of work and do not include the self-employed, a significant number in San Francisco, or unpaid family workers or private household workers. The more complete estimate of jobs by place of work combines this data with estimates of sole proprietors and partners from the BEA. The BEA estimates sole proprietors and partners using IRS tax returns which generally reflect the place of residence of the worker. Many of the self-employed work out of their home. Partnership tax returns generally reflect the address of the business enterprise. The BEA attributes "relatively little error" to labeling the combined data series "place of work".

experienced strong growth through 2000 and regional employment levels were highest in 2000, the job loss in San Francisco has been more severe than the job loss in most other parts of the region, with the exception of Santa Clara County.

State data indicate *wage and salary jobs* peaked in San Francisco in 2000 at almost 600,000 jobs. From 1995 through the year 2000, the number of jobs in San Francisco increased by over 84,000. The same data series indicates that, by 2004, the city had lost 94,500 jobs, as employment levels returned to those of the mid 1990s. Over 60 percent of the job loss was concentrated in professional and business services and information sectors. While many of the job losses were in the technology and internet companies that fueled the boom in San Francisco economic activity in the late 1990s, there were also significant reductions in the level of employment in corporate management functions in San Francisco during this time period.

Through these fluctuations, the core of the city's economy has remained quite diverse. No one sector accounts for more than 20 percent of total employment, as shown in **Figure A.1**. There are some telling longer-term trends.

- ♦ **Government** employment is a significant and steady component of local economic activity, accounting for the second largest share of employment in the City after professional and business services. Local government, serving City residents and businesses, accounts for almost half (45 percent) of government employment in San Francisco. San Francisco also benefits from a substantial state government presence, as well as from Federal offices, many of which serve the western region from a base in San Francisco.
- ♦ **Leisure and hospitality** is also a fundamental element of the City's economic base. This sector includes the lodging industry, as well as eating and drinking places and arts, entertainment, recreation, and amusements. The sector overall had steady growth through most of the 1990s and has generally maintained employment levels across the board since 2002, never falling far below 2000/2001 levels. San Francisco is an attraction to international visitors and to leisure and business travelers from throughout the state and nation. The City also remains a regional arts and entertainment destination.
- ♦ **Education and health services and business, civic and advocacy associations** also benefit from San Francisco's role as a regional center. Medical and educational institutions, and social assistance programs that serve City residents also serve a regional market area. Other non-profit entities are included in this sector in this summary: business and professional associations, social and other advocacy organizations, unions, civic, and political organizations. This sector represents an increasing share of economic activity in the City.

- ♦ **Retail** stores account for about eight percent of total employment in San Francisco and have maintained that share throughout the boom and bust of the last decade. Trends in retail trade employment parallel those in the leisure and hospitality sector. San Francisco's appeal as a destination for leisure and business travel, conventions, and day trippers is important to the retail sector. The foundation of economic activity for retail trade, however, is the consumer spending of City residents and of people who work in San Francisco.
- ♦ The **financial activities** sector includes businesses engaged in banking, investment, insurance, real estate. From the Gold Rush, San Francisco has been a center of financial activity on the West Coast. Overall, this sector in the City did not experience the large swings in employment that marked information and other technology services during the dot-com period, although employment in some investment companies mirrored the technology companies' volatility. The 1990s saw significant declines in San Francisco employment in some financial institutions, with restructuring, acquisitions, and mergers playing a role. Employment in finance, insurance, and real estate has been relatively stable over the last few years.
- ♦ The **information** sector—newly defined with the 2002 revision to the national industrial classification system—is significant in San Francisco. Companies in this sector produce, distribute, and process information. This includes both traditional publishing and digital media production; motion picture, video, and sound recording; broadcasting; internet publishing and broadcasting; telecommunications; and internet service providers. The aggregate growth and decline in this sector in San Francisco from 1990 – 2004 is attributable almost entirely to the emergence and subsequent shake-out in the internet subset of information activities. Employment has been fairly stable in traditional publishing in San Francisco. Until the last year or so, there was growth in motion picture and sound recording and broadcasting employment. Overall, the employment decline has slowed. Industry-watchers tout good prospects for future growth in this sector in San Francisco as the broad adoption of high speed internet services and mobile devices creates demand for applications and content.

- ♦ The pattern of mid-period volatility trending towards stabilization is similar for the large and diverse **professional and business services** sector. This largest single category for employment in the City includes much of the economic activity attributable to San Francisco's historic role as a regional economic center. Many of the professional services located in the City (legal services, architecture, accounting, advertising, management consulting, and computer systems design) have maintained a large, stable base of employment, contributing to net employment gains between 1990 and 2004. Employment levels in administrative support services (employment services, facilities support, security) have followed closely the overall trend in San Francisco economic activity and employment—peaking in 2000 and stabilizing since then. It is the management/headquarters component of this sector that has declined most significantly in San Francisco. In 1990 almost 34,000 people were employed in company management functions in San Francisco. There was a slow but steady decline through the 1990s, and state data show a drop of about 17,000 jobs since 2000.
- ♦ Other sectors—**construction, manufacturing, wholesale trade, transportation, and warehousing, and repair and personal services**—make up about 13 percent of total wage and salary employment in San Francisco in 2004. As now classified, the employment in these sectors does not include employment in corporate headquarters or other administrative offices of larger manufacturing, construction, or transportation enterprises. That employment is categorized under business management services, which, as noted above, has experienced significant decline in San Francisco over the last 15 years. The economic activity classified here and counted in these 66,000 jobs represents a significant component of what has been defined as **production, distribution, and repair** in San Francisco. Employment in these activities was fairly steady through the recession of the early 1990's in San Francisco. Manufacturing, warehousing, and transportation have experienced steady declines in employment in the City since the late 1990's, corresponding with the technology boom. Wholesale trade has had a slower decline and appears more stable in the last few years, and there has been small growth in construction employment. Repair and personal services, primarily population-serving, has maintained a fairly stable level of employment, mirroring the broader trends in economic activity and population in the City.

THE LABOR MARKET FOR SAN FRANCISCO JOBS IS REGIONAL

The employed residents living and working in San Francisco hold 56 percent of the jobs in the City. Commuters from other Bay Area counties hold about 43 percent of San Francisco jobs, and commuters from neighboring counties outside of the Bay Area account for about one percent of San Francisco jobs. As with the percentage of City residents working in the City, the percentage of San Francisco jobs held by people also living in the City has declined over time (**Figure A.2**). In 1960, San Francisco residents held almost three-quarters of the jobs in the City. The percentage declined to about 56 percent through 1980 and has remained at about that level ever since. These patterns are illustrative of the growth of Bay Area suburbs, San Francisco's

role as a regional employment center, and the development of transportation systems designed to get commuters to central city jobs.

REGIONAL GROWTH CONTEXT

Projections of population and employment for the Bay Area are based on regional economic, demographic, and transportation assumptions and analysis of land use patterns and land availability. *Projections 2002*, published by the Association of Bay Area Governments (ABAG) in December 2001 continues to represent a trend-based “base case” forecast for the region. Subsequent projections prepared by ABAG (*Projections 2003* and *Projections 2005*) reflect a “smart growth” forecast for the Bay Area. Those scenarios incorporate smart growth policy assumptions, emphasizing infill development to revitalize central cities, support and enhance public transit, and preserve open space and agricultural land. There is not much difference between the base-case forecast and the smart growth scenarios at the regional level over the long-term. The differences lie in where the growth is assumed to occur.

In the *Projections 2002* base case scenario, the region is expected to gain about 1.4 million people between 2000 and 2025 and about 1.2 million jobs (**Table A.3**). Rates of population and employment growth slow somewhat from those of the prior ten years. Housing production is expected to continue at about the same average pace—just over 20,000 units per year, region-wide. Incorporating regulatory and policy changes and government funding to increase housing production, the regional scenario in *Projections 2005* shows somewhat more household and population growth through 2025 (almost 600,000 households and 1.6 million people) over the 25-year period. On the other hand, regional employment growth is expected to be somewhat less robust in this updated scenario, as the lack of job growth in the early years of this decade has influenced expectations for the longer-term job outlook. *Projections 2005* forecasts an increase of about one million jobs in the Bay Area region through 2025.

TABLE A.3 REGIONAL SCENARIO FOR HOUSEHOLD POPULATION, HOUSEHOLDS, AND EMPLOYMENT: 1990, 2000, AND 2025							
				1990 - 2000		2000 - 2025	
	1990	2000	2025	Number	Annual Rate	Number	Annual Rate
Household Population	5,869,683	6,640,972	8,068,600	771,289	1.2%	1,427,628	0.8%
Households	2,246,242	2,466,019	2,977,990	219,777	0.9%	511,971	0.8%
Jobs	3,206,080	3,753,670	4,932,590	547,590	1.6%	1,178,920	1.1%

SOURCE: Association of Bay Area Governments. *Projections 2002*, December 2001.

POPULATION AND EMPLOYMENT SCENARIOS FOR SAN FRANCISCO

Baseline scenario

The baseline scenario for growth in San Francisco is defined as the growth forecast for the City identified by ABAG in *Projections 2002*. The regional outlook incorporated in this scenario is described above. For San Francisco, this scenario illustrates what were considered to be the future prospects for the City, just after the 2000-2001 downturn, under existing zoning, with no land use policy changes to encourage housing production or other “smart growth” objectives. As is the case for the region overall, the long-term economic assumptions that underlie this base case scenario remain valid for planning purposes. Although the recovery for jobs has been slower than anticipated, the long-term outlook has not changed significantly. In 2002/2003, as part of the analysis for the Eastern Neighborhoods community planning process and for use in impact analysis of the proposed rezoning, Planning Department staff prepared an allocation of the citywide baseline scenario to planning areas in San Francisco.

Households and household population

The baseline scenario projects new households and continued population growth in San Francisco, although the City’s share of regional population and household totals is expected to continue to decline, as has been the case since the 1980s. Household population would reach 800,000 in San Francisco in 2025 under the baseline scenario (**Table A.4**). The annual growth rate of 0.2 percent per year is slower than the annual growth rate for population in the City during the 1990s (0.7 percent per year). Nevertheless the baseline scenario does not indicate a return to the pattern of population loss experienced from the 1950s through the 1970s. Modest population growth is consistent with the projected increase in the housing supply and a modest decrease in the average household size. It also assumes San Francisco continues to attract new residents and manages to keep existing residents.

This baseline scenario shows an increase of 19,000 households in San Francisco over the 25 years between 2000 and 2025. The underlying ABAG forecast limits significant new residential development to what were the primary programmed areas in 2001: Rincon Point/South Beach, Mission Bay, Hunter’s Point, and Transbay. This was prior to Better Neighborhoods, Eastern Neighborhoods, Mid Market and other community planning initiatives. At 760 households per year on average, the baseline scenario is reflective of the relatively low level of housing production occurring in the City in the late 1990s. With a net increase of almost 2,000 units per year over the last five years, San Francisco has seen a boom in housing construction and housing proposals since ABAG’s *Projections 2002* was prepared. Net new housing construction between 2000 and 2005 is about half of the total baseline scenario for household growth in San Francisco through 2025.

TABLE A.4 BASELINE SCENARIO FOR THE EASTERN NEIGHBORHOODS AND THE REST OF THE CITY HOUSEHOLDS AND HOUSEHOLD POPULATION 2000 - 2025					
	Eastern Neighborhoods	Rest of City	Total City	Eastern Neighborhoods Share of Total City	
Households					
2000	26,416	303,287	329,703		8%
2025	29,287	319,494	348,781		8%
Change 2000 - 2025	2,871	16,207	19,078		15%
Percent Change	11%	5%	6%		
Household Population					
2000	67,844	689,123	756,967		9%
2025	74,129	725,088	799,217		9%
Change 2000 - 2025	6,285	35,965	42,250		15%
Percent Change	9%	5%	6%		

NOTE: The estimates for the Eastern Neighborhoods in 2000 do not match the *Eastern Neighborhoods EIR Initial Study* table because they are based on the more refined definition of neighborhoods, using Census block data. The 2025 estimates in this table are derived by adding the 2000 – 2025 increment for the Eastern Neighborhoods to the 2000 base year estimate.

SOURCE: San Francisco Planning Department and Hausrath Economics Group.

The baseline scenario allocates 15 percent of that household growth to the Eastern Neighborhoods. Although this is a high share for an area that until recently has not been a location for significant new housing development, the numbers are relatively small and do not fully capture recent housing development trends. The net additional housing construction in these Eastern Neighborhoods between 2000 and 2005 (2,100 units) accounts for almost three-quarters of the baseline household projection for this part of San Francisco.

Under the baseline scenario, although the Eastern Neighborhoods would accommodate a higher share of household growth than they do of the existing housing stock, the number of additional households would be small in the context of the total number of households in the City. Therefore, the share of the City's housing stock located in the Eastern Neighborhoods would not change under the baseline scenario. Overall, the baseline scenario assumes an increase of just over 10 percent in the number of households in the Eastern Neighborhoods. Reflecting a continuation of recent development trends, over half of that growth would occur in East SoMa, where the number of units would increase by about one-third. The substantial relative change is projected to continue in the Central Waterfront, where the number of households would increase by almost 50 percent. The baseline scenario shows very modest household growth in the Mission—an increase of less than 500 households over the 25-year period—and moderate growth in Showplace Square/Potrero Hill.

Under the baseline scenario, there would be a moderate increase in the household population in the Eastern Neighborhoods. The eight percent increase projected between 2000 and 2025 is a greater percentage change than projected for the rest of the City (five percent) and reflects primarily the distribution of new housing.

Employment

Under the baseline scenario, total employment in San Francisco would increase by 20 percent to almost 765,000 jobs; there would be net addition of about 130,000 jobs between 2000 and 2025, representing just over 10 percent of the 1.2 million additional jobs expected in the region by 2025 (**Table A.5**). The share of regional employment located in San Francisco continues to decline over time according to this baseline forecast scenario.

TABLE A.5 BASELINE SCENARIO FOR THE EASTERN NEIGHBORHOODS AND THE REST OF THE CITY EMPLOYMENT 2000 - 2025					
	Eastern Neighborhoods	Rest of City	Total City	Eastern Neighborhoods Share of Total City	
Production, Distribution, and Repair					
2000	32,467	63,080	95,547	34%	
2025	29,091	74,226	103,317	28%	
Change 2000 - 2025	(3,376)	11,146	7,770	-43%	
Percent Change	-10%	18%	8%		
All Other Employment					
2000	40,188	498,700	538,888	7%	
2025	53,218	607,619	660,837	8%	
Change 2000 - 2025	13,030	108,919	121,949	11%	
Percent Change	32%	22%	23%		
SOURCE: San Francisco Planning Department					

Considering the City as a whole, there would be a net increase in employment across all major business activity groups. Management, information, and professional services and visitor lodging are the sectors expected to experience the strongest growth over this period. The baseline scenario shows a modest eight percent increase in employment in production, distribution, and repair business activities citywide and a 23 percent increase in employment associated with office, retail, and other business activity.

The share of San Francisco jobs located in the Eastern Neighborhoods would not change, but the composition of the jobs would change. Job losses in PDR business activities would be offset by increases in employment in office, retail, and other business activities. Total employment of about 82,000 jobs is forecast for the Eastern Neighborhoods in 2025 under the baseline scenario.

There would be a net decline of about 10 percent of PDR jobs in the Eastern Neighborhoods, with these job losses concentrated in the Showplace Square/Potrero Hill and East SoMa subareas. There would be a moderate decline of PDR jobs in the Mission and a small increase of PDR jobs in the Central Waterfront. The loss of PDR jobs is attributable to continuation of development patterns that ultimately favor higher-rent-paying uses, including housing, in areas where the mix of uses is not regulated. Real estate market pressures and the expansion of incompatible land uses contribute to the decline of PDR economic activity and jobs in the Eastern Neighborhoods under the baseline scenario. PDR employment would increase in the rest of the City—primarily in the Bayview-Hunters Point area and potentially in Western SoMa (attributable both to growth and to relocations from Eastern Neighborhoods), and there would be some smaller increases in the primarily neighborhood-serving PDR activity located throughout much of the rest of San Francisco.

The baseline scenario assumes strong growth of economic activity in the Eastern Neighborhoods outside of the PDR sectors. The rate of growth is faster than the rate of growth elsewhere in the City. Under the baseline scenario, there would be 13,000 more office, retail, and other non-PDR jobs in the Eastern Neighborhoods by 2025. Growth is expected in professional services, research, communications, media, and information-processing business activities. The education services and institutional sector also contributes to growth of employment in the Eastern Neighborhoods under the baseline scenario. Increased employment is expected in retail, entertainment, and personal services establishments. A moderate amount of medical services employment is expected as these locations become attractive to economic activity associated with the UCSF research campus and planned medical facilities in Mission Bay. Most of the growth would occur in the Showplace Square/Potrero Hill and East SoMa subareas. Moderate amounts of change are forecast for the Mission subarea, and relatively small amounts of change would occur in the Central Waterfront.

Proposed rezoning scenario

The scenario for San Francisco population and employment under the proposed rezoning was developed by the San Francisco Planning Department and first introduced in the February 2003 report *Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook—First Draft*. The Department prepared three scenarios to illustrate the likely outcomes under alternative rezoning proposals for the Eastern Neighborhoods. The scenario presented here is based on Option B in the *Rezoning Options Workbook*. With the exception of modifications to

reflect changing planning area boundaries and some new pipeline projects, it is essentially the same as the scenario outlined in 2003 for Option B.⁵

The Eastern Neighborhoods rezoning is not the only factor that distinguishes the Option B scenario from the baseline scenario based on *Projections 2002* and described above. The Option B scenario assumes significantly more housing production in San Francisco between 2000 and 2025 than projected by ABAG in *Projections 2002* (and assumed in the baseline scenario). A more aggressive housing scenario (about 35,000 units added instead of 19,000 units) assumes that production trends evident over the last 20 years are maintained. Data for the preceding twenty years of production in San Francisco show about 1,200 units added per year on average, substantially higher than the average annual net addition implied in the baseline scenario. The scenario also takes into account more recent development trends, including the relatively large number of projects developed and proposed that have 200 units or more. Finally, the scenario also assumes implementation of a number of pro-housing policies and programs in San Francisco. In addition to the larger programmed areas such as Mission Bay, Hunter's Point Naval Shipyard, and Rincon Hill, this includes planning for significant housing as part of the Better Neighborhoods efforts in the Market-Octavia, Balboa Park, and the Central Waterfront (analyzed here as one of the Eastern Neighborhoods); and planning near transit, such as the Geary Corridor and Glen Park. It also includes the housing initiatives considered as part of the rezoning of the Eastern Neighborhoods (including South Bayshore and Visitacion Valley) and other efforts designed to encourage affordable and market-rate housing near transit and services.

Households and household population

Under the proposed rezoning, an additional 36,500 households are forecast for San Francisco between 2000 and 2025 (**Table A.6**). This is almost two times the amount of household growth forecast under the baseline scenario. Most of this growth (80 percent) would be in the rest of the City, outside the Eastern Neighborhoods. Likely locations include Mission Bay, Market-Octavia, Hunter's Point Naval Shipyard, Balboa Park, Glen Park, Rincon Hill, the C-3 district, Mid-Market, and on vacant or underutilized land in medium and high-density residential zones and neighborhood commercial districts. The rezoning scenario shows 20 percent of the household growth occurring in the Eastern Neighborhoods. The estimated 7,400 additional households is 2.5 times the number of households forecast for these areas under the baseline scenario, representing more than double the amount of housing production for these areas.

⁵ Appendix B and Appendix C of *Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook – First Draft*, February 2003 describe the methodology of the forecast and growth allocation.

Under the proposed rezoning, the percentage of the City's households and household population living in the Eastern Neighborhoods would increase.⁶

TABLE A.6 REZONING SCENARIO FOR THE EASTERN NEIGHBORHOODS AND THE REST OF THE CITY HOUSEHOLDS AND HOUSEHOLD POPULATION 2000 - 2025					
	Eastern Neighborhoods	Rest of City	Total City	Eastern Neighborhoods Share of Total City	
Households					
2000	26,416	303,287	329,703	8%	
2025	33,801	332,410	366,211	9%	
Change 2000 - 2025	7,385	29,123	36,508	20%	
Percent Change	28%	10%	11%		
Household Population					
2000	67,844	689,123	756,967	9%	
2025	82,321	752,127	834,448	10%	
Change 2000 - 2025	14,477	63,004	77,481	19%	
Percent Change	21%	9%	10%		
NOTE: The estimates for the Eastern Neighborhoods in 2000 do not match the <i>Eastern Neighborhoods EIR Initial Study</i> table because they are based on the more refined definition of neighborhoods, using Census block data. The 2025 estimates in this table are derived by adding the 2000 – 2025 increment for the Eastern Neighborhoods to the 2000 base year estimate. SOURCE: San Francisco Planning Department and Hausrath Economics Group.					

Assuming the proposed rezoning and assuming more aggressive housing production elsewhere in the City, San Francisco's population would exceed 830,000 by 2025. With this amount of growth, San Francisco would maintain its current share of regional households and household population.

The number of households in the Eastern Neighborhoods would increase by about 30 percent under the proposed rezoning, compared to a more moderate 10 percent increase under the baseline scenario. Growth would occur in all of the neighborhoods. There would be a 50 percent increase in households in both East SoMa and Showplace Square/Potrero Hill; each neighborhood would accommodate about one-third of the household growth forecast for the Eastern Neighborhoods between 2000 and 2025 under the proposed rezoning (2,500 – 2,600 additional households in each neighborhood). Less than half of this increase in housing is

⁶ This projection through 2025 does not represent buildout of the development capacity created under the proposed rezoning. For example, the forecast for the Mission represents about 20 percent of the capacity for new residential development that would be created under the proposed rezoning (based on estimates for Option B presented in the *Rezoning Options Workbook – First Draft* and the forecast for Showplace Square/Potrero Hill represents about 40 percent of the Option B capacity for new residential development in that subarea.

projected for the Central Waterfront and the Mission under the proposed rezoning. About 1,100 additional households are forecast for each of these neighborhoods.

Compared to the baseline scenario, the rezoning proposal through 2025 would result in five times as much housing production and household growth in the Central Waterfront, four times as much housing production and household growth in Showplace Square /Potrero Hill, almost three times as much growth in the Mission, and 60 percent more housing production and household growth in East SoMa.

Employment

Compared to the baseline scenario, there would be less total employment in San Francisco in 2025 under the proposed rezoning (**Table A.7**). This is because land in the Eastern Neighborhoods that would otherwise continue to be available for non-residential use—much of which is in PDR use now—would be rezoned to accommodate substantial housing, and planning would encourage new residential neighborhoods there. By 2025, there would be a difference of about 4,000 jobs citywide. There would be more PDR job loss in the Eastern Neighborhoods than under the baseline scenario. The net decline of 4,100 PDR jobs would mean a 13 percent reduction in this type of employment in the Eastern Neighborhoods. The net change is made up of greater job loss in East SoMa, the Mission, and Showplace Square/Potrero Hill combined with somewhat less PDR job growth for the Central Waterfront. Under the proposed rezoning, a core of production, distribution, and repair activity remains and grows in the Central Waterfront, and, although location options in that neighborhood are more constrained than under the baseline scenario, that area becomes a potential location for PDR re-locating from other parts of the City.

The prospects for PDR business activity and employment in the rest of the City outside of the Eastern Neighborhoods are not fully resolved in the proposed rezoning scenario. Population – serving PDR businesses are likely to remain and grow in locations throughout the City. Both the Bayview Hunter’s Point subarea and Western SoMa are important locations for PDR activity and could continue to fulfill this function. Both areas have been analyzed as part of the original Eastern Neighborhoods planning effort. Port-controlled land along the Central and Southern Waterfronts accommodates PDR use on an interim basis.

TABLE A.7 REZONING SCENARIO FOR THE EASTERN NEIGHBORHOODS AND THE REST OF THE CITY EMPLOYMENT 2000 – 2025				
	Eastern Neighborhoods	Rest of City	Total City	Eastern Neighborhoods Share of Total City
Production, Distribution, and Repair				
2000	32,467	63,080	95,547	34%
2025	28,351	72,064	100,415	28%
Change 2000 - 2025	(4,116)	8,984	4,868	-85%
Percent Change	-13%	14%	5%	
All Other Employment				
2000	40,188	498,700	538,888	7%
2025	53,801	606,720	660,522	8%
Change 2000 - 2025	13,613	108,020	121,634	11%
Percent Change	34%	22%	23%	
SOURCE: San Francisco Planning Department				

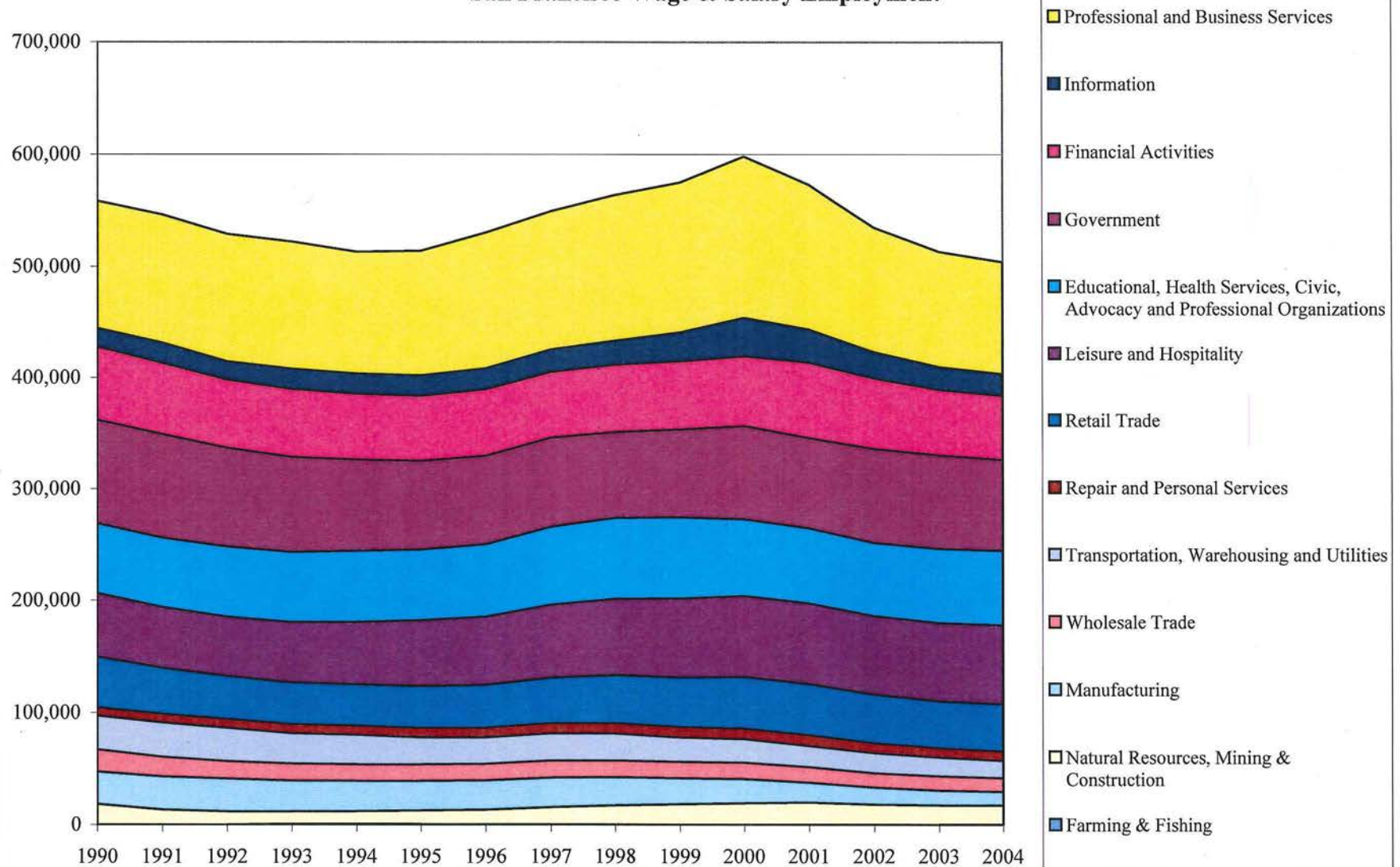
The proposed rezoning does not make a major difference in the employment growth scenario for office, retail, entertainment, institutional, educational and other employment in San Francisco. In the rest of the City, this job growth is identical to the baseline scenario—an increase of 22 percent (108,000 jobs) between 2000 and 2025.⁷

In the Eastern Neighborhoods, the proposed rezoning would result in relatively small differences from the baseline employment scenario for some of these other business activities. East SoMa would see the most difference; the employment growth scenario for the proposed rezoning shows more jobs in most other sectors (office, institutional, and retail/entertainment sectors) in that neighborhood. This reflects the likely effects of more flexible zoning than currently exists. It also represents the continued maturation of East SoMa as a residential neighborhood with an increasingly full range of population-serving retail and personal service uses. There would also be more retail, entertainment, and personal services employment in Showplace Square/Potrero Hill. In Showplace Square/Potrero Hill, the higher level of retail, entertainment, and personal services employment reflects the larger amount of new residential development compared to the baseline and the related emergence of neighborhood commercial development along an upgraded 16th Street transit corridor. In the Central Waterfront, parcels that might have accommodated

⁷ More housing and population in the City than projected under the baseline scenario is likely to result in more population-serving economic activity. A subsequent forecast for San Francisco in which the housing production and population projections were integrated more fully with the employment projections would likely show more employment growth citywide in the retail, entertainment, recreation, and personal services sectors than is indicated in this rezoning scenario. The scenario does project these kinds of linkages and secondary effects in the Eastern Neighborhoods, as described below.

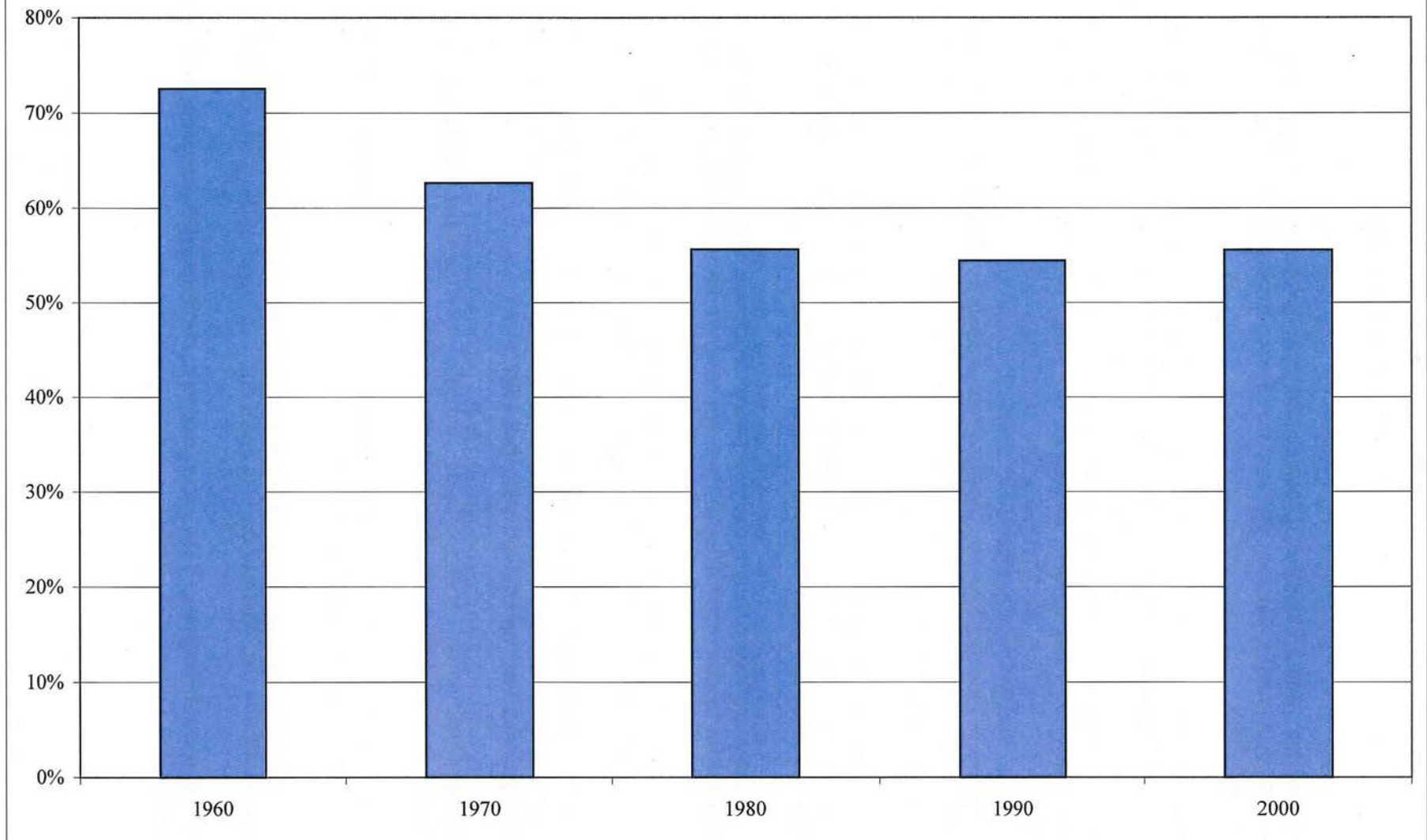
office development under the baseline scenario in that neighborhood adjacent to Mission Bay would instead be favored by residential development, resulting in less of office employment growth in this neighborhood under the rezoning scenario. In the Mission, more flexible zoning would encourage more smaller-scale office employment than expected under the baseline scenario, and there would be an intensification of retail activity over time.

Figure A.1
San Francisco Wage & Salary Employment



Source: State of California Employment Development Department, Annual Average Industry Employment, April 2006

Figure A.2
San Francisco Jobs held by Residents of San Francisco
(percent of jobs by place of work)



Source: 1960 - 2000 Decennial Census summarized by the Metropolitan Transportation Commission

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The San Francisco Indicator Project

Over the years, San Francisco has been a leader in health informed decision making. Collaboration and partnerships across City agencies have generated innovative policy development to improve our urban environment; address emerging health issues; protect citizens from traffic safety hazards, air pollution, and displacement; and improve opportunities for all residents to work and live in healthy, resource rich neighborhoods. Data has been a key tool in this work.

Since 2007, these policy advancements have been supported by the data of the San Francisco Indicator Project (formerly known as the Sustainable Communities Index (SCI) and the Healthy Development Measurement Tool (HDMT)). The SF Indicator Project is an online framework and data repository that examines how San Francisco neighborhoods perform across eight dimensions of a vision for a healthy, equitable community. The Indicator Project was initially created through the Eastern Neighborhoods Community Health Impact Assessment (ENCHIA) process, a multi-stakeholder assessment project to ensure that land use planning occurring in the Mission, South of Market, and Potrero Hill/Showplace Square neighborhoods took into account, protected, and improved community health.

The eight community well-being dimensions in the SF Indicator Project include: environment, transportation, community cohesion, public realm, education, housing, economy, and health systems. Each dimension contains multiple objectives, (for example "Increase accessibility, beauty, safety, and cleanliness of public spaces" within the public realm dimension), and each objective is measured by one or more indicators. Indicators were chosen because of their importance to the objective, their connection to health, and because granular data was regularly updated and available. Indicators are presented in the form of maps and tables, with accompanying detail on why the indicator is important to health and how to interpret results from a geographic and social equity perspective. Most indicator data sets have also been made accessible on DataSF. In addition to indicators, the SF Indicator Project also provides a library of health evidence, a compendium of policy and design recommendations related to the indicators, and a Healthy Development Checklist to evaluate individual development projects. All of this information is intended to help guide and track healthy and equitable policy making in San Francisco.

Over the years, the SF Indicator Project has been used to provide baseline conditions assessments and plan evaluations for numerous long range planning efforts in San Francisco, including: the Eastern Neighborhoods, Executive Park, the Treasure Island Community Transportation Plan, Western SoMa, HOPE SF, and Central SoMa. The indicators have also been used for other planning and evaluation efforts, such as the citing of a Bernal Heights preschool, the Still/Lyell Freeway Channel Health Impact Assessment, the Road Pricing Health Impact Assessment, the Department of Environment's Healthy Homes Project, and the Health Care Services Master Plan. Reports from these applications are available in the documents section of this website. Community groups, academics, and journalists have also utilized this comprehensive data tool for advocacy, research, and communication.

To date, the measurement methods in the SF Indicator Project have been used and adapted by a number of other cities including Richmond, California; Denver, Colorado; Galveston, Texas; Oakland, California; Philadelphia, Pennsylvania; and Geneva, Switzerland.

- SFDPH supports agencies and organizations who want to use the SF Indicator Project in the following ways:
- Providing guidance on how to use the healthy development checklist to evaluate a project/plan.
 - Advising on the use of community health indicator data and maps to support neighborhood baseline conditions assessments.

- Providing education and training on the SF Indicator Project and on how social, environmental and economic conditions affect community health.

Contact

For help in using the SF Indicator Project, please contact Meg Wall Shui, 415-252-3988, megan.wall@sfdph.org.

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San Francisco Eastern Neighborhoods Nexus Study

Prepared for:

City of San Francisco
Planning Department

May 2008

Seifel
CONSULTING INC.

221 Main Street
Suite 420
San Francisco CA
94105

415.618.0700
fax 415.618.0707
www.seifel.com

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Executive Summary

The City of San Francisco Planning Department (Planning Department) is undergoing the process of rezoning land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. The Eastern Neighborhoods include the Mission, Potrero Hill/Showplace Square, the eastern portion of South of Market (Eastern SoMa), and Central Waterfront, as shown in Figure I-1 of Chapter I. This Nexus Study Report (Report) analyzes the relationship, or nexus, between projected new development in the Eastern Neighborhoods resulting from the rezoning efforts and the cost of providing public facilities to meet increased demand from new residents and workers. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, and child care.

This executive summary presents the nexus amounts calculated in each chapter of this Report to determine an Eastern Neighborhoods nexus amount. From the Eastern Neighborhoods nexus amount, the Planning Department will determine a feasible Eastern Neighborhoods Impact Fee.

A. Total Eastern Neighborhoods Nexus Amount

The Eastern Neighborhoods nexus amount is comprised of individual nexus amounts for libraries, transportation, recreation and parks, and child care. As discussed in Chapter II, the library component of the impact fee will only apply to residential development, therefore only a residential nexus amount was calculated. The transportation, recreation and parks and child care components will apply to both residential and non-residential development. The total Eastern Neighborhoods nexus amount for residential development is \$21.21 per gross square foot. The amounts for each category of non-residential development are shown in Table 1.

Table 1
Total Nexus Amount per Gross Square Foot
Eastern Neighborhoods

	Library^a	Transportation	Recreation and Parks	Child Care	Total Nexus Amount
Residential^b	\$0.13	\$8.81	\$10.90	\$1.37	\$21.21
Non-Residential					
Cultural/Institutional/Educational	N/A	\$57.76	\$2.66	\$1.29	\$61.71
Motel/Hotel	N/A	\$26.21	\$1.49	\$0.72	\$28.43
Medical	N/A	\$34.39	\$2.66	\$1.29	\$38.34
Office	N/A	\$21.76	\$2.66	\$1.29	\$25.71
Retail	N/A	\$240.48	\$1.99	\$0.97	\$243.45
Industrial/PDR	N/A	\$9.50	\$1.71	\$0.83	\$12.04

a. Library nexus amount is not applicable to non-residential development, as discussed in Chapter II.

b. The child care nexus amount does not apply to Single Room Occupancy (SRO) or senior units as discussed in Chapter V.

Source: Planning Department, Citywide Development Impact Study, and Seifel Consulting Inc.

B. Determination of Impact Fee

The Planning Department will determine an appropriate impact fee for development in the Eastern Neighborhoods based on the calculation of the nexus amount, as described in Chapter I. The determination of the fee amount will consider community and Planning Department goals as well as the potential impact of the fee on development feasibility.

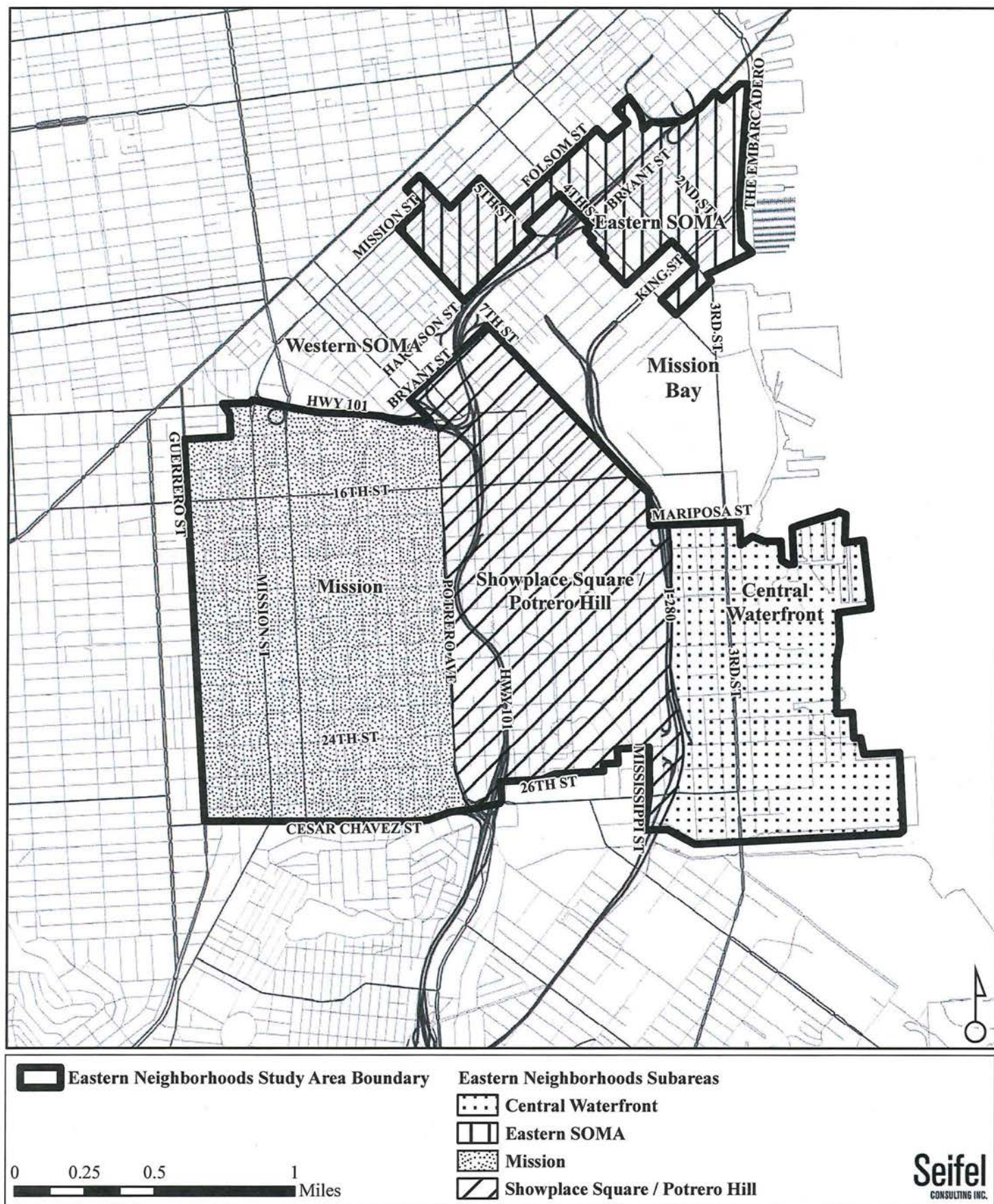
I. Background

A. Introduction

The City of San Francisco Planning Department (Planning Department) is undergoing the process of rezoning land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. The Eastern Neighborhoods include the Mission, Potrero Hill/Showplace Square, the eastern portion of South of Market (Eastern SoMa), and Central Waterfront, as shown in Figure I-1. This Nexus Study Report (Report) analyzes the relationship, or nexus, between projected new development in the Eastern Neighborhoods resulting from the rezoning efforts and the cost of providing public facilities to meet increased demand from new residents and workers. Specifically, it calculates the cost or nexus amount for libraries, transportation, recreation and parks, and child care.

Since 2002, the San Francisco Planning Department has analyzed potential changes in the Planning Code to increase the supply of housing in the City as well as to protect land for light industrial uses (generally referred to as Production, Distribution and Repair, or PDR). Much of this discussion has focused on the Eastern Neighborhoods because some areas within these neighborhoods experienced conflicts between residential and industrial uses during the 1990s. As outlined in the June 2007 Eastern Neighborhoods Rezoning and Area Plans Draft Environmental Impact Report (DEIR), the proposed changes to zoning controls would allow for a significant increase in residential and non-residential development in the area. In order to address the impact of new residents and workers on services and facilities, the Planning Department is considering the adoption of development impact fees, and this Report presents the supporting nexus study for these fees.

Figure I-1
Boundaries of the Eastern Neighborhoods



1. Report Organization

This background chapter presents the nexus study process and methodology, legal basis for assessing impact fees, and the demographic and employment data for the 2006 baseline and projections through 2025 for the Eastern Neighborhoods and the City of San Francisco. The chapter also illustrates the use of the data to calculate new residential, commercial and industrial development.

The accompanying chapters of the Report represent the calculation of individual nexus amounts, as follows:

- Chapter II: Library
- Chapter III: Transportation
- Chapter IV: Recreation and Parks
- Chapter V: Child Care
- Chapter VI: Impact Fee Maintenance

2. Overview of Process

During the rezoning process, the Planning Department engaged the community to solicit input and understand community concerns regarding the rezoning and area plans. Community members expressed the need for additional community facilities and amenities to meet the demands of existing and new population. The Planning Department retained Seifel Consulting Inc. (Seifel) to conduct an analysis of existing and future community needs in the Eastern Neighborhoods, which resulted in the Eastern Neighborhoods Needs Assessment (Needs Assessment), completed in December 2007 and included in this Report as Appendix A. The Needs Assessment describes and calculates the community needs in the Eastern Neighborhoods for public facilities and services. The public facilities and services included in the Needs Assessment are schools, public libraries, police, fire, health care centers, San Francisco Human Service Agency centers, cultural centers, child care spaces, open space, and recreation and parks facilities. The Needs Assessment also considers the need for neighborhood-serving businesses, transportation and affordable housing through 2025 based on growth projections in the DEIR.¹

The Planning Department plans to utilize various measures to meet the neighborhoods' needs, including specific zoning controls, other regulatory mechanisms and funding sources, comprehensively referred to as "public benefit zoning." Impact fees are one funding source under consideration. Impact fees endeavor to offset the costs of providing public facilities to meet the demands of new development and do not address existing deficiencies.

¹ Unless otherwise noted, the Eastern Neighborhoods Needs Assessment uses the projections under Option B of the *Eastern Neighborhoods Rezoning and Area Plans Draft Environmental Impact Report* published by the San Francisco Planning Department on June 30, 2007.

A nexus study is a critical component to support the imposition of impact fees. This Report fulfills this component of establishing impact fees. The Report discusses the nexus between residents and workers associated with new development and increased needs for library materials, transportation, recreation and parks facilities, and child care. However, the Report does not cover all the needs as calculated in the Needs Assessment. Some community needs, such as neighborhood-serving retail, are not well suited for impact fees and may require alternative approaches. Others, such as needs for schools and housing, are already addressed by existing impact fees or zoning requirements. Still others, such as police and fire services, are expected to be met by a combination of existing facilities and General Fund revenues.

While the Eastern Neighborhoods is the focus of this Report, the need for facilities also exists throughout the City. The Office of the Controller has analyzed the possibility of establishing impact fees that would apply to new development throughout the City. To this end, the Controller's Office released the Citywide Development Impact Fee Study (Citywide Study) on April 4, 2008, which calculates citywide impact fees for facilities such as child care, recreation and parks, fire prevention, and affordable housing.² The Eastern Neighborhoods specific nexus study process has occurred separately from the Citywide Study. However, the child care nexus amount used for the Eastern Neighborhoods are the same as the fees calculated in the Citywide Study. The recreation and parks chapter is based on a methodology consistent with the Citywide Study. The Planning Department has chosen not to pursue localized impact fees for fire facilities, although they may be charged through the proposed citywide impact fees.

Following this Report, the Planning Department will propose an Eastern Neighborhoods Impact Fee based on the nexus amount calculated and adjusted to achieve broader community goals. The proposed impact fee for the Eastern Neighborhoods will likely be comprised of four components:

- Library component to purchase new library materials and fund renovations and expansions.
- Transportation component to undertake circulation improvements needed to accommodate increased traffic flow and pedestrian and bicycle movements and to increase the capacity of public transit.
- Recreation and Parks component to purchase additional parkland and upgrade existing recreation and parks facilities to serve new development.
- Child Care component to provide new spaces to care for the children of new residents and workers.

² Citywide Development Impact Fee Study, Draft Consolidated Report, prepared for the City and County of San Francisco by the FCS Group.

3. Overview of Legislative Requirements for Impact Fees

a. Assembly Bill 1600

Impact fees are governed by the California Government Code Sections 66000–66008, commonly referred to by their 1987 authorizing legislation, Assembly Bill 1600 (AB 1600) or the title provided by the legislature, “The Mitigation Fee Act.” AB 1600 established a process for formulating, adopting, imposing, collecting, and accounting for impact fees.

Under AB 1600, an “impact fee” means a monetary exaction (other than a tax or assessment) used to defray all or a portion of the cost of additional public facilities needed to provide service to new development. In other words, new development may only be charged for public facilities and improvements needed to accommodate the demand generated by that new development, and the amount of the fee must be in reasonable proportion to that demand.

Therefore, the City must demonstrate a “nexus,” or a reasonable relationship, between the impacts stemming from new development and the type and amount of the fee imposed. Through this Report, the City and County of San Francisco will establish this nexus by:

1. Identifying the purpose of each impact fee;
2. Describing the use or improvements for which the fee will be used; and
3. Demonstrating a reasonable relationship between:
 - The use and the type of development on which the fee is imposed,
 - The need for the public improvements and facilities generated by new development, and
 - The amount of the fee and the proportional cost of the public improvements and facilities attributable to the new development on which the fee is imposed.

b. The Quimby Act

Section 66477 of the Government Code (commonly referred to as the Quimby Act) has particular relevance with respect to the recreation and parks component of the Eastern Neighborhoods Impact Fee. The Quimby Act establishes procedures that give cities and counties the authority to require the dedication of parkland or payment of fees in lieu of parkland from a residential subdivision. The Quimby Act establishes a range of three to five acres of parkland per 1,000 resident population as the standard a city may require for parkland dedication. The calculations in the Eastern Neighborhoods recreation and parks chapter are based in part on the Citywide Recreation and Parks Development Impact Fee Justification Study by David Taussig & Associates as discussed in Chapter IV.

4. Overview of Nexus Study Data Sources

As part of the nexus study process, Seifel and City staff reviewed available data to determine the data sources and methods that would yield the most accurate development estimates. Some of the factors utilized in the nexus study include:

- Estimates of existing and new development through 2025.
- Factors that contribute to the need for new facilities, including new household population, job generation and trip generation.
- Description of public facilities needed to accommodate new development, based on findings in the Needs Assessment, Citywide Study, and other sources.
- Cost estimates of needed public facilities.
- Anticipated costs to administer the impact fee program.

The data and analysis presented in this Report has been gathered from the most reliable sources available to the Planning Department and Seifel. This information has been assembled for the sole purpose of establishing reasonable estimates for existing and new development in the Eastern Neighborhoods for use in this background chapter and associated nexus chapters. However, actual development may vary from the estimates presented in this Report. Furthermore, the nexus amounts calculated here should not be construed as projected revenues since the impact fees assessed may differ and the collection of impact fees will only be possible to the extent that new development resulting in fee revenue occurs.

For a detailed description of data sources and methodologies, please refer to individual nexus study chapters.

The following sections present the legislative requirements and general methodology for calculating the Eastern Neighborhood nexus amount and the organization of the Report.

5. Basis for Allocation of Fees to New Development

In order to determine the amount of the impact fees to be charged to new development, the Planning Department must first distinguish between the baseline condition (existing residential and non-residential development) and the projected development through 2025, much of which will occur as a result of the rezoning effort. The difference between the two reflects the potential level of new development in need of new improvements or facilities and over which, the cost to provide them can be allocated.

6. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the Eastern Neighborhoods Impact Fee to residential and non-residential uses. However, not all four nexus study components will be applied to both residential and non-residential uses as described in individual nexus study chapters.

For the purposes of this Report, residential development is defined per the Planning Code as any type of use containing dwellings as defined in Section 209.1 of the Planning Code or containing group housing as defined in Section 209.2(a)–(c) of the Planning Code, 790.88, and 890.88 as relevant for the subject zoning district.

Commercial development is defined as any type of non-residential use. The City & County of San Francisco commonly categorizes commercial development into six Economic Activity Categories (similarly used in the Citywide Study already referenced within this Report). These categories of nonresidential uses include Cultural/Institution/Education (CIE), Motel/Hotel, Medical, Office, Retail, and Production/Distribution/Repair (PDR), as defined below:

- Cultural/Institution/Education (CIE): An economic activity category that includes, but is not limited to, schools, as defined in subsections (g), (h), and (i) of Section 209.3 of the Planning Code and subsections (f)–(i) of Section 217 of the Planning Code; child care facilities, as defined in subsections (e) and (f) of Section 209.3 of the Planning Code and subsection (e) of Section 217 of the Planning Code; museums and zoos; and community facilities, as defined in Section 209.4 of the Planning Code and subsections (a)–(c) of Section 221 of the Planning Code.
- Motel/Hotel: An economic activity category also referred to as Visitor Services that includes, but is not limited to, hotel use, as defined in Section 313.1(18) of the Planning Code; motel use, as defined in subsections (c) and (d) of Section 216 of the Planning Code; and time-share projects, as defined in Section 11003.5(a) of the California Business and Professions Code.
- Medical: An economic activity category that includes, but is, not limited to, those non-residential uses defined in Sections 209.3(a) and 217(a) of the Planning Code; animal services, as defined in subsections (a) and (b) of Section 224 of the Planning Code; and social and charitable services, as defined in subsection (d) of Section 209.3 of the Planning Code and subsection (d) of Section 217 of the Planning Code.
- Office: An economic activity category commonly referred to as Management, Information and Professional Services (MIPS), that includes, but is not limited to, office use as defined in Section 313.1(35) of the Planning Code; medical offices and clinics, as defined in Section 890.114 of the Planning Code; and business services, as defined in Section 890.111 of the Planning Code.
- Retail: An economic activity category that includes, but is not limited to, retail use and entertainment, as defined in Section 218 of the Planning Code; entertainment use, as defined in Section 313.1(15) of the Planning Code; massage establishments, as defined in Section 218.1 of the Planning Code; laundering, and cleaning and pressing, as defined in Section 220 of the Planning Code.
- Production/Distribution/Repair (PDR): An economic activity category that includes, but is not limited to, manufacturing and processing, as defined in Section 226 of the Planning Code; those uses listed in Section 222 of the Planning Code; automotive services, as defined in Section 223(a)–(k) of the Planning Code; arts activities and spaces, as defined in Section 102.2 of the Planning Code; and research and development, as defined in Section 313.1(42) of the Planning Code.

B. Summary of Nexus Study Methodologies

This section discusses the methodologies used to calculate the library, transportation, recreation and parks, and child care nexus amounts.

1. Basic Calculation Process

The basic process calculating an impact fee involves the following steps:³

- Step 1 Estimate the existing household population, number of housing units and number of jobs per land use category.
- Step 2 Project future household population, number of housing units, number of jobs, and other demand factors per land use category.
- Step 3 Identify the portion of new residents and workers that will be served by each category of improvement or facility for the relevant service area.
- Step 4 Determine facilities and/or improvements needed to serve the projected future population at the appropriate level.
- Step 5 Estimate costs for facilities and the portion of these costs that is attributable to new development.
- Step 6 Apportion these costs to residential and non-residential development according to the projected impact of each type of land use.⁴

2. Nexus Study Component Methodologies

While the San Francisco Public Library (SFPL) does not indicate a need for future branch libraries, an increase in residential population adds to the need for library materials and improvements. Thus, the library nexus amount is based on SFPL's estimated cost per new resident and only applicable to residential development.

The transportation nexus amount is based on the number of trips generated by residential and non-residential land uses. New trips in the Eastern Neighborhoods were calculated from projected new development for each land use and determined as a percentage of citywide trips. This percentage was then applied to the cost of needed improvements to the City's transportation system. As both residential and non-residential development are expected to cause an impact on transportation in the Eastern Neighborhoods, the nexus amount will apply to both land use categories.

³ This is a general overview of the methodology used to calculate the Eastern Neighborhoods impact fees; however, individual calculations may be slightly different as described below and in the accompanying chapters.

⁴ The calculation of the nexus amounts is based on gross square footage for both residential and non-residential development. Gross square footage includes the residential units and office space as well as hallways, stairways, elevators, and other common areas. Gross square footage of residential development assumes 80 percent efficiency.

The calculation of a nexus amount for recreation and parks employs need factors and cost data in the Citywide Study and the Eastern Neighborhoods Draft Public Benefits Program. It couples an increase in parkland to accommodate new residential and non-residential development with improvements to existing facilities and the provision of recreational amenities and walkway and bikeway trails. As the recreation and parks system is expected to serve both residents and employees, the recreation and parks nexus amount will apply to residential and non-residential development.

The calculation of a nexus amount for child care is based on the methodology used by the Citywide Study. The relative need for child care services by different non-residential land uses is assessed and those land uses are thus assigned different shares of the cost of needed new child care spaces. The child care nexus amount will apply to both residential and non-residential land.

C. Data Sources

Demographic data for existing and projected new development provide the foundation for the nexus studies. To determine the amount of the impact fees to be charged to new development, the City must first distinguish between existing residential and non-residential development and projected new development between the baseline and 2025. This section describes the sources of the population, housing and employment data and projections for 2000, 2006 and 2025 used in this Report. Each of the subsequent chapters provides specific details as to how the demographic data is used for computation of a particular nexus amount.

1. Selected Land Use Alternative

Demographic data and projections are essential in apportioning costs for services and facilities between existing and future development. The Eastern Neighborhoods DEIR considers three rezoning scenarios (Options A, B and C) that assume a citywide increase of roughly 36,500 housing units between 2000 and 2025.⁵ New development in this Report for the Eastern Neighborhoods and the City is based on the estimates under Option B in the DEIR. Option B assumes that 20 percent of this citywide housing growth, or 7,385 housing units, will occur in the Eastern Neighborhoods, while Options A and C assume a greater amount of housing.⁶ In terms of employment projections, Option B falls between Options A and C, as shown in Table I-1.

In addition, the DEIR includes a No-Project Scenario, which utilizes population and employment forecasts published by the Association of Bay Area Governments (ABAG) in *Projections 2002*. The No-Project Scenario assumes that the Eastern Neighborhoods rezoning efforts will not occur and does not consider other Planning Department programs to increase the housing stock in the City, such as the Citywide Action Plan and the Downtown Neighborhoods Initiative. As a result, its growth forecast is much lower than those in the three rezoning options described above.

⁵ The DEIR utilizes two discrete sets of data in their calculation of household population, households and jobs in the Eastern Neighborhoods. One aggregates census tract-level data to the neighborhood level, the other aggregates Traffic Analysis Zones (TAZ). This report uses the TAZ data, which is more frequently utilized in DEIR analyses.

⁶ This report will use the term "housing units" as an equivalent of "households." This is consistent with the Citywide Study as well as the methodology in the DEIR, which assumes a household for every new housing unit.

Table I-1
Comparison of Housing Units and Employment Growth by Rezoning Option
2000 to 2025
Eastern Neighborhoods

Rezoning Option^a	Households/ Housing Units^b	Percentage of Citywide Growth^c	PDR Jobs	Non-PDR Jobs^d
Option A	9,015	25%	-1,007	10,726
Option B	7,385	20%	-4,116	13,613
Option C	9,858	27%	-9,469	22,007
No-Project Scenario	2,871	18%	-3,376	13,030

a. Data aggregated by Census tracts, which differs slightly from data aggregated by Traffic Analysis Zones used in the rest of the Report.

b. The DEIR assumes all housing units will be occupied and therefore equivalent to households. For the purposes of this Report, housing units will be used where relevant.

c. Assumes citywide growth of 36,500 households between 2000 and 2025.

d. Includes jobs at Cultural/Institutional/Educational, Motel/Hotel, Medical, Office, and Retail land uses.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR.

2. Baseline for Existing Development

The baseline year for measuring population and employment growth is 2006, consistent with the Citywide Study. Data for the Eastern Neighborhoods is not available from the U.S. Census, the California Department of Finance (DOF) or ABAG for 2006. The data presented for the City is based on data provided by the Planning Department used for the preparation of the DEIR and escalated to 2006. Seifel escalated demographic data available in the DEIR for Eastern Neighborhoods and the City from 2000 to 2006, based on the methodology used in the Citywide Study.

The average annual growth rates of household population, housing units and jobs (by land use category) between 2000 and 2025 were calculated using the data presented in Option B of the DEIR. Table I-2 shows data in 2000 and 2025 and the annual growth rates for the Eastern Neighborhoods and San Francisco. These growth rates were then used to estimate growth between 2000 and 2006 in order to arrive at the 2006 baseline shown in Tables I-3, I-4 and I-5.

Table I-2
Annual Growth Rate of Population, Housing Units and Jobs
2000, 2006 and 2025
Eastern Neighborhoods and San Francisco

Eastern Neighborhoods				
	2000	2006	2025	Annual Growth Rate 2000-2025
Household Population	67,204	70,295	81,681	0.78%
Housing Units	25,464	26,976	32,849	1.02%
Jobs by Land Use				
Cultural/Institutional/Educational	4,212	4,646	6,447	1.72%
Motel/Hotel	294	294	296	0.03%
Medical	4,448	4,624	5,228	0.65%
Office	22,549	24,260	30,748	1.25%
Retail	8,676	9,176	11,082	0.98%
Industrial	32,467	31,385	28,351	-0.54%
Total Jobs	72,646	74,386	82,152	0.49%

San Francisco				
	2000	2006	2025	Annual Growth Rate 2000-2025
Household Population	756,967	774,880	834,448	0.39%
Housing Units	329,703	338,119	366,211	0.42%
Jobs by Land Use				
Cultural/Institutional/Educational	90,116	93,687	105,958	0.65%
Motel/Hotel	20,323	21,391	25,155	0.86%
Medical	40,192	41,776	47,217	0.65%
Office	291,574	307,261	362,725	0.88%
Retail	96,605	101,657	119,466	0.85%
Industrial	95,547	96,693	100,415	0.20%
Total Jobs	634,357	662,466	760,936	0.73%

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, and Seifel Consulting Inc.

3. Projected Growth

The development projections in this nexus study assume a development horizon through 2025. This mirrors the DEIR, which projects population and employment growth in the Eastern Neighborhoods under all planning scenarios through 2025. Therefore, the new development is considered to be the projected growth between 2006 and 2025 in the Eastern Neighborhoods and in San Francisco. The data used in this Report for 2000 and 2025 comes directly from the DEIR or the supporting data that was used for the DEIR, which was provided by the Planning Department.

D. Existing Demographic and Employment Data

1. Existing Household Population and Housing Units

In 2006, San Francisco's household population was 774,880, of which approximately 70,300 are Eastern Neighborhoods residents. The average household size in the Eastern Neighborhoods is 2.61 persons per household, higher than the citywide average of 2.29 as shown in Table I-3.

**Table I-3
Existing Household Population and Housing Units in 2006
Eastern Neighborhoods and San Francisco**

	Eastern Neighborhoods	San Francisco
Household Population ^a	70,295	774,880
Housing Units	26,976	338,119
Persons per Household	2.61	2.29

a. Does not include non-household population, such as people in group quarters.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, and Seifel Consulting Inc.

2. Existing Employment and Non-Residential Development

In 2006, there were about 74,400 jobs in the Eastern Neighborhoods, occupying an estimated 21.4 million square feet of non-residential space. Of this total, almost 11 million was dedicated to PDR. The employment figures are the basis for estimating the square footage of land dedicated to commercial and industrial uses. Table I-4 shows the 2006 employment estimate for the Eastern Neighborhoods and then converts it into square feet of space by land use category using square-foot-per-employee estimates from the Planning Department.

Table I-4
Estimated Employment and Non-Residential Development in 2006
Eastern Neighborhoods

Non-Residential Land Use	Existing Employment	Estimated SF per Employee^a	Existing Development (SF)
Cultural/Institutional/Educational	4,646	225	1,045,340
Motel/Hotel	294	400	117,791
Medical	4,624	225	1,040,370
Office	24,260	225	5,458,425
Retail	9,176	300	2,752,888
Industrial/PDR	31,385	350	10,984,861
Total Development/Employment	74,385		21,399,675

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

San Francisco had roughly 662,500 jobs in 2006, almost half of which were located in office uses. The City had an estimated 250 million square feet of development dedicated to commercial and industrial uses. As Table I-4 did for the Eastern Neighborhoods, Table I-5 summarizes the 2006 employment estimate for San Francisco and then converts it into square feet of space by land use category.

Table I-5
Estimated Employment and Non-Residential Development in 2006
San Francisco

Non-Residential Land Use	Existing Employment	Estimated SF per Employee^a	Existing Development (SF)
Cultural/Institutional/Educational	93,687	225	21,079,672
Motel/Hotel	21,391	400	8,556,222
Medical	41,776	225	9,399,662
Office	307,261	225	69,133,774
Retail	101,657	300	30,497,185
Industrial/PDR	96,693	350	33,842,648
Total Development/Employment	662,466		172,509,163

a. Based on SF per employee used in the Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

E. Projected New Development

1. Projected New Household Population and Housing Units

The Eastern Neighborhoods are projected to gain 7,385 units over the life of the plan, with roughly 5,900 housing units coming online between plan adoption and 2025. San Francisco is projected to gain almost 28,100 new housing units in the same period. The number of household residents is projected to increase by 11,400 in the Eastern Neighborhoods and by 59,600 citywide, as shown in Table I-6.

Table I-6
Projected Growth of Household Population and Housing Units
2006 to 2025
Eastern Neighborhoods and San Francisco

	Eastern Neighborhoods	San Francisco
Household Population	11,386	59,568
Housing Units	5,873	28,092
Persons per Household	1.94	2.12

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR,
Planning Department, and Seifel Consulting Inc.

2. Projected New Employment and Non-Residential Development

The Eastern Neighborhoods are projected to gain roughly 7,800 jobs between 2006 and 2025. Most of these jobs, close to 6,500, will be in office occupations, described as management, information and professional services. The Planning Department also projects significant increases in retail, which will add 1,900 new jobs, and in cultural, institutional and educational facilities and services (CIE), which will gain 1,800 jobs. The only category that will suffer a net loss of jobs is industrial/PDR, which is expected to lose more than 3,000 jobs. Assuming that each PDR job occupies 350 square feet, the Planning Department projects a loss of more than 1 million square feet of industrial space in the Eastern Neighborhoods. Total net new non-residential development in the Eastern Neighborhoods is projected at 1.5 million square feet, as shown in Table I-7.

Table I-7
Projected Growth in Employment and Non-Residential Development
2006 to 2025
Eastern Neighborhoods

Non-Residential Land Use	New Employment	Estimated SF per Employee^a	New Development (SF)
Cultural/Institutional/Educational	1,801	225	405,235
Motel/Hotel ^b	2	400	609
Medical	604	225	135,930
Office	6,489	225	1,459,945
Retail	1,906	300	571,712
Industrial/PDR	-3,035	350	-1,062,162
Total Development/Employment	7,767		1,511,269

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

b. Total may not exactly add up due to rounding.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

San Francisco will gain 98,500 jobs between 2006 and 2025, according to the Planning Department's estimates, as shown in Table I-8. The majority of these jobs, 55,500, will be created in office occupations, and a significant increase of 17,800 jobs will also occur in retail. The Planning Department also forecasts a net increase of 3,700 jobs in PDR, many of which will occur in the southeast sector of the City, but in neighborhoods outside of the Eastern Neighborhoods, such as Bayview/Hunters Point and Western SoMa. This differs from the assessment in the Eastern Neighborhoods, where PDR employment is projected to decline. These projections estimate that close to 25 million square feet of non-residential development will occur in San Francisco.

Table I-8
Projected Growth in Employment and Non-Residential Development
2006 to 2025
San Francisco

Non-Residential Land Use	New Employment	Estimated SF per Employee^a	New Development (SF)
Cultural/Institutional/Educational	12,270	225	2,760,828
Motel/Hotel	3,765	400	1,505,919
Medical	5,441	225	1,224,163
Office	55,464	225	12,479,403
Retail	17,809	300	5,342,670
Industrial/PDR	3,721	350	1,302,491
Total Development/Employment	98,470		24,615,474

a. Based on SF per employee used in Citywide Study Growth Forecast for future development and confirmed by the Planning Department.

Source: Planning Department, Citywide Study Growth Forecast, and Seifel Consulting Inc.

F. Summary of Existing and Projected New Development

This chapter has described existing and projected development in the Eastern Neighborhoods and citywide for calculation of the Eastern Neighborhood nexus amounts, in addition to background information on the Report organization, nexus study process, legal basis for impact fees, and methodology. It contains information regarding population, housing units, employment, and non-residential square footage of development. The nexus between new development and needed facilities will be based on new development's proportionate share of the total foreseeable population, employment and other factors. The results of the development projections are summarized in Tables I-9 and I-10. They will be used to apportion the cost of needed projects in the accompanying nexus study chapters.

**Table I-9
Summary of Key Background Information for Nexus Study**

Eastern Neighborhoods			
Residential	Existing (2006)	New	Total (2025)
Household Population	70,295	11,386	81,681
Housing Units	26,976	5,873	32,849
Non-Residential			
Employment by Land Use	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	4,646	1,801	6,447
Motel/Hotel	294	2	296
Medical	4,624	604	5,228
Office	24,260	6,489	30,749
Retail	9,176	1,906	11,082
Industrial/PDR	31,385	-3,035	28,350
Total Employees	74,385	7,767	82,152
Non-Residential Square Footage			
Existing (2006)	New	Total (2025)	
Cultural/Institutional/Educational	1,045,340	405,235	1,450,575
Motel/Hotel	117,791	609	118,400
Medical	1,040,370	135,930	1,176,300
Office	5,458,425	1,459,945	6,918,370
Retail	2,752,888	571,712	3,324,600
Industrial/PDR	10,984,861	-1,062,162	9,922,699
Total Square Footage	21,399,675	1,511,269	22,910,944
San Francisco			
Residential	Existing (2006)	New	Total (2025)
Household Population	774,880	59,568	834,448
Housing Units	338,119	28,092	366,211
Non-Residential			
Employment by Land Use	Existing (2006)	New	Total (2025)
Cultural/Institutional/Educational	93,687	12,270	105,958
Motel/Hotel	21,391	3,765	25,155
Medical	41,776	5,441	47,217
Office	307,261	55,464	362,725
Retail	101,657	17,809	119,466
Industrial/PDR	96,693	3,721	100,415
Total Employees	662,466	98,470	760,936
Non-Residential Square Footage			
Existing (2006)	New	Total (2025)	
Cultural/Institutional/Educational	21,079,672	2,760,828	23,840,500
Motel/Hotel	8,556,222	1,505,919	10,062,141
Medical	9,399,662	1,224,163	10,623,825
Office	69,133,774	12,479,403	81,613,177
Retail	30,497,185	5,342,670	35,839,855
Industrial/PDR	33,842,648	1,302,491	35,145,139
Total Square Footage	172,509,163	24,615,474	197,124,637

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, Planning Department, and Seifel Consulting Inc.

II. Library Component

This chapter presents the facts and reasoning supporting the library component of the Eastern Neighborhoods nexus amount. This chapter builds upon Chapter I of this Report, which includes projections of new residential population and development relevant to this nexus amount.

A. Summary of Library Nexus Amount

The proposed library nexus amount is \$0.13 per residential square foot. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

B. Purpose and Use of Potential Revenues

The public library system consists of one Main Library and 27 branch libraries. According to San Francisco Public Library (SFPL) service area maps, the Eastern Neighborhoods are currently served by the Main Library, Mission Branch, Potrero Branch, and Mission Bay Branch.¹ SFPL does not anticipate the need for additional libraries in the Eastern Neighborhoods.

While SFPL does not indicate a need for future branch libraries, an increase in residential population could add to the need for library materials and improvements. The library component of the Eastern Neighborhoods Impact Fee will provide the revenue necessary to fund the cost of additional materials, renovation and rehabilitation caused by increased use of library facilities as neighborhood population increases.

The potential library revenues will be used for acquisition of additional library materials, including books, digital resources and other materials necessary to provide library services to new Eastern Neighborhoods residents. In addition, SFPL may fund a portion of future library renovations or rehabilitations.

C. Type of Development on Which Fees Are Imposed

The City proposes to require new residential development in the Eastern Neighborhoods to pay a library impact fee based on the library nexus amount calculated in this chapter. These requirements are imposed on new residential development to meet the demand for library materials and improvements created by new residents.

¹ Branch Facilities Plan, San Francisco Public Library, 2006. The Branch Library Improvement Program was initiated under Proposition A in 2000.

D. Calculation of Library Nexus Amount

1. Demographic Assumptions

Sections D and E of Chapter I outline the demographic assumptions used to calculate the library component. The calculations use a baseline year of 2006 and project development through 2025, consistent with the estimates described in Option B of the Eastern Neighborhoods Rezoning and Area Plans DEIR.

2. Summary of Cost for Materials and Renovation

According to SFPL, the Rincon Hill impact fee formula of \$69 per new resident is consistent with the service standards used by the Library for allocating resources to neighborhood branch libraries.² Seifel escalated the Rincon Hill fee to reflect inflationary growth in costs from 2005 (when the cost per resident was initially determined) to 2007, resulting in a current dollar amount of \$74 per new resident.³

E. Library Nexus Amount

The calculation of the library materials and renovation nexus amount is shown in Table II-1. The materials and renovation cost per new resident of \$74 is multiplied by the projected persons per household for new development to derive a nexus amount per housing unit. A 5 percent fee to cover program administration is then applied. Fees will be allocated to residential development on a square-foot basis. Therefore, the nexus amount per housing unit is divided by the average square feet of a housing unit, as projected by the Planning Department, to arrive at the library nexus amount of \$0.13 per residential square foot.

² Rincon Hill Area Plan, City 2005 General Plan.

³ Seifel escalated the 2005 materials cost to 2007 dollars using the average annual Consumer Price Index for all Urban Customers for the San Francisco/Oakland/San Jose area.

Table II-1
Library Materials and Renovation Nexus Amount
Eastern Neighborhoods

Factor	Calculation	Result
(A) Materials and Renovation Cost per New Resident ^a		\$74.00
(B) Persons per Household ^b		1.94
(C) Nexus Amount per Housing Unit	(A)*(B)=(C)	\$143.48
(D) Administrative Fee ^c	(C)*5%	\$7.17
(E) Total Nexus Amount per Housing Unit	(C)+(D)	\$150.65
(F) Average Gross SF per Housing Unit ^d		1,160
Library Nexus Amount per Residential SF	(E)/(F)	\$0.13

- a. Library department reported \$69/resident as the service standard for the costs of materials and renovation utilized in Rincon Hill in 2005. Seifel escalated the standard from 2005 to 2007 dollars using the average annual CPI-U for San Francisco/Oakland/San Jose area.
- b. For the purposes of this study, new households are assumed to be the same as housing units as explained in the background chapter. Persons per household is based on the calculated persons per household for new development from 2006 to 2025 in the Eastern Neighborhoods.
- c. Administrative fee is calculated at 5 percent of costs to cover program administration.
- d. Projected average housing unit size based on Planning Department estimates. Gross square footage assumes 80 percent efficiency.

Source: Library Department, Planning Department and Seifel Consulting Inc.

III. Transportation Component

This chapter presents the facts and reasoning supporting the transportation component of the Eastern Neighborhoods nexus amount. The calculation methodology for the nexus amount is explained in this chapter along with the purpose and use of potential revenues.

A. Summary of Transportation Nexus Amount

Based on the methodology and information presented in this chapter, the transportation nexus amount is calculated for each land use and summarized in Table III-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

**Table III-1
Summary of Transportation Nexus Amount
Eastern Neighborhoods**

Land Use	Nexus Amount per SF
Residential	\$8.81
Non-Residential	
Cultural/Institutional/Educationa	\$57.76
Motel/Hotel	\$26.21
Medical	\$34.39
Office	\$21.76
Retail	\$240.48
Industrial/PDR	\$9.50

Source: Seifel Consulting Inc.

B. Purpose and Use of Potential Revenues

The City plans to use funds from the transportation component of the broader Eastern Neighborhoods Impact Fee to provide capital improvements to the transportation system in the Eastern Neighborhoods, including transit, streets, and sidewalks. This will ensure that future development bears its fair share of responsibility for the local transportation system.

In order to maintain the quality of life in the Eastern Neighborhoods, transportation revenues need to be spent locally, because enhanced facilities will be required to meet the increased impact on all transportation modes from new development. Fee revenues will not be applied to correct existing deficiencies. Rather, revenues will be used to expand and improve the transportation system to accommodate increased usage from new workers and residents resulting from new development.

The potential transportation revenues will fund transit capital improvements including equipment, facilities, fleet, and infrastructure. Streets and right of way improvements to be funded include City capital projects such as new street design, street improvements and street restructuring to be maintained by the City over the long term. The transportation component is intended to fund necessary capital improvements to support the many modes by which people travel, including by transit, auto, bicycle, and on foot.

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the transportation component to residential and non-residential development in the Eastern Neighborhoods. Both residential and non-residential development will impact the transportation system, and the transportation improvements that will be funded by the Eastern Neighborhoods Impact Fee will benefit new residents, employees, customers, and visitors.

The fee schedule is differentiated among the following land use types to reflect differences in the amount of trips each land use generates:

- Residential Development
- Non-Residential Development
 - Civic/Institutional/Educational
 - Motel/Hotel
 - Medical
 - Office
 - Retail
 - Industrial/PDR

D. Calculation of Transportation Nexus Amount

The approach to the transportation nexus amount relies on identifying the relative impact of new development in the Eastern Neighborhoods to the need for transportation improvements citywide. San Francisco's transportation is a citywide system; therefore, it is difficult to isolate improvements in a specific area such as the Eastern Neighborhoods. Rather, improvements are viewed from the citywide perspective, and travel demand is utilized to determine the portion attributable to the Eastern Neighborhoods. The study approach assumes that responsibility for funding to alleviate existing deficient conditions in the Eastern Neighborhoods and improvements in the rest of the City will be accepted by the City from sources other than the transportation nexus amount. The nexus amount is calculated as follows:

- Forecast future travel demand in order to determine the relationship between new Eastern Neighborhood trips and total citywide trips.
- Determine projected total unfunded citywide transportation capital expenditures from 2007–2025.

- Apply ratio of new Eastern Neighborhoods trips to net citywide costs to determine costs attributable to new Eastern Neighborhoods development.
- Calculate cost per new Eastern Neighborhood trip and apply cost per trip to applicable land uses using trip generation rates to arrive at a nexus.

1. Trip Assumptions

Trip generation, or the amount of person trips generated by a development, measures how much a particular development contributes to the need for future improvements based on increased travel demand.

In order to determine the transportation impact caused by new development in the Eastern Neighborhoods in relationship to the City, this study uses the total daily person trips estimated to be generated by rezoning Option B as published in the Eastern Neighborhoods Rezoning and Area Plans Transportation Study, as part of the DEIR. The travel demand through 2025 published in the DEIR is based on estimated growth and development and projected by the San Francisco County Transportation Authority's travel demand forecasting model (SF-CHAMP Model). The SF-CHAMP model is an activity based travel demand model that predicts future travel by mode for transit, auto, bicycle, and pedestrian trips.

New Eastern Neighborhoods daily trips are divided by total citywide daily trips in order to determine the proportional transportation impact caused by new development in the Eastern Neighborhoods as shown in Table III-2.

**Table III-2
New Eastern Neighborhood Trips as Share of Total Citywide Trips**

New Eastern Neighborhood Daily Trips ^a	131,614
Total Citywide Daily Trips ^b	8,588,040
New EN Trips % of Total Citywide Trips	1.53%

a. Total daily person trips in Eastern Neighborhoods in 2025
(per Option B) minus existing Eastern Neighborhood trips.

b. Total Citywide daily person trips in 2025 per Option B.

Source: Eastern Neighborhoods Rezoning and Area Plans Transportation Study, Seifel Consulting Inc.

2. Citywide Capital Costs

The calculation of the total projected citywide costs for transportation capital improvements through 2025 is based on total costs attributable to transit, streets and right of way improvements, as described below and shown in Table III-3:

- Transit improvement costs are based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25. Transit capital costs include four major capital programs: fleet, infrastructure, facilities, and equipment. MTA defines capital projects as investments in rolling stock, equipment, or physical plant, the costs of which are not covered in the operating budget and which have a depreciable life of more than five years. The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.
- Streets and right of way improvement costs are based on General Fund Draft Capital Plan for Streets and Rights-of-Way, 2009-2018. Streets and right of way projects include street, sidewalk, and irrigation reconstruction, and street trees.

All costs reflect only the amount of capital costs that are currently unfunded. Appendix B presents more detail on costs.

Table III-3
Projected Total Citywide Transportation Costs
2007–2025

	Total Unfunded Capital Costs^a
Transit ^b	\$9,375,596,998
Streets and Right of Way ^c	\$459,010,000
Total Costs^d	\$9,834,606,998

a. In FY 2007/08 dollars.

b. Based on the Municipal Transportation Agency's (MTA) Short Range Transportation Plan (SRTP) Capital Improvement Program (CIP) for FY 2007/08 through FY 2024/25. The costs also include unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.

c. Based on the costs in General Fund Draft Capital Plan for Streets and Rights-of-Way.

d. Further detail on costs can be found in Appendix B.

Sources: San Francisco MTA and DPW, Seifel Consulting Inc.

3. Cost per Trip

In order to determine the capital costs attributable to new development in the Eastern Neighborhoods, the ratio of new Eastern Neighborhood trips to total citywide trips is applied to total citywide costs as shown in Table III-4.

**Table III-4
Transportation Costs Attributable to New Development^a
Eastern Neighborhoods
2007–2025**

Total Net Citywide Costs ^b	\$9,834,606,998
New EN Trips % of Total Citywide Trips ^c	1.53%
Costs Attributable to EN New Development	\$150,717,971

a. All costs in 2007/08 dollars.

b. Unfunded cost of citywide transportation capital improvements attributable to existing and new development, as shown in Table III-3.

c. As calculated in Table III-2.

Sources: San Francisco MTA and DPW, Seifel Consulting Inc.

After determining the costs attributable to new Eastern Neighborhoods development, the costs are divided by total new Eastern Neighborhood trips to arrive at a cost per trip. A 5 percent fee to cover program administration is then applied to determine a total cost per trip, as shown in Table III-5.

**Table III-5
Cost per Trip
Eastern Neighborhoods
2007**

Costs Attributable to EN New Development	\$150,717,971
Total New EN Trips	131,614
New EN Cost per Trip	\$1,145
Program Administration ^a	\$57
Total Cost per Daily Trip	\$1,202

a. Administrative fee is calculated at 5 percent of costs to cover program administration.

Sources: Eastern Neighborhoods Rezoning and Area Plans Transportation Study, San Francisco MTA and DPW, Seifel Consulting Inc.

E. Transportation Nexus Amount

Each land use creates a different level of impact on the transportation system by generating a different amount of trips. The daily trip rate for each land use according to the Planning Department's Major Environmental Analysis (MEA) Transportation Impact Analysis Guidelines was utilized in order to equitably allocate the cost per trip to each land use in determining the nexus amount. The daily trip rate provides a method for understanding the relationship between the impacts different land uses have on the transportation system in a 24-hour period, which eliminates any double counting of trips. Appendix Table B-3 includes more detail on trip rates.¹

In order to arrive at a nexus amount per unit or 1,000 square feet, the daily trip rate for each land use is multiplied by the cost per daily trip. The nexus amount per housing unit is then divided by the gross square footage of the average unit, as projected by the Planning Department. The nexus amount for non-residential land uses is divided by 1,000 to yield a nexus amount per square foot of new development, as shown in Table III-6.

¹ Whereas the SF-CHAMP model outputs were utilized to establish the relationship between new Eastern Neighborhoods trips and citywide trips, it does not differentiate between the impacts of individual land uses. In order to fairly allocate trip costs to land uses, MEA daily trip rates are utilized to determine the transportation nexus amount.

Table III-6
Transportation Nexus Amount
Eastern Neighborhoods

		Daily Trip Rate	Nexus Amount per Basis	Basis^a	Nexus Amount per SF^b
Cost Per Daily Trip:	\$1,202				
Residential		8.50/unit	\$10,220	Unit	\$8.81
Non-Residential					
Cultural/Institutional/Educational		48.04/KSF	\$57,760	KSF	\$57.76
Motel/Hotel		21.80/KSF	\$26,213	KSF	\$26.21
Medical		28.60/KSF	\$34,389	KSF	\$34.39
Office		18.10/KSF	\$21,764	KSF	\$21.76
Retail		200.00/KSF	\$240,482	KSF	\$240.48
Industrial/PDR		7.90/KSF	\$9,499	KSF	\$9.50

a. Units means a residential unit and KSF means 1,000 square feet.

b. Residential nexus amount per unit is divided by the projected average unit size of 1,160 gross square feet to reach the nexus amount per square foot. Non-residential nexus amounts per KSF are divided by 1,000 to reach a nexus amount per square foot.

Sources: Planning Department, MEA Transportation Impact Analysis Guidelines 1991 and 2002, Eastern Neighborhoods Rezoning and Area Plans Transportation Study, San Francisco MTA and DPW, and and Seifel Consulting Inc.

IV. Recreation and Parks Component

This chapter presents the facts and reasoning supporting the recreation and parks component of the Eastern Neighborhoods nexus amount. This chapter builds upon Chapter I, which includes projections of new residential and non-residential development in the Eastern Neighborhoods. This chapter draws on information from the Recreation and Parks Development Impact Fee Justification Study (Recreation and Parks Study) included in this Report as Appendix C.¹ Information in this chapter also draws from the Eastern Neighborhoods Draft Public Benefits Program, to which this Report is an appendix. The calculation methodology for the nexus amount is explained in this chapter along with the purpose and use of potential revenues.

A. Summary of Recreation and Parks Nexus Amount

Based on the methodology and information presented in this chapter, the recreation and parks nexus amount is calculated for each land use and summarized in Table IV-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. From the nexus amount, the Planning Department will determine a feasible impact fee.

Table IV-1
Summary of Recreation and Parks Nexus Amount
Eastern Neighborhoods

	Nexus Amount per SF
Residential	\$10.90
Non-Residential	
Cultural/Institutional/Educational	\$2.66
Motel/Hotel	\$1.49
Medical	\$2.66
Office	\$2.66
Retail	\$1.99
Industrial/PDR	\$1.71

Source: Citywide Development Impact Study, Planning Department, and Seifel Consulting Inc.

¹ The Recreation and Parks Study was prepared by David Taussig & Associates as a chapter of the Citywide Studies.

B. Purpose and Use of Potential Revenues

The City plans to use funds from the recreation and parks component of the broader Eastern Neighborhoods Impact Fee to provide recreation and parks facilities in the Eastern Neighborhoods. This will ensure that future development bears its fair share of responsibility for the local recreation and parks system.

In order to maintain the quality of life in the Eastern Neighborhoods, it is important that recreation and parks revenues are spent locally, because many of its neighborhoods are currently underserved when compared to other areas in the City and enhanced facilities will be needed to meet the demand from new development. Fee revenues will not be applied to correct existing deficiencies. Rather, they will be used to expand and improve facilities to accommodate increased park usage by new workers and residents resulting from new development, as described in Section D of this chapter.

The potential recreation and parks revenues will fund the acquisition and improvement of new parkland, improvements to existing parks and supporting facilities (such as signage and bathrooms), expansion of trails, and construction and renovation of playgrounds, playing fields, and outdoor courts, as well as other amenities.

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the recreation and parks component to residential and non-residential (commercial and industrial) development in the Eastern Neighborhoods. The recreation and parks improvements that will be funded by the Eastern Neighborhoods Impact Fee will benefit both new residents and new employees.

The fee schedule is differentiated among the following land use types to reflect differences in parks usage by residents and non-resident employees:

- Residential Development
- Non-Residential Development
 - Civic/Institutional/Educational
 - Motel/Hotel
 - Medical
 - Office
 - Retail
 - Industrial/PDR

D. Calculation of Recreation and Parks Nexus Amount

1. Demographic Assumptions

Sections D and E of Chapter I outline the demographic assumptions used to calculate the recreation and parks nexus amount. The calculations use a baseline year of 2006 and projected new development through 2025 as published in the Eastern Neighborhoods Rezoning and Area Plans DEIR, Option B.

2. Need Factor

The citywide Recreation and Parks Study bases its need factors on the City's General Plan and the Recreation and Parks Department's August 2004 *Recreation Assessment Report*. According to the General Plan, the City should aim to increase its supply of open space, which would require a net increase in Recreation and Parks Department parkland from its current standard of 4.32 acres per 1,000 residents. However, both the Recreation and Parks Study and the Draft Public Benefits Program acknowledge the difficulty of acquiring large parcels of land for park development and propose instead to meet park needs through a combination of new parkland and facilities and improvements to existing recreational facilities to enable increased utilization.

The need factor for land acquisition is based on the proposed acquisition of a one-acre park in each of the four Eastern Neighborhoods, as outlined in the Draft Public Benefits Program, and the renovation of one existing park in each of the four Eastern Neighborhoods. The increase in park space would be coupled with improvements to existing recreation and parks facilities and intensification of parkland through the construction of new amenities, such as playing fields and outdoor courts.² Although existing parks range in size, one acre is a reasonable assumption for the size of the parks to be renovated. Therefore, the four existing acres will need improvements as shown in Table IV-2. Need factors for these improvements are also summarized in Table IV-2.

The need factor for the walkway and bikeway trails in the Eastern Neighborhoods is based on an estimate of 1.2 miles of the Blue Greenway proposed to run through the Central Waterfront. As the Blue Greenway will serve both existing and new development, the burden for its costs should not fall exclusively on new development. Therefore of the total 1.2 miles of the Greenway, new development will be responsible for the costs of 0.17 miles.³

² The need factors for these improvements are based on the *Recreation Assessment Report* published by the San Francisco Recreation and Parks Department in August 2004.

³ New park users between 2006 and 2025 are approximately 14 percent of total park users in 2025; therefore only 14 percent of the Blue Greenway is attributed to new development. See Section C.5 for an explanation of park users.

Table IV-2
Increase in Need for Recreation and Parks Facilities
due to New Development (2006–2025)
Eastern Neighborhoods

	Need Factor ^a	New Population (2006–2025)	Growth in Need
Land Acquisition and Improvement	4.00 acres ^b	N/A	4.00 acres
Open Space and Facilities Improvements	4.00 acres ^c	N/A	4.00 acres
Recreational Facilities			
Multi-Use Fields	2.25 fields/10,000 residents ^d	11,386	2.56 fields
Tennis	2.00 courts/10,000 residents ^d	11,386	2.28 courts
Outdoor Basketball	2.00 courts/10,000 residents ^d	11,386	2.28 courts
Walkway and Bikeway Trails	0.17 miles ^e	N/A	0.17 miles

- a. Both residents and non-residents are expected to create a demand for parks and recreational facilities, therefore, the total costs are allocated to both types of development based on park users as calculated in Table IV-6.
- b. Based on the goal of acquiring and improving a one-acre park in each of the four Eastern Neighborhoods, as outlined in the Eastern Neighborhoods Draft Public Benefits Program.
- c. Open space and facilities improvements reflect the need to upgrade and improve 4 acres of existing parkland as outlined in the Draft Public Benefits Program.
- d. Based on recommended City standards determined in the San Francisco Recreation and Parks Department's *August 2004 Recreation Assessment Report*. Multi-use fields include softball and baseball fields at 1 per 8,000 residents and soccer fields at 1 per 10,000 residents.
- e. Based on estimated 1.2 miles of Blue Greenway proposed to run the length of Central Waterfront, and adjusted to reflect new development's fair share at 14%.

Source: Eastern Neighborhoods Needs Assessment, Eastern Neighborhoods Rezoning and Area Plans DEIR, San Francisco Recreation and Parks Department, Planning Department, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

3. Summary of Acquisition and Improvement Costs

The costs for land acquisition and facilities improvements are based on cost estimates from the Recreation and Parks Study. The Recreation and Parks Study projects the costs for land acquisition and for providing improved amenities based on an average acquisition price at \$400 per square foot of land and making improvements to existing facilities at about \$192,000 per acre. The Department of Recreation and Parks typically estimates \$200 to \$300 per square foot for land acquisition across the City. The Recreation and Parks Study land acquisition estimates are generally consistent with the findings of a recent study evaluating land value in the Eastern Neighborhoods, which confirmed land acquisition costs ranging from \$134 to \$332 per square foot in the Eastern Neighborhoods, with an average cost per square foot of \$189.⁴

⁴ Average cost based on Clifford Associates report, *Land Value in Eastern Neighborhoods*, April 14, 2008.

The Department of Recreation and Parks also adds another \$125 to \$286 per square foot for planning, design and construction to the base square foot land acquisition costs. Consequently, this recent study confirms the use of \$400 per square foot (both land acquisition and planning, design, and construction) for new parkland as a reasonable figure for purposes of calculating fee assessment. Table IV-3 presents the cost assumptions.

**Table IV-3
Recreation and Parks Facilities Costs
Eastern Neighborhoods**

Land Acquisition and Improvement ^a	\$17,424,000 per acre
Open Space and Facilities Improvements ^b	\$192,258 per acre
Recreational Facilities ^c	
Multi-Use Fields	\$1,492,214 per field
Tennis	\$196,992 per court
Outdoor Basketball	\$123,612 per court
Walkway and Bikeway Trails ^d	\$869,474 per mile

- a. Estimated by the City and County of San Francisco Real Estate Division and published in the Recreation and Parks Study (equivalent to \$400 per square foot of land area).
- b. Estimated by David Taussig & Associates, Inc. and published in the Recreation and Parks Study.
- c. Based on average cost for parks facilities improvements estimated by San Francisco Recreation and Parks Department and published in the Recreation and Parks Study.
- d. Calculation based on estimates by the San Francisco Recreation and Parks Department and David Taussig & Associates, as published in the Recreation and Parks Study.

Source: City and County of San Francisco Real Estate Division, Citywide Development Impact Fee Study, David Taussig & Associates, San Francisco Recreation and Parks Department, and Seifel Consulting Inc.

In order to arrive at the costs for recreation and parks facilities attributable to new development, the facilities costs shown in Table IV-3 were applied to the need factors to arrive at total land acquisition and improvement cost of approximately \$75.2 million, as shown in Table IV-4.

Table IV-4
Projected Costs for Parkland Acquisition and Recreational Facilities
to Meet Need Induced by Future Growth
Eastern Neighborhoods

	Growth in Need^a	Facilities Cost (per unit)^b	Total Parkland Acquisition and Improvements Costs
Land Acquisition and Improvement	4.00 acres	\$17,424,000	\$69,696,000
Improvements			
Open Space and Facilities Improvements	4.00 acres	\$192,258	\$769,032
Recreational Facilities			
Multi-Use Fields	2.56 fields	\$1,492,214	\$3,822,912
Tennis	2.28 courts	\$196,992	\$448,600
Outdoor Basketball	2.28 courts	\$123,612	\$281,496
Walkway and Bikeway Trails	0.17 mile	\$869,474	\$146,072
Subtotal Improvements			\$5,468,112
Total Land and Improvements			\$75,164,112

a. As calculated in Table IV-2.

b. As calculated in Table IV-3.

Source: Eastern Neighborhoods Rezoning and Area Plan DEIR, Citywide Development Impact Fee Study, David Taussig & Associates, San Francisco Planning Department, and Seifel Consulting Inc.

4. Calculation of Park Users

The allocation of costs between new residential and new non-residential development assumes that residents and employees utilize recreation and parks facilities at different levels of intensity. Therefore, in order to equitably distribute the costs of providing recreation and parks facilities, the number of new residents and employees was translated into park users.

New residents and employees were adjusted based on two assumptions:

1. 55.2 percent of employees in San Francisco also live in the City.⁵
2. Employees that do not live in the City use the City's recreation and parks system less intensively (by a factor of 0.19) than residents.

Therefore, employees who live outside of San Francisco have an impact of 19 percent of a full park user, while employees who live in the City have the impact of a full park user (19 percent as employees and 81 percent as residents).⁶ Table IV-5 shows the calculation of the total number of park users after usage adjustments.

⁵ Based on 2000 Census estimate, published in the Recreation and Parks Study.

⁶ As calculated by the Hausrath Economics Group for the 1998 Phoenix Park and Library Equivalent Dwelling Unit Factors and published in the Recreation and Parks Study.

Table IV-5
New Park Users by Land Use Category
Eastern Neighborhoods

Land Use Category	Total New Residents or Employees (2006–2025)^a	Number of Employees Residing within City^b	Number of Employees Not Residing within City^c	Park Usage Adjustment^d	New Residential and Non-Residential Park Users^e
Residential	11,386	4,287	N/A	3,473	10,572
Non-Residential					
Cultural/Institutional/Educational	1,801	994	807	153	153
Motel/Hotel	2	1	1	0	0
Medical	604	333	271	51	51
Office	6,489	3,582	2,907	552	552
Retail	1,906	1,052	854	162	162
Industrial/PDR	-3,035	-1,675	-1,360	-258	-258
Total					11,233

a. For a summary of the number of new residents and employees in the Eastern Neighborhoods, see Chapter I, Table I-9.

b. Total new employees multiplied by 55.2 percent in order to calculate the number of employees that also reside within the City, according to the 2000 Census. The total of these resident employees is shown in the Residential land use category.

c. Total new employees minus the number of employees residing within the City.

d. Factors were calculated by the Hausrath Economics Group for the 1998 *Phoenix Park and Library Equivalent Dwelling Units Factors* and used by David Taussig & Associates in the Recreation and Parks Study. Park usage adjustment based on number of employees residing within the City multiplied by 0.81 and number of employees not residing within the City multiplied by 0.19.

e. Residential park users include total new residents minus employees residing within the City plus the residential park usage adjustment. Non-residential park users equals the non-residential park usage adjustment.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, David Taussig & Associates, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

The costs are divided by the total number of new park users, yielding a cost of \$6,205 per park user for land acquisition and \$487 for facilities improvements. The total cost of recreation and parks facilities is \$6,691 per new park user, as shown in Table IV-6.

Table IV-6
Recreation and Parks Facilities
Costs per Park User
Eastern Neighborhoods

	Land	Improvements	Total
Costs ^a	\$69,696,000	\$5,468,112	\$75,164,112
Total New Park Users ^b	11,233	11,233	11,233
Cost per Park User	\$6,205	\$487	\$6,691

a. As calculated in Table IV-3.

b. As calculated in Table IV-4.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, and Seifel Consulting Inc.

E. Recreation and Parks Nexus Amount

In order to arrive at a recreation and parks nexus amount per square foot of residential and non-residential development, the land acquisition and improvement costs per park user are first converted to costs per residential unit and 1,000 square feet of non-residential development, as shown in Table IV-7.

Table IV-7
Land and Improvement Costs by Land Use Category
Eastern Neighborhoods

	New Residential and Non-Residential Park Users (2006–2025)	Number of New Units or Non-Residential SF (2006–2025)^a	Park Users per Unit or 1,000 Non-Residential SF	Land Cost per Unit or 1,000 Non-Residential SF^b	Improvements Cost per Unit or 1,000 Non-Residential SF
Land/Improvement Cost per Park User:				\$6,205	\$487
Residential	10,572	5,873	1.80	\$11,170	\$876
Non-Residential					
Cultural/Institutional/Educational	153	405,235	0.38	\$2,347	\$184
Motel/Hotel	0	609	0.21	\$1,319	\$104
Medical	51	135,930	0.38	\$2,347	\$184
Office	552	1,459,945	0.38	\$2,347	\$184
Retail	162	571,712	0.28	\$1,761	\$138
Industrial/PDR	-258	-1,062,162	0.24	\$1,509	\$118

a. For a summary of the number of new residents and employees in the Eastern Neighborhoods, see Chapter I, Table I-9.

Source: Eastern Neighborhoods Rezoning and Area Plans DEIR, Citywide Development Impact Fee Study, David Taussig & Associates, and Seifel Consulting Inc.

Finally, the costs per unit and 1,000 square feet of non-residential development are converted to a cost per square foot, assuming an average residential unit of 1,160 gross square feet. Program administration costs are assumed at 5 percent of land acquisition and facilities improvements costs. The total recreation and parks nexus amount per square foot by land use is shown in Table IV-8.

**Table IV-8
Recreation and Parks Nexus Amount
Eastern Neighborhoods**

	Land Cost per Gross SF	Improvement Cost per Gross SF	Program Administration Cost^a	Nexus Amount per Gross SF
Residential^a	\$9.63	\$0.76	\$0.52	\$10.90
Non-Residential				
Cultural/Institutional/Educational	\$2.35	\$0.18	\$0.13	\$2.66
Motel/Hotel	\$1.32	\$0.10	\$0.07	\$1.49
Medical	\$2.35	\$0.18	\$0.13	\$2.66
Office	\$2.35	\$0.18	\$0.13	\$2.66
Retail	\$1.76	\$0.14	\$0.09	\$1.99
Industrial/PDR	\$1.51	\$0.12	\$0.08	\$1.71

a. Based on Planning Department estimates, average unit size in the Eastern Neighborhoods will be 1,160 gross square feet, assuming 80 percent efficiency.

a. Program administration calculated at 5 percent of land and improvement costs.

Source: Citywide Development Impact Study, Planning Department, and Seifel Consulting Inc.

V. Child Care Component

This chapter presents the facts and reasoning supporting the child care component of the Eastern Neighborhoods nexus amount. This chapter builds upon the Citywide Child Care Nexus Study (Child Care Study) included in this Report as Appendix D. In order to remain consistent with the citywide Child Care Study, the nexus amount for the child care component in the Eastern Neighborhoods is calculated using the same methodology.¹ This chapter presents the purpose and use of the nexus amount, summarizes the methodology of the existing study and converts the fees on residential development, which the Child Care Study levies per residential unit, into a per-square-foot amount.

A. Summary of Child Care Nexus Amount

Based on the methodology and information presented in this chapter, the child care nexus amount is calculated for each land use and summarized in Table V-1 below. As stated in Chapter I, the components calculated in each chapter of this Report will be combined to determine an Eastern Neighborhoods nexus amount. Based on the nexus amount, the Planning Department will determine a feasible impact fee.

Table V-1
Summary of Child Care Nexus Amount
Eastern Neighborhoods

Land Use	Child Care Nexus Amount (per SF)
Residential	\$1.37
Non-Residential	
Cultural/Institutional/Educational	\$1.29
Motel/Hotel	\$0.72
Medical	\$1.29
Office	\$1.29
Retail	\$0.97
Industrial/PDR	\$0.83

Source: Citywide Development Impact Fee Study
and Seifel Consulting Inc.

¹ As described in Chapter I, this Report uses the term “nexus amount” rather than “fee.” The Planning Department will ultimately determine an Eastern Neighborhoods impact fee schedule based on the calculation of the total nexus amount.

B. Purpose and Use of Potential Revenues

While the nexus amount was calculated at a citywide level, the goal of the Eastern Neighborhoods portion is to focus revenues on local facility development.

The purpose of the child care component is to grow the number of local child care spaces to meet demand generated by new residents and workers in the Eastern Neighborhoods. The City will utilize revenues to construct new facilities or provide funding for the expansion of existing facilities. The types of facilities that may receive funding from the impact fee revenues include freestanding child care centers, family child care homes, and child care centers in schools and commercial establishments. The costs for each of these alternatives vary and are discussed in more detail in Section D.3 below.

C. Type of Development on Which Fees Are Imposed

The Planning Department plans to apply the child care fee to residential and non-residential (commercial and industrial) development in the Eastern Neighborhoods.

1. Residential Development

The Child Care Study calculates the nexus amount for residential development per type of housing unit based on household demand factors. In doing so, they estimate the expected impact of particular types of development on existing facilities based on the number of new residents or workers that development is projected to produce. The residential development types include:

- Single Family
- Multifamily (0–1 BR)
- Multifamily (2+ BR)
- Single Room Occupancy (SRO)²

In the Eastern Neighborhoods, on the other hand, the City plans to apply the same fee evenly for all residential unit types on a square foot basis. Based on the Child Care Study, it is assumed that SRO and senior units will not generate any children by definition and are therefore excluded from the child care fee. Section E describes the conversion of the nexus amount from a per-unit amount to a square-foot basis.

² The Child Care Study exempts SRO units from the calculation, as they are usually occupied by seniors or other groups that are not expected to create a demand for child care spaces.

2. Non-Residential Development

Similarly, the Child Care Study calculates the nexus amount for non-residential development based on different land use categories. Here, the expected impact of different types of development is estimated using an average number of employees per 1,000 square feet of development according to each of the following types of land use:

- Civic/Institutional/Educational
- Motel/Hotel
- Medical
- Office
- Retail
- Industrial/PDR

The proposed child care nexus amount for the Eastern Neighborhoods uses the same land use categories and is the same nexus amount as calculated in the Child Care Study.

D. Calculation of Child Care Nexus Amount

1. Demographic Assumptions

The Child Care Study uses statistics for projected new population and housing units by square foot of residential development as well as for projected new workers by non-residential square foot. The nexus is established for all new residents as well as new workers. Workers who also reside in San Francisco have been excluded in order to avoid double counting them as workers and residents. The Child Care Study excludes Mission Bay, Rincon Hill and Visitacion Valley from their calculations as each of these neighborhoods currently has area-specific fees.

Appendix E presents the Citywide Growth Forecast that informed the calculation of the child care component.

2. Methodology

After establishing the demographic projections on which to base the nexus, the Child Care Study sets forth need factors for both residents and workers. To calculate the need factor for residential development the study first estimates the number of children in three different age cohorts (Infants, Preschool and School Age) based on population projections by the Department of Finance, as children within these cohorts have varying needs for child care. Then, it applies labor force participation rates for parents of children in each cohort to calculate the number of children with either two working parents or a single working parent in order to approximate the number of children without a parent as a caretaker.

Finally, it subtracts a percentage of children across each cohort that do not need a licensed child care space to arrive at a total number of resident children needing licensed care per 1,000 residents.³ The Child Care Study establishes a need factor of 52.7 licensed child care spaces per 1,000 residents.

In calculating the nexus amount for non-residential development, the Child Care Study subtracts out workers who live in San Francisco in order to avoid double counting their impact as workers and residents. Thus, the calculation only includes those individuals who work in San Francisco, but reside elsewhere. The study assumes that 44.8 percent of workers in the City live elsewhere. Of that group, the study assumes, based on employer surveys, that 5 percent would bring their children into the City and, thus, would require child care. Therefore, the need factor for non-residential development is 22.4 licensed spaces per 1,000 workers.

3. Summary of Costs

The cost of providing licensed child care spaces varies dramatically by type. Creating a new child care center costs \$27,400 per space, while spaces in new, small family child care homes cost only \$500 according to the Child Care Study. On the other hand, a new child care space in a school or commercial space costs \$8,333 or \$13,700, respectively. The study notes the difficulty of predicting where new spaces will be provided, and so it averages the cost across all types of care, which brings the average cost per space to \$12,325.

Developers have the option of paying a linkage fee to be used to provide child care space offsite or providing indoor and outdoor space onsite according to state licensing requirements for different residential and non-residential land uses.⁴

E. Calculation of Residential Nexus Amount

As noted in Section C above, the Child Care Study applies fees to residential development on a per-unit basis. However, as one of the priorities of the rezoning effort is to increase housing in the Eastern Neighborhoods, including smaller units that would be affordable to a wide range of residents, the Planning Department finds it more appropriate to charge residential development on a per-square-foot basis. This prevents smaller units from being charged the same impact fees as larger units developed within the same land use category. Thus, the residential portion of the citywide fees has been converted to a nexus amount per square foot. This conversion will also allow the child care nexus amount to remain consistent with the nexus amounts calculated in previous chapters of this Report. The conversion is based on average unit sizes used by the Child Care Study and is shown in Table V-2.⁵

³ Assumes a percentage of children would not require licensed care as they may receive unlicensed care from nannies, friends, relatives, or other sources.

⁴ For a detailed description of state child care licensing requirements, refer to Section 7 of Appendix D.

⁵ Average unit size converted to gross square feet based on 80 percent unit efficiency.

Table V-2
Residential Nexus Amount per Square Foot
Eastern Neighborhoods

Type of Development^a	Impact Fee per Unit^b	Average Gross SF/Unit^c	Nexus Amount per SF
Single Family	\$2,272	1,660	\$1.37
Multifamily (0-1 BR)	\$1,493	1,090	\$1.37
Multifamily (2+ BR)	\$1,704	1,250	\$1.37

a. Excludes SRO and senior developments per Citywide Study methodology.

b. As calculated in the Citywide Study.

c. Average based on equivalent dwelling unit (EDU) calculation in Citywide Study.

Source: Citywide Development Impact Fee Study and Seifel Consulting Inc.

F. Child Care Nexus Amount

As shown in Table V-1, the child care nexus amount is \$1.37 per square foot of residential development, \$0.72 to \$1.29 per square foot of commercial development and \$0.83 per square foot of development devoted to industrial uses.

VI. Impact Fee Maintenance

This brief chapter addresses ongoing maintenance of the impact fee through annual updates and periodic revisions.

In order to stay current with the increasing costs of building facilities, transportation improvements, child care spaces, and recreation facilities and parks, the Eastern Neighborhood Impact Fee should be reviewed on an annual basis and updated based on appropriate indices. This will allow the City to collect enough funds to maintain its facilities and services to serve new development, even as the costs of construction, land, labor, and other inputs fluctuate.

Additionally, it may also be the case that, with time and new information, the methodologies used to calculate the nexus amount may become outdated, the community may decide that new development has generated new needs, or that the needs outlined in this Report no longer need to be addressed through impact fees. Thus, in order to ensure the impact fee is as relevant as possible to the needs of new and existing Eastern Neighborhoods residents and workers, further review may be required every five to six years, including a complete evaluation of the methodologies outlined in this Report.

Appendices

San Francisco Eastern Neighborhoods Nexus Study

- Appendix A. Eastern Neighborhoods Needs Assessment**
- Appendix B. Transportation Costs**
- Appendix C. Citywide Study—Recreation and Parks**
- Appendix D. Citywide Study—Child Care**
- Appendix E. Citywide Growth Forecast**

Appendix A:

Eastern Neighborhoods Needs Assessment

Needs Assessment

San Francisco Eastern Neighborhoods

December 17, 2007

Prepared for:

San Francisco Planning
Department

Seifel
CONSULTING INC.

221 Main Street
Suite 420
San Francisco CA
94105
415.618.0700

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Appendices

Appendix A: Needs Tables

Appendix B: Western SOMA

I. Introduction

The City of San Francisco Planning Department (Planning Department) is evaluating the potential rezoning of land within the Eastern Neighborhoods and Central Waterfront areas, as well as other areas of the City. In Spring 2006, the Planning Department retained Seifel Consulting Inc. (Seifel) to assess the current and future need for key services and amenities in the Eastern Neighborhoods and Central Waterfront areas in order to inform the Planning Department's evaluation. The initial needs findings were memorialized in the Draft Eastern Neighborhoods Needs Assessment, September 2006. In October/November 2007, Seifel updated the 2006 initial need findings in light of additional research and time passed.

The services and amenities covered in this assessment include open space, parks and recreational facilities, community facilities and services, neighborhood serving businesses, and housing.

The Planning Department is evaluating funding mechanisms to address the needs for some key services and amenities. This report will help inform the rezoning process and the decision of what funding mechanisms to pursue for various needs.

This report begins by describing the study area in Chapter II, and then outlines demographic sources and techniques used to perform the needs analysis in Chapter III. Chapter IV provides a summary of findings including tables showing projected needs and need category definitions. Chapter V presents the needs analysis by category, and Chapter VI concludes the report.

II. Study Area

Seifel evaluated the current and future needs in four neighborhoods within the Eastern Neighborhoods and Central Waterfront areas.

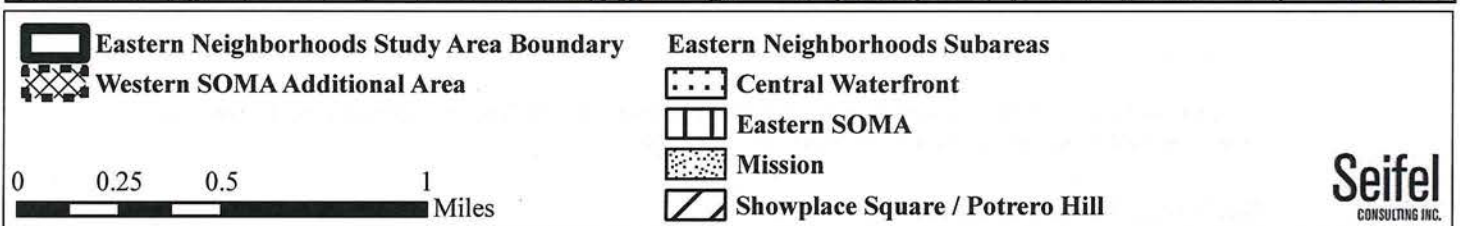
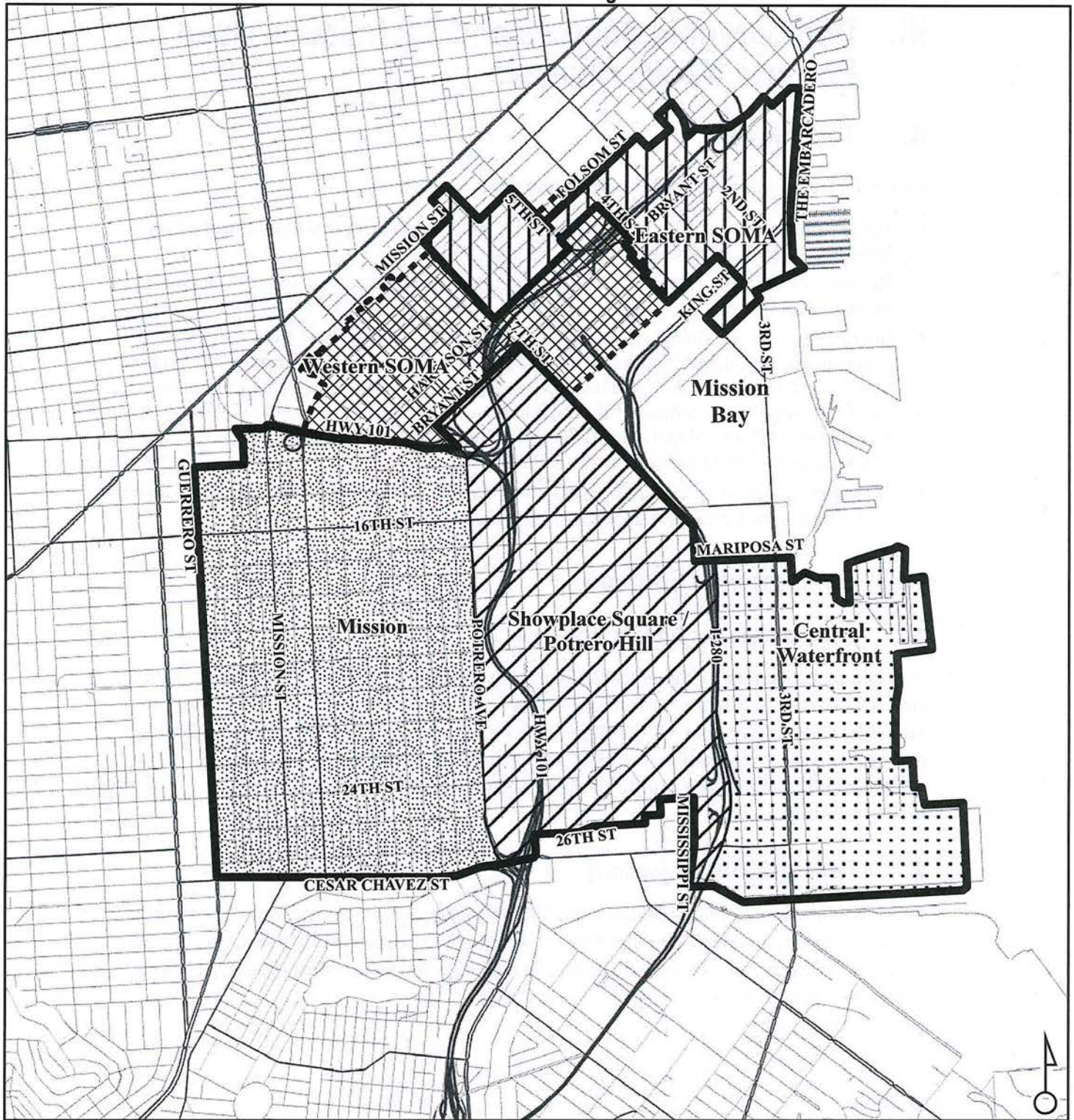
- Mission
- Showplace Square/Potrero Hill
- Eastern South of Market Area (SOMA)
- Central Waterfront

In the rest of this memo, these areas are collectively called the "Eastern Neighborhoods."

The findings and methodology from the needs assessment for these four neighborhoods are described within this memorandum. Appendix A includes a summary needs table and detailed tables by neighborhood. In addition, Seifel assessed the current needs in the Western SOMA neighborhood, which is included in Appendix B.

See Figure II-1 for boundaries of the study area.

Figure II-1
Study Area Boundary and Subareas
San Francisco Eastern Neighborhoods



III. Demographic Sources and Techniques Used to Perform Needs Analysis

A. Techniques

Four main techniques were used to perform the needs analysis:

- Review of available studies, maps and reports, including the General Plan, existing City impact fee studies, departmental databases, and facility plans.
- Review of work performed to date on the potential expansion of the City's development impact fee program.
- Interviews regarding future capital needs and planning with personnel from key City departments, including: Department of Aging and Adult Services, Department of Children, Youth and Families (DCYF), Human Service Agency, San Francisco Arts Commission, San Francisco Fire Department (SFFD), San Francisco Police Department (SFPD), Department of Public Health (DPH), Recreation and Park Department (RPD), and San Francisco Unified School District (SFUSD).
- Estimates of current and future need assuming that the City meets standard levels of service provision for the Eastern Neighborhoods in each key need area.

B. Demographic Sources

1. Socioeconomic Impact Analysis

As a part of the Eastern Neighborhoods Community Planning Process, the Hausrath Economics Group (Hausrath) prepared a Socioeconomic Impact Analysis. The Administrative Draft Socioeconomic Impact Analysis (Draft for Public Review), which was released in March 2007, outlines the impacts on employment and housing due to the proposed rezoning. The socioeconomic data contained in the Hausrath report was used as a baseline for the needs assessment.

2. Demographic Projections

In determining future needs, Seifel used the 2025 demographic projections for the land use scenario, Revised Option B, developed by the Planning Department and first introduced in the February 2003 report *Community Planning in the Eastern Neighborhoods: Rezoning Options Workbook—First Draft*.¹

¹ The Option B Revised land use scenario reflects updated planning area boundaries and additional pipeline projects, but is essentially the same as the growth scenario outlined in 2003.

IV. Summary of Preliminary Findings

The needs assessment evaluated both the current levels of service and projected need for service in the Eastern Neighborhoods, as well as the net remaining need at build-out. The following key findings were observed:

- Current levels of service are adequate for the future in the following analysis categories:
 - Citywide open space
 - High school facilities
 - Library facilities
 - Police and fire stations
- Based on the build out projections, the following services/amenities will be needed in the future:
 - District, neighborhood and subneighborhood open space and maintenance
 - Recreational facilities and maintenance
 - Public health centers
 - Human service centers
 - Cultural centers
 - Middle and elementary schools
 - Licensed childcare spaces
 - Library materials
 - Transportation and transit service
 - Neighborhood serving businesses²
 - Affordable housing

Table IV-1 summarizes the projected need for each key service category at build out of the Eastern Neighborhoods. Table IV-2 describes each need category and outlines which analysis categories are included.

² While specific data regarding current levels of service for neighborhood serving businesses is not readily available, anecdotal evidence indicates a lack of neighborhood serving businesses. Furthermore, new neighborhood serving businesses will be needed at build out to serve the new residents.

Table IV-1
Need Projections
San Francisco Eastern Neighborhoods

Analysis Categories	2025 Need Projection	Notes on Need Provision
Open Space and Recreation Facilities		
Open Space & Parks – District, Neighborhood & Subneighborhood	14.5 acres	New parks and/or intensified use of existing parks & open space
Open Space & Parks Maintenance	\$89,000 per year	
Open Space Recreational Facilities	707,760 SF	
Recreational Facilities Maintenance	\$79,000 per year	
Community Facilities & Services		
Education		Potential need could be met through relocation or new facility
Middle School (6-8)	up to 1 school	
Health Care	0.65 centers	Expansion and/or shared facility
Human Service Agencies	0.49 centers	Expansion and/or shared facility
Cultural Centers	0.16 centers	Expansion and/or shared facility
Public Libraries (Materials)	\$74 fee/resident	
Police (Equipment)	11 squad cars	
Child Care	4,447 spaces	
Infants (0 to 24 months)	619 spaces	
Pre-School (2 to 5 years)	2,099 spaces	
School Aged (6 to 13 years)	1,729 spaces	
Neighborhood Serving Businesses		
Drug Stores	9,748 SF	
Supermarkets	60,040 SF	
Restaurants without liquor	42,611 SF	
Restaurants with liquor	29,466 SF	
Personal Service	18,093 SF	
Other Neighborhood Serving Retail	9,231 SF	
Affordable Housing		
	4,716 units	
Very Low (<50% AMI)	1,901 units	
Low (<80% AMI)	771 units	
Moderate (<120% AMI)	2,044 units	
Transportation and Transit	Unknown	To be specified through further study

**Table IV-2
Definitions for Needs Assessment
San Francisco Eastern Neighborhoods**

Need	Definition	Analysis Categories	Explanation
Open Space & Recreational Facilities	A variety of publicly-accessible spaces including traditional parks, walkways, landscaped areas, recreation facilities, playing fields and unmaintained open areas.	Open Space & Parks - Citywide	Flagship parks, Regional parks, Undeveloped open space, Civic squares and plazas, Large public gardens, Lakes, Greenbelts, Viewsheds
		Open Space & Parks - District, Neighborhood & Subneighborhood	Land and maintenance of: Neighborhood parks, Greenscapes, Mini-parks, Improved alleyways, Widened amenitized sidewalks, Median strips, Greenways, Community Gardens
		Recreational Facilities	Facilities and Maintenance of: Activity Centers, Senior Centers, Arts and Community Centers, Archery, Basketball Courts, Clubhouses, Day Camps, Dog Parks, Equestrian Areas, Fieldhouses, Stadiums, Boating Facilities, Greenhouses, Maintenance Facilities, Museums and Programmed Areas, Offices, Performance Spaces, Picnic Areas, Play Areas and Structures, Playing Courts and Fields, Recreation Centers, Restrooms, Shelters, Shops and Concessions, Skateparks, Swimming Pools, Tennis Courts, Volleyball Courts
Community Facilities & Services	Facilities serving the basic social, health and educational needs of a neighborhood or community.	Education - Student Facilities	Classroom space needed for public education, grades K-12
		Public Libraries	Library facilities and materials
		Police	Police stations and equipment
		Fire	Fire stations and equipment
		Health Care	Publicly-funded health clinics and facilities serving low income residents
		Human Services	City funded "one-stop" centers that include employment and workforce development services, services for senior and adults with disability, and/or youth and family services ^a
		Cultural Facilities	City-owned facilities providing providing accessible arts opportunities for all San Franciscans through cultural arts and programs
Neighborhood Serving Businesses	Businesses catering to the daily needs of neighborhood residents and not necessarily drawing many customers from outside the neighborhood.	Child Care	Licensed child care facilities
		Drug Stores	N/A
		Supermarkets	N/A
		Restaurants	Includes full-service restaurants, specialty restaurants such as coffee shops, ice cream parlors, donut shops, and fast food restaurants
		Personal Service	Coin-operated laundry, dry cleaning, hair, nail and personal care salons
Housing	Impact on affordable housing needs resulting from zoning Option B revised.	Other Neighborhood Serving Retail	Specialty food stores, convenience stores, gift shops, florists, nurseries and garden supply
		Supply to meet affordable housing needs	N/A
Transportation	Infrastructure serving the transportation needs of residents and businesses through adequate streets, transit, bicycle and and pedestrian facilities.	Streets	System capacity, traffic signals, physical condition, and safety
		Public Transit	System capacity, frequency of service, service reliability, stop location and physical condition
		Bicycle Facilities	Bicycle lanes, bicycle racks, off-street bicycle parking
		Pedestrian Facilities	Sidewalks, crosswalks, collision control at dangerous intersections

a. Recreation centers for youth and seniors are analyzed in the Open Space and Parks - Facilities section.

Source: San Francisco Planning Department and Seifel Consulting Inc.

V. Needs Analysis

The purpose of this chapter is to present the needs as analyzed given the projected future growth in the Eastern Neighborhoods. For each analyzed need, the methodology used is introduced as well as a need factor given that methodology. This need factor is then considered alongside the projected future growth to determine and assess the need. Analyzed needs are accompanied by a table summarizing findings and, where relevant, a map showing the location of existing facilities and amenities.

The chapter is organized as follows:

- A. Open Space, Parks and Recreational Facilities
- B. Community Facilities and Services
- C. Neighborhood Serving Businesses
- D. Housing

A. Open Space, Parks and Recreational Facilities

The City's open space, parks and recreational facilities are grouped into three categories using the definitions found in the Recreation and Open Space Element of the General Plan, which reflect the different types of services and amenities available:

- Citywide Open Space and Parks—Generally categorized as a publicly accessible space that is 30 acres and over. The special nature of these larger spaces enables residents from other San Francisco neighborhoods to make use of these amenities.
- District, Neighborhood and Subneighborhood Open Space and Parks—District open space is over 10 acres and less than 30 acres and serves more than a single neighborhood or community. Neighborhood open space is categorized as publicly accessible space that is from one to ten acres. These smaller spaces generally serve a single community or neighborhood. Subneighborhood open space and parks are less than one acre and serve immediately adjacent areas.
- Recreational Facilities—Facilities operated by the Recreation and Park District (RPD) that include community centers, sports facilities, performance spaces, and play areas.

San Francisco's Sustainability Plan calls for parks service to be maintained at a level of 5.5 acres per 1,000 residents.³ Seifel's analysis of current acreage of citywide and neighborhood open space and parks reveals that levels of service are provided at approximately a 4:1 ratio of citywide to district/neighborhood/subneighborhood open space and parks. Therefore, a need factor of 4.5 acres per 1,000 residents for citywide parks and one acre per 1,000 residents for district, neighborhood and subneighborhood parks was used to assess current and future need.

³ Per the Quimby Act (California Governmental Code §66477), a city may require the dedication of land or the payment of fees to provide up to 5 acres of park area per 1,000 residents.

1. Open Space and Parks—Citywide

Need factor: 4.5 acres/1,000 residents

No citywide open space currently exists within the study area. However, sufficient amounts of citywide open space are accessible to neighborhood residents. Currently, the City provides approximately 6.3 acres of open space per 1,000 residents and will remain far above the citywide Sustainability Plan standard of 4.5 acres per 1,000 residents, even with the projected future demand from new residents.⁴

Sufficient amounts of citywide open space are accessible to neighborhood residents, and proposals for new citywide spaces, such as Brannan Street Wharf, an open space development over piers on the Embarcadero in Eastern SOMA, Pier 70 in the Central Waterfront, and the Blue Greenway Public Waterfront Trail, a planned 13-mile greenway/waterway network located along the southern waterfront, will increase citywide open spaces within easy access of new residents of the Eastern Neighborhoods.

2. Open Space and Parks—District, Neighborhood and Subneighborhood

Need factor: one acre/1,000 residents

In order to maintain adequate levels of service, new residents will need additional accessible open space and parks. Using the Need factor of one acre of open space per 1000 residents, Seifel projects that the Eastern Neighborhoods will need approximately 14.5 acres of new neighborhood and/or subneighborhood parks and open space. However, RPD has indicated that needs could be met through intensification of existing park space into more active space.

In addition, the location of these open spaces and parks is also critical to meeting neighborhood needs. The General Plan standards indicate that a neighborhood area has adequate access to open space if it is within one-half mile of citywide open space, three-eighths mile of district open space, one-quarter mile of neighborhood open space or one-eighth mile of subneighborhood open space. The Central Waterfront and portions of the other three neighborhoods lack access to neighborhood and/or subneighborhood open space (Figure V-1).

⁴ Calculations based on inventory from San Francisco Recreation and Park Department, May 2006.

Figure V-1
Public Open Space
San Francisco Eastern Neighborhoods



3. Maintenance and Operating Expenses—Parks

Cost of \$7,835/acre for labor

According to RPD, the existing parks within the Eastern Neighborhoods are relatively well maintained, with an average score of 84 percent on the RPD park maintenance evaluations conducted since June 2005.⁵ While neighborhood residents have reported maintenance deficiencies, Seifel was unable to quantify these deficiencies or the associated costs of rectifying them because RPD has not identified or analyzed these deficiencies.⁶

The current structure of the RPD budget does not allow precise estimation of the costs of maintaining neighborhood parks and open space because the budget does not link park maintenance outcomes to the cost of the relevant inputs (maintenance personnel, capital equipment, etc). In lieu of this detailed information, Seifel estimated a minimum cost factor for maintenance and operating expenses based on direct labor costs and a small overhead factor.

The city will likely need to hire one additional Gardener (class 3417) to service the 14.5 acres of new neighborhood and/or subneighborhood parks and open space projected to be needed in the Eastern Neighborhoods.⁷ The total labor cost of a Gardener is approximately \$74,400 per year, which includes wages plus required benefits.⁸ Since maintenance of the new parks will require additional management and supervisory oversight, Seifel multiplied this cost by an overhead factor of 1.2, to reach a total estimated labor cost of \$89,300 for new Eastern Neighborhood parks. This figure translates to \$7,835 per acre for future park maintenance.⁹

⁵ Evaluations are based on park maintenance standards published by RPD in May 2005. Most parks in the Eastern Neighborhoods were evaluated at least twice through Summer 2006.

⁶ The Neighborhood Parks Council gave some playgrounds within the Eastern Neighborhoods failing or almost failing grades and has criticized the RPD evaluations for being inconsistent, but the NPC 2006 Report Card also granted As and Bs to most of the playgrounds in the study area.

⁷ According to Isabelle Wade of the Neighborhood Parks Council, the national standards for landscaping are one gardener for every 16 acres, but dense urban areas typically require more. However, new parks in the Eastern Neighborhoods are expected to have relatively low landscaping requirements, as they will be neighborhood serving without intense citywide or tourist-driven demand. Maintenance needs may increase over time as the parks age, and every facility has unique maintenance and environmental factors affecting its maintainability. According to RPD, current staffing of gardeners is inadequate, and detailed staffing analysis is underway to quantify staffing needs.

⁸ FY 2006-2007 total compensation (base salary plus mandatory fringe benefits) from Katie Petrucione, Director of Finance and Administration, Recreation and Parks Department.

⁹ The estimated per acre maintenance cost does not include an allowance for the maintenance trades or supplies. This omission is because it was not possible to reasonably assign these costs on a per-park or per-acre basis given available RPD budget information. However, new parks in the Eastern Neighborhoods are unlikely to have significant skilled labor or capital equipment maintenance needs once they are completed.

4. Recreational Facilities

Citywide provision of 21.58 square feet/resident

The City does not have published standards for provision of recreational facilities. Seifel analyzed current citywide levels of facility square footage per capita in order to establish a need factor for recreational facilities. All of the neighborhoods except for Potrero Hill/Showplace Square have an existing need for recreational facilities based on current citywide provision levels, and future residents will need an additional 312,000 square feet of recreational facilities, totaling 708,000 square feet of recreational facilities needed in the Eastern Neighborhoods. See Table IV-2 for the types of facilities included in the calculation.

5. Maintenance and Operating Expenses—Recreation Facilities

Cost of \$0.32/SF for labor

RPD has not yet published maintenance standards for recreation facilities. As with parks, budget data constraints prevent comprehensive analysis of the cost of maintaining new recreation facilities projected for the Eastern Neighborhoods. One additional Custodian (class 2708) will be needed to maintain the 312,000 square feet of recreation space projected to serve new Eastern Neighborhood residents.¹⁰ One additional Custodian would maintain approximately the same ratio of custodians per square foot throughout the city as exists currently.¹¹ At a cost of \$66,100 per year in salary plus benefits times an overhead factor of 1.2, the estimated additional maintenance labor is \$79,300 or \$0.32 per square foot.¹²

Table V-1
Current and Future Needs
Open Space, Parks and Recreational Facilities
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	(1,366) acres	14,477 residents	65.1 acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	See Figure V-1	14,477 residents	14.5 acres	14.5 acres
Open Space & Parks (Operating Costs)	7,835 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies	14.5 acres	\$ 89,322 annual labor cost	\$ 89,322 annual labor cost
Recreational Facilities	21.58 SF/resident	395,346 SF	14,477 residents	312,414 SF	707,760 SF
Recreation Facilities (Operating Costs)	0.25 \$/SF	N/A	312,414 SF	\$ 79,325 annual labor cost	\$ 79,325 annual labor cost

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

Source: San Francisco Planning Department, RPD, Seifel Consulting Inc.

¹⁰ Since Seifel was unable to estimate the costs of existing maintenance deficiencies in recreation facilities citywide, it did not calculate the “current need” for recreation maintenance.

¹¹ According to RPD, existing staffing levels of custodians are inadequate to meet current needs, but the Budget Analyst’s Management Audit recommends reassigning custodians to better meet demand. RPD is currently conducting a staffing analysis that will allow better quantification of this issue. The recommendation of one additional custodian is conservative.

¹² As with parks, this factor does not include skilled labor maintenance, equipment, or other supplies. It also does not include the cost of additional programming at the recreational facilities.

B. Community Facilities and Services

This section of the report focuses on various facilities and services that maintain or enrich the quality of life for residents of the City of San Francisco's Eastern Neighborhoods. The City's Community Facilities and Services are grouped into the following eight categories:

1. Education
 - Elementary Schools
 - Middle Schools
 - High Schools
2. Public Libraries
 - Facilities
 - Materials and Renovation
3. Police
 - Facilities
 - Equipment and Officers
4. Fire
5. Health Care
6. Human Service Agencies
7. Cultural Facilities
8. Child Care

1. Education

Need factor: Based on desired number of students per school type in San Francisco

SFUSD has a full choice student assignment system that provides families the opportunity to apply to any school within the District. Many families do not list their local school as their first choice. According to SFUSD officials, "the extent to which families opt to attend schools in their neighborhood, the rate at which families from other neighborhoods attend schools in this area, and the overall number of students in the City will determine the actual need for additional "seats" in the Eastern Neighborhoods."¹³

This is an important consideration that must be taken into consideration when determining the need for new and/or expanded school facilities. However, the proximity of schools to neighborhoods remains significant for many current and future Eastern Neighborhoods residents. Seifel thus investigated school capacity in the Eastern Neighborhoods as a whole and by subneighborhood.

¹³ Nancy Waymack. Director of Policy and Operations, SFUSD (December 2007).

The capacity study performed as part of the 2002 SFUSD Facilities Master Plan found excess capacity existed for the Eastern Neighborhood Schools for each school type (elementary, middle, and high school). However, aggregate numbers do not show the extent to which some schools are under-enrolled and others over-enrolled, or the schools' ability to absorb the increased population anticipated as part of the rezoning. Moreover, the issue of location and proximity of schools to current and future populations are lost in aggregate numbers.

Figures V-2, V-3 and V-4 contain current school locations in and around the Eastern Neighborhoods. These maps show that the Mission currently has the majority of the educational facilities in the Eastern Neighborhoods, while Eastern SOMA has one elementary and one small middle school and the Central Waterfront has no open facilities.

Seifel based the household student generation factors for market rate and affordable housing units on the SFUSD's 2002 Demographic Analyses and Enrollment Forecasts (DAEF), assuming that the ratio of elementary, middle and high school students is consistent with existing and projected proportions in the DAEF. Table V-2 shows the projected growth in future public school students in elementary, middle and high school categories.¹⁴ Factoring in current excess capacity where applicable, Seifel used design capacity assumptions from the 2005 Residential Development School Fee Justification Study in order to calculate how many new schools may be needed in the Eastern Neighborhoods.¹⁵

Table V-2
Current and Future Needs
School Capacity
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Student Capacity and Demand						
High School (9-12)	0.102 students/housing unit	(982) student capacity	7,385 housing units	753 students	(229) students	N/A
Middle School (6-8)	0.069 students/housing unit	(443) student capacity	7,385 housing units	510 students	67 students	N/A
Elementary School (K-5)	0.146 students/housing unit	(1,742) student capacity	7,385 housing units	1,078 students	(664) students	N/A
School Capacity and Demand						
High School (9-12)	1,611 students/school	(0.61) schools	753 students	0.47 schools	(0.14) schools	0 schools
Middle School (6-8)	1,389 students/school	(0.32) schools	510 students	0.37 schools	0.05 schools	* schools
Elementary School (K-5)	656 students/school	(2.66) schools	1,078 students	1.64 schools	(1.01) schools	0 schools

a. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002.

Assumes ratio of elementary to middle to high schools students is consistent with existing and projects proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD. Current capacity and enrollment information from SFUSD, December 2007.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, SFUSD, Seifel Consulting Inc.

¹⁴ DAEF (San Francisco Unified School District, July 2002) estimates a student generation rate of 0.2 students per housing unit and 0.7 students per affordable unit. Seifel estimates that 25 percent of new housing units in the Eastern Neighborhoods will be affordable to low and moderate income households (see Housing section at end of this report).

¹⁵ These design capacity assumptions are that a high school has the capacity for 1,611 students and an elementary school for 656 students. Design capacity for middle schools was not analyzed in the 2005 Residential Development School Fee Justification Study—Seifel estimated middle school capacity of 1,389 students based on the design capacity for elementary schools, adjusted for the fewer number of grade levels and the fewer number of middle schools citywide.

The student capacity calculations above demonstrate the need for an elementary school, and this is reinforced by the fact that no elementary schools are located in the eastern portion of the Study Area (Figure V-2). Seifel therefore recommends that a new elementary school be located in the Central Waterfront, Eastern SOMA or Showplace Square/Potrero Hill neighborhoods.

The student capacity calculations above demonstrate sufficient capacity for projected elementary school students, although some neighborhoods, namely Eastern SOMA and the Central Waterfront, will not be able to meet the demand for new elementary school spaces within their boundaries. Seifel therefore recommends maintain existing elementary schools and monitoring choice patterns of families in the Eastern Neighborhoods for increased demand for local elementary schools.

Seifel also recommends that the Planning Department and SFUSD consider adding capacity for middle school students in the Central Waterfront, Eastern SOMA or Showplace Square/Potrero Hill neighborhoods. This recommendation is based on new student projections and limited capacity for middle school students in the area now; currently there is only one middle school in the Eastern Neighborhoods, Horace Mann Middle School, located on the western side of the Mission neighborhood, and one K-8 school, Bessie Carmichael, within Eastern SOMA.¹⁶

Student capacity currently exists in Eastern Neighborhoods high schools. These schools are centrally located in the Eastern Neighborhoods, and future student generation would not be great enough to warrant construction of an additional high school (Figure V-4).

The calculations and recommendations contained in this memo will be impacted by future SFUSD school closures, relocation and merger decisions, as well as future attendance trends in the Eastern Neighborhoods and rest of the District. Updated information about these decisions and trends should be considered before any particular policy or plan is actively pursued.

¹⁶ The middle school at Bessie Carmichael is currently operating out of portable classrooms, with its permanent facility under construction at 824 Harrison Street. There is an additional K-8 school, Paul Revere K-8 School, south of the Eastern Neighborhoods in Bernal Heights.

**Figure V-2
Public Elementary Schools
San Francisco Eastern Neighborhoods**

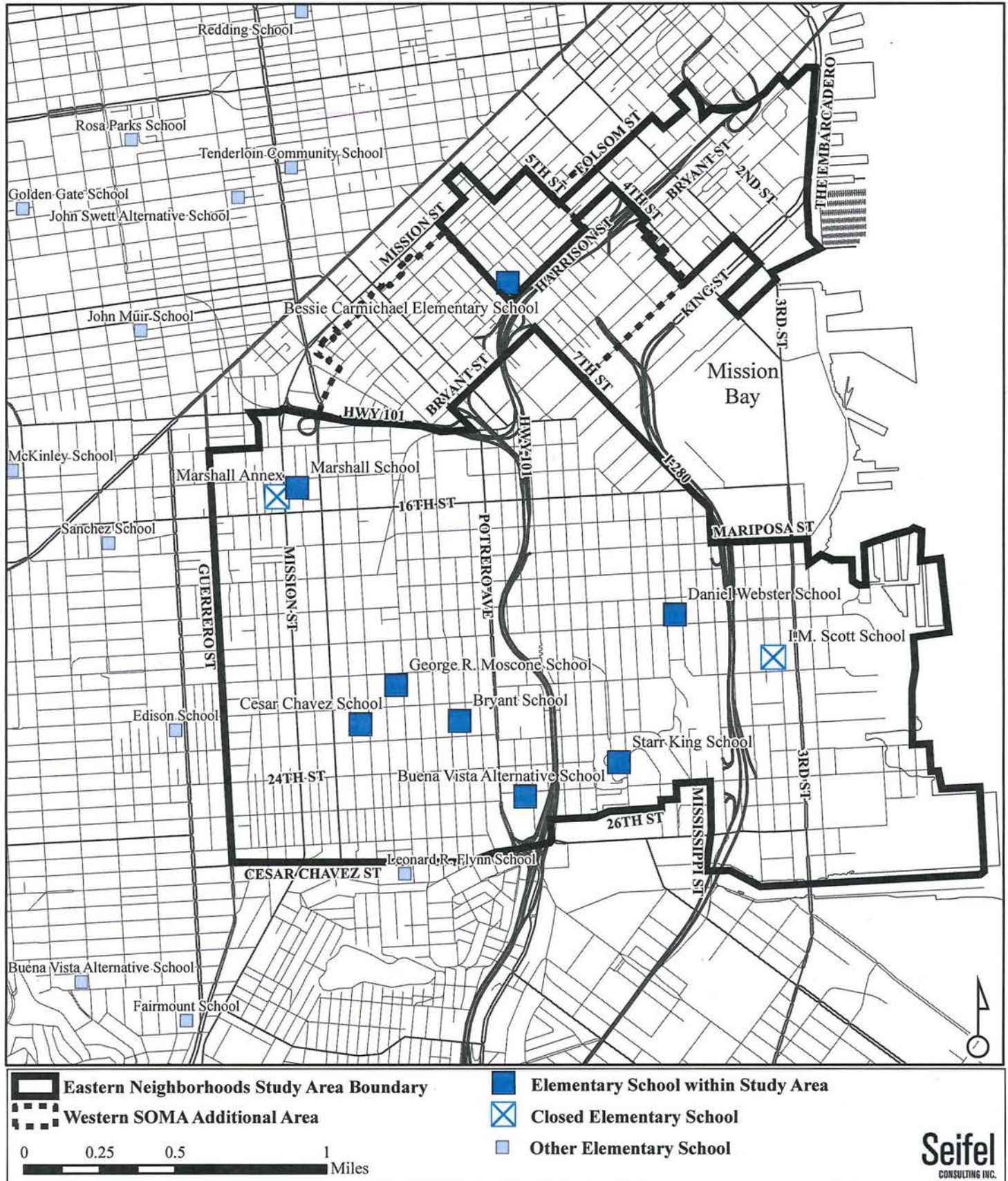
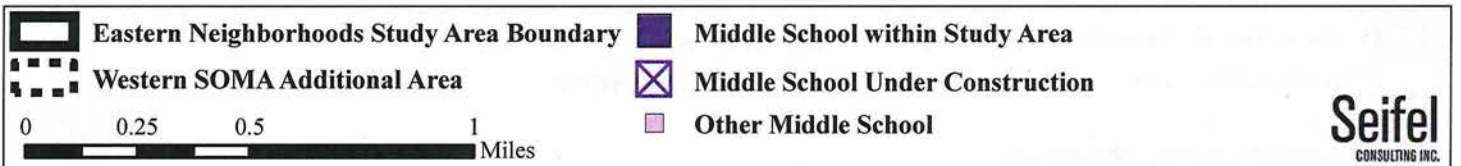
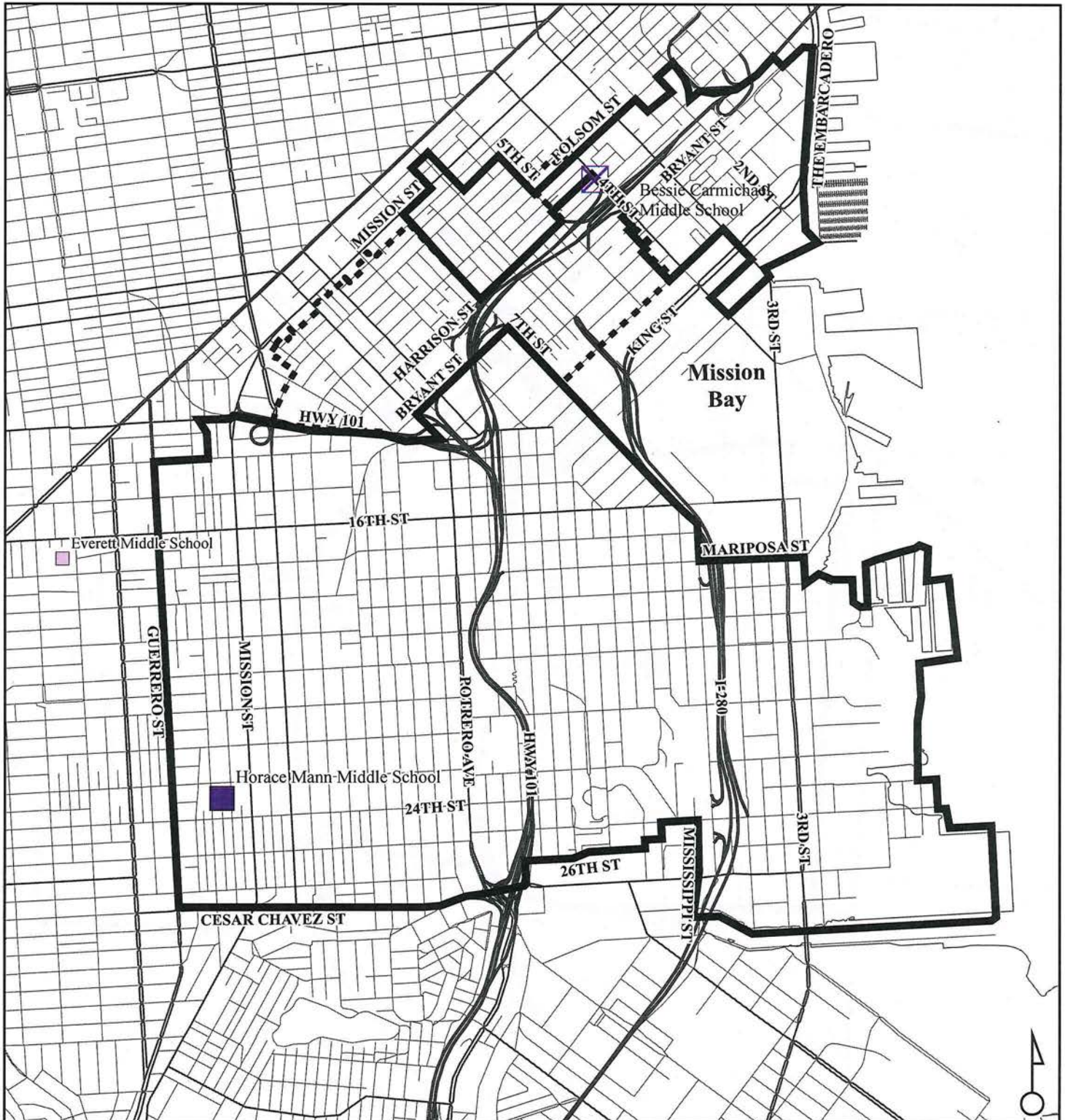


Figure V-3
Public Middle Schools
San Francisco Eastern Neighborhoods



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Figure V-4
Public High Schools
San Francisco Eastern Neighborhoods



2. Public Libraries

a. Facilities

Need factor: Library Department does not indicate need for new library branches.

The public library system consists of one Main Library and 27 branch libraries. The City's level of service exceeds State levels, and new construction is not the Branch Library Improvement Program's highest priority.¹⁷ According to San Francisco Public Library service area maps, the Eastern Neighborhoods are currently served by the Main Library, Mission Branch, Potrero Branch, and Mission Bay Branch (see Figure V-5).¹⁸ The Library Department does not indicate that a new library would be needed in the Eastern Neighborhoods but does indicate that improvements are needed at the Potrero Branch.

The Potrero Branch is the only library serving the Eastern Neighborhoods in need of renovation, and it is slated for renovation in 2008, with partial funding from the Proposition A bond measure. The Mission Branch library was one of the five branches seismically renovated and made code compliant during the 1990s, the Main Library was completed in 1996, and the Mission Bay Branch is the City's first new branch in 40 years.

b. Materials and Renovation

Need Factor: \$74/new resident for materials

While the Library Department does not indicate a need for future branch libraries, an increase in residential population could add to the need for library materials and improvements. The Rincon Hill impact fee formula of \$69/new resident is consistent with the service standards used by the San Francisco Public Library for allocating resources to neighborhood branch libraries.¹⁹ Seifel escalated the fee to reflect inflation from 2005, when the fee was initially determined, to 2007 resulting at a current dollar amount of \$74/new resident.²⁰ This fee is intended to offset the need for additional materials, branch renovation and rehabilitation caused by increased use in all library branches.

¹⁷ California Library Statistics 2007 (FY 2005-06) by the California State Library Foundation indicate that per capita library expenditures in San Francisco are nearly two and a half times the State average. The Branch Improvement Program was initiated under Proposition A in 2000.

¹⁸ Branch Facilities Plan, San Francisco Public Library, 2006.

¹⁹ Rincon Hill Area Plan, City 2005 General Plan.

²⁰ Seifel escalated the 2005 materials cost to 2007 dollars using the Consumer Price Index for the San Francisco/Oakland/San Jose area.

**Table V-3
Current and Future Needs
Public Libraries Facilities and Materials
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 libraries	Based on Geography	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	14,477 residents	\$ 1,066,342 total fees	\$ 74 fee/resident

Source: San Francisco Planning Department, San Francisco Library Department, Seifel Consulting Inc.

**Figure V-5
Public Libraries
San Francisco Eastern Neighborhoods**



3. Police

a. Facilities

Need factor: Police Department does not indicate need

San Francisco, like most U.S. cities, does not have a standard for provision of police stations. The San Francisco Police Department (SFPD) indicated that no additional police stations would be needed in the Eastern Neighborhoods as a result of projected population growth. The SFPD identifies three stations that currently serve the Eastern Neighborhoods—Bayview, Mission and Southern (to be replaced by Mission Bay) police stations (see Figure V-6).

b. Equipment and Officers

Need factor: 0.77 squad cars/1,000 residents

Seifel was unable to obtain information on the adequacy of current equipment or current equipment needs. Seifel evaluated the future need for equipment, specifically squad cars, according to SFPD standards. This analysis projects a future need for 11 new squad cars, which currently cost the SFPD approximately \$30,000 each.²¹ The SFPD indicates that the new Mission Bay station, which is replacing Southern station, will accommodate new officers to serve Mission Bay and the surrounding area. A precise estimate of how many new officers are needed only in Eastern Neighborhoods was not available given the department's system wide approach.

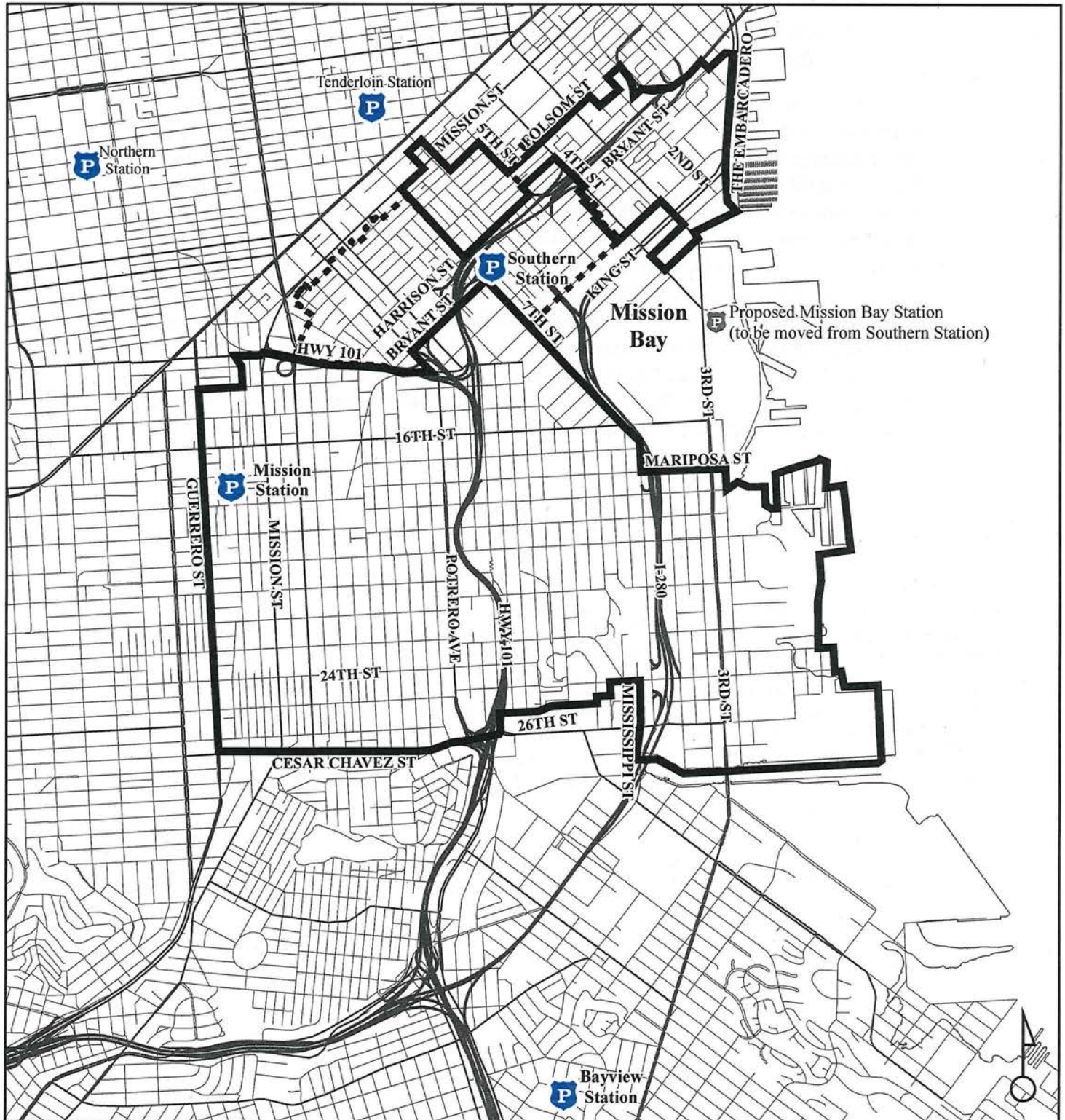
Table V-4
Current and Future Needs
Police Facilities and Equipment
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 stations	Based on Geography	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	N/A	14,477 residents	11.2 squad cars	11 squad cars

Source: San Francisco Planning Department, SFPD, Seifel Consulting Inc.

²¹ Based on interviews with the SFPD, May 2006.

Figure V-6
Police Stations
San Francisco Eastern Neighborhoods



Eastern Neighborhoods Study Area Boundary Police Station
 Western SOMA Additional Area

0 0.3 0.6 1.2
Miles

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4. Fire

General Plan factor: 1/2 mile service area; Fire Department factor: Based on response time

According to the Community Facilities Element of the City's General Plan, "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." As shown in Figure V-7, the San Francisco Fire Department (SFFD) currently has 10 fire stations that serve the study area and an additional station planned in Mission Bay. While the Central Waterfront and the Mission are not entirely within a 1/2-mile service area, this does not necessarily indicate inadequate levels of service. The SFFD bases service standards on response time. The department's 300-second response time goal is currently being met in the study area.²² In addition, the SFFD does not anticipate a need for future stations to serve the Eastern Neighborhoods based on adequate response time. However, while a need does not exist at the neighborhood level, the SFFD has indicated a need may exist citywide when the comprehensive citywide system is considered. Similarly, the department does not indicate a need for new officers or firefighters in the Eastern Neighborhoods, but a need may exist when the citywide system is considered.

Table V-5
Current and Future Needs
Fire
San Francisco Eastern Neighborhoods

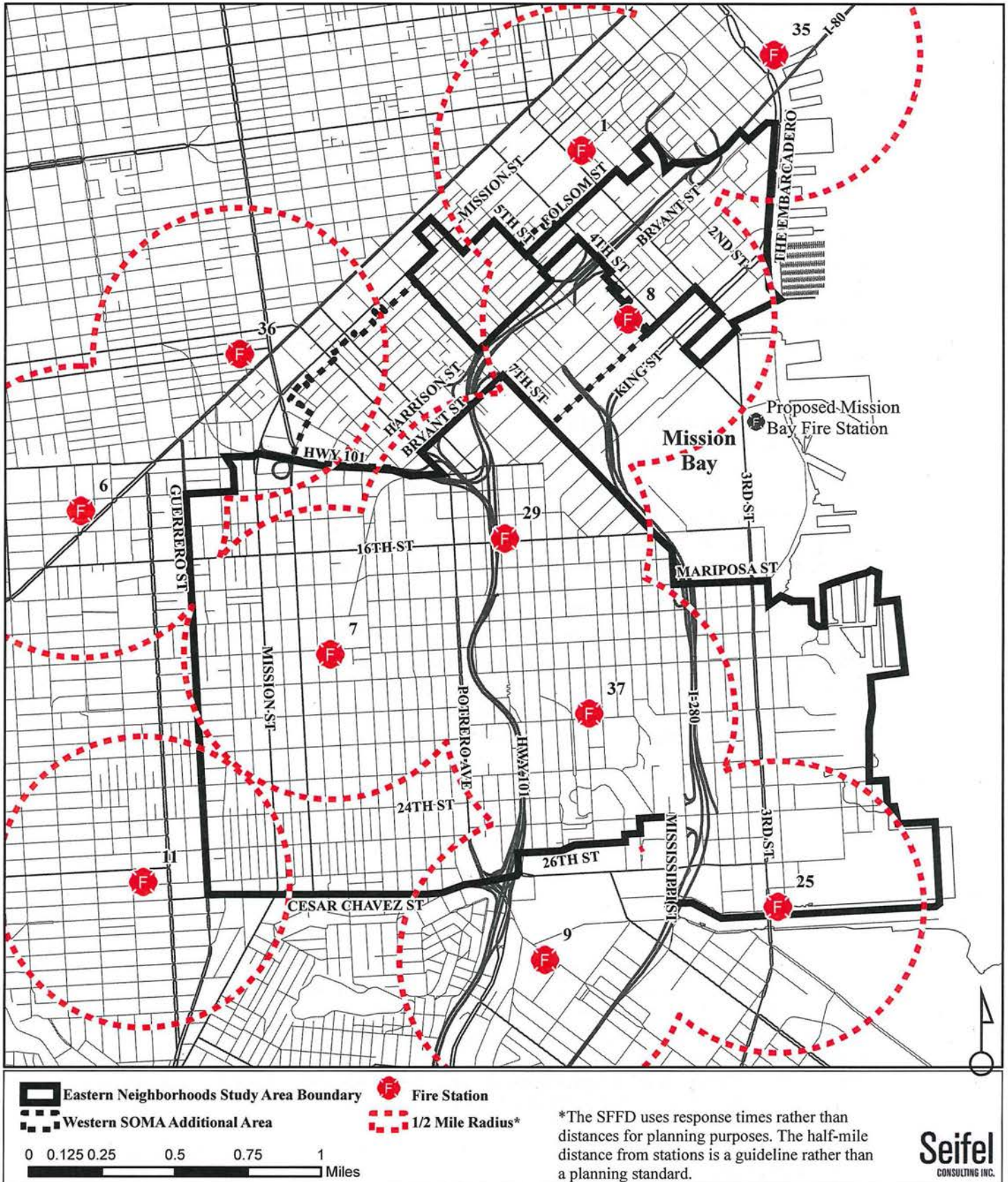
Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Fire ^a	1/2 mile service area	0 stations	Based on response time	0 stations	0 stations

a. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

Source: San Francisco Planning Department, SFFD, Seifel Consulting Inc.

²² Per a 2005 questionnaire of the SFFD by ESA.

Figure V-7
Fire Stations
San Francisco Eastern Neighborhoods



5. Health Care

Need factor: 0.057 centers/1,000 residents

Currently, the City has 24 public health clinics, four of which are located in the Eastern Neighborhoods.²³ The Department of Public Health (DPH) recommends a one-mile access to health care centers, and all of the Eastern Neighborhoods are within a one-mile radius of a public health center except for the eastern most edges of the Eastern SOMA and Central Waterfront neighborhoods (Figure V-8).²⁴

On a per capita basis, the Eastern Neighborhoods have more facilities than exist citywide, which is appropriate as public health centers primarily serve low-income residents and the Eastern Neighborhoods house a disproportionate share of the City's low-income residents. Seifel assumed that income distribution will remain relatively constant and that the current neighborhood service level of 0.057 centers per 1,000 residents would therefore be necessary to serve future residents. Given projected population growth in the Eastern Neighborhoods, additional facilities or expansion of existing facilities equivalent to 0.65 centers are needed.

6. Human Service Centers

Need factor: 0.043 centers/1,000 residents

Staff of the City's Human Service Agency acknowledge the difficulty in establishing a definition of human service centers. For the purposes of this report, the human service facilities include City funded "one-stop" centers that include employment and workforce development services, services for senior and adults with disability, and/or youth and family services.²⁵

Currently, the City has 45 human service centers, three of which are located in the Eastern Neighborhoods (Figure V-8). With projected population growth in the Eastern Neighborhoods, additional facilities or expansion of existing facilities equivalent to a 16 percent increase in capacity is needed to maintain the neighborhood level of service of 0.043 centers per 1,000 residents.²⁶ The Human Service Agency indicates a need for consolidation of existing service providers rather than construction of more facilities.

²³ Information about public health clinics located on the DPH website, <http://www.dph.sf.ca.us/chn/healthcenters.htm>.

²⁴ While the Central Waterfront does not currently have any public health centers, the current and future populations could be served by the Potrero Hill Health Center.

²⁵ Recreation centers for youth and seniors are analyzed in the Open Space and Parks - Facilities section. This analysis does not include cultural centers.

²⁶ While the Central Waterfront does not currently have any human service centers, the current and future populations could be served by the Potrero Hill Family Resource Center.

7. Cultural Facilities

Need factor: 0.014 centers/1,000 residents

The City's Arts Commission currently maintains four city-owned cultural centers throughout the City, one of which is in the Eastern Neighborhoods (Figure V-8). The Mission Cultural Center operates at full capacity serving the current population. With projected population growth in the Eastern Neighborhoods, additional facilities or expansion of the Mission Cultural Center equivalent to a 16 percent increase in capacity is needed to maintain the level of facilities at the neighborhood level of service of 0.014 centers per 1,000 residents.

Table V-6
Current and Future Needs
Health Care, Human Services, and Cultural Center Facilities
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Health Care	0.057 centers/1,000 residents	0.0 centers	14,477 residents	0.82 centers	0.65 centers
Human Service Agencies	0.043 centers/1,000 residents	(0.1) centers	14,477 residents	0.62 centers	0.49 centers
Cultural Centers	0.014 centers/1,000 residents	(0.0) centers	14,477 residents	0.21 centers	0.16 centers

Source: San Francisco Planning Department, DPH, HSA, SF Arts Commission, and Seifel Consulting Inc.

Figure V-8
Neighborhood Community Facilities
San Francisco Eastern Neighborhoods



8. Child Care

Need factor: 52.7 spaces/1,000 residents, 22.4 spaces/1,000 workers

In order to assess current and future need, Seifel followed a methodology that accounts for the current and future needs of both residents and workers formulated in conjunction with the Planning Department, the Department of Children, Youth and Their Families (DCYF), and Brion Associates.²⁷

Resident need was calculated based on household population and share of that population that is an infant (0 to 24 months), pre-school age (2 to 5 years old) or school age (6 to 13 years old). The estimate of total children was then adjusted to account for children with working parents, children needing licensed child care, and those who were likely to seek that care from child care centers (as opposed to family care establishments).

Estimated need by workers was calculated based on jobs within each neighborhood. So as not to overstate demand by counting workers who are also residents, Seifel estimated the number of jobs held by workers living outside of the area (non-resident workers). Child care required by non-resident workers was then calculated based on the share of those workers who would require child care and the type of child care they would need.²⁸

Existing child care supply was determined by neighborhood using the San Francisco Child Care Information Management System.²⁹ The analysis determined an existing need of 3,472 licensed child care spaces in the Eastern Neighborhoods. New development is anticipated to increase that need by 975 spaces, for a total future need of 4,447 spaces, as illustrated in table V-7. For need by neighborhood and/or age group, see Appendix A.

²⁷ Brion & Associates is the firm currently consulting on child care for the Citywide Development Impact Fee Study.

²⁸ Sources and assumptions for child care analysis: **Population/Jobs**—US Census 2000 and Planning Department 'Option B' Projections for 2025. **Children as % of Population**—Based on estimated number of children by age categories for San Francisco from CA Department of Finance P-3 Report as analyzed by Brion & Associates, 2006. **Children with Working Parents**—Labor force participation rates for parents in families with two working parents or a single working parent from the 2000 Census. Rates vary by age, under 6 years and over 6 years. **Children Needing Licensed Care**—Many children with working parents are cared for by family members, nannies, friends, and unlicensed care. This analysis assumes that approximately 37% of infants, 100% of pre-school age children, and 66% of school age children need licensed child care. Assumptions are based on a detailed review of other child care studies performed by Brion & Associates and DCYF direction. **Non-Resident Workers**—Share of San Francisco jobs held by workers living outside of the City was used as a proxy for share of jobs held by workers living outside of the Eastern Neighborhoods. **Workers need for Child Care**—Assumes 5% of non-resident employees need child care and one space per employee. Also assumes that 25% of those spaces will be for infants and 75% for pre-school children. School age children are assumed to have care near their place of residence. These assumptions were made by Brion & Associates under DCYF direction.

²⁹ San Francisco Child Care Information Management System (www.sfccmap.com), a project of the Low Income Investment Fund and San Francisco State University's Institute for Geographic Information Science, with collaboration from the City and County of San Francisco (September 2006). Seifel analyzed spaces in each neighborhood using a GIS file containing licensed child care centers from the SFCCIMS provided via the SF Department of Children, Youth and Their Families (DCYF).

**Table V-7
Current and Future Needs
Child Care Spaces
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Child Care ^a	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	3,472 spaces	975 spaces	4,447 spaces	4,447 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	518 spaces	101 spaces	619 spaces	619 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	1,661 spaces	438 spaces	2,099 spaces	2,099 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	1,293 spaces	436 spaces	1,729 spaces	1,729 spaces

a. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System. Source: San Francisco Planning Department, Brion & Associates, Seifel Consulting Inc.

C. Neighborhood Serving Businesses

No standard need factors

While neighborhoods need businesses that provide retail and personal services to residents, no citywide standards for their provision currently exist. In addition, while community residents have indicated a need for additional neighborhood serving businesses in the Eastern Neighborhoods, the Planning Department does not have information on the current number and square footage of neighborhood serving businesses in the Eastern Neighborhoods.

Seifel estimated the Eastern Neighborhoods' future retail needs by modeling the spending habits of households earning the Eastern Neighborhoods' median income with data from the Bureau of Labor Statistic's 2003 Consumer Expenditure Survey.³⁰ See Table IV-2 for types of businesses included in the analysis. Supportable square feet for each retail type was calculated using the Urban Land Institute's 2004 Dollars and Cents of Shopping Centers estimates.³¹ Overall, the analysis indicates that future Eastern Neighborhoods residents will likely demand an additional 169,000 square feet of neighborhood serving retail.

**Table V-8
Current and Future Needs
Neighborhood Serving Businesses
San Francisco Eastern Neighborhoods**

Analysis Categories	Need Factor	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Need Projection
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.	7,385 housing units	9,748 SF	9,748 SF
Supermarkets	8.1 SF/housing units		7,385 housing units	60,040 SF	60,040 SF
Full Service Restaurants	5.8 SF/housing units		7,385 housing units	42,611 SF	42,611 SF
Limited Service Restaurants	4.0 SF/housing units		7,385 housing units	29,466 SF	29,466 SF
Personal Service	2.5 SF/housing units		7,385 housing units	18,093 SF	18,093 SF
Other Neighborhood Serving Retail	1.3 SF/housing units		7,385 housing units	9,231 SF	9,231 SF
TOTAL	22.9 SF/housing units		7,385 housing units	169,190 SF	169,190 SF

Source: San Francisco Planning Department, Bureau of Labor Statistics, ULI's 2004 Dollars and Cents of Shopping Centers, and Seifel Consulting Inc.

³⁰ While the median household income varies within the Eastern Neighborhoods, Seifel assumes the projected increase in population will have a substantial impact on neighborhood demographics. We assume that the median household income for the entire Eastern Neighborhoods combined is a more stable figure upon which to base future income projections. The median household income for the Eastern Neighborhoods, reported by Hausrath Economics Group on August 17, 2006, escalated to 2003 dollars, is \$54,282. The Bureau of Labor Statistic's Consumer Expenditure Survey, 2003 provides estimates of annual household spending by product type for household income ranging from \$50,000 to \$75,000. Seifel's Retail Model converts dollars spent by product type to dollars spent annually by retail store type using US Census Bureau Product Line data.

³¹ Seifel escalated the Department of Labor Statistic's Consumer Expenditure Survey results to 2004 dollars. Dollars and Cents estimates are the median sales volume per square foot of gross leasable space for Neighborhood Shopping Centers in the Western Region. According to the Urban Land Institute definition in *2004 Dollars and Cents of Shopping Centers*, Neighborhood Shopping Centers provide for the sale of convenience goods and personal services. Typically they are built around a supermarket as the principal tenant and contain a gross leasable area of approximately 60,000 square feet.

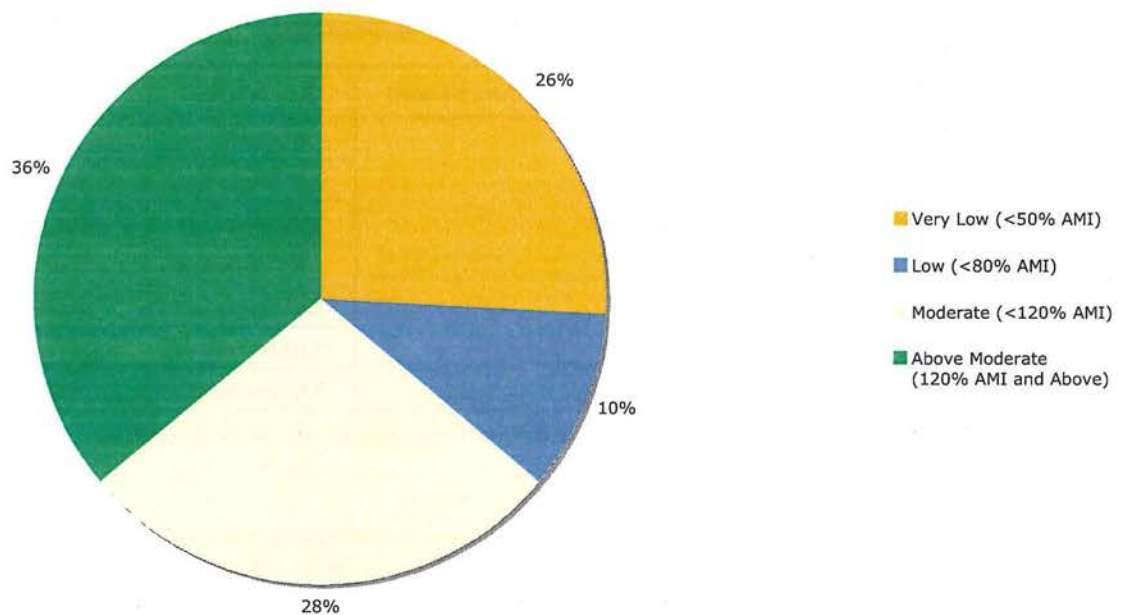
D. Housing

1. Affordable Housing Needs

Need factor: 26%, 10% and 28% of new production is affordable to very low, low and moderate income households

ABAG estimates that 64 percent of new housing production in San Francisco will need to be affordable to very low, low and moderate income households, as indicated in the Hausrath Socioeconomic Impact Analysis. Within the Eastern Neighborhoods, this translates to 1,901 units affordable to very low-income households, 771 to low-income households and 2,044 to moderate-income households, for a total of 4,716 of the 7,385 units anticipated.

Figure V-9
Current and Future Needs
Affordable Housing
San Francisco Eastern Neighborhoods



E. Transportation and Transit

No standard need factors

Due to the complexity of planning for transportation and transit needs, the calculation of future transportation needs is not feasible in a manner comparable to the analyses undertaken in this assessment. However, the Eastern Neighborhoods planning process has determined that the transit and transportation infrastructure that exists in these neighborhoods is already insufficient, and it is estimated that the population growth and development will increase need.

It is clear that land use change and new residential development in the Eastern Neighborhoods will require improvements to the existing transportation infrastructure. Industrial areas, historically focused on the movement of vehicles and trucks, are evolving to accommodate pedestrians, bicyclists and public transit. New traffic signals, transit service, and bicycle and pedestrian facilities are required to meet the transportation needs of new residents, visitors and employees in the Eastern Neighborhoods. While some needs have been identified at a broad level through the Eastern Neighborhoods planning process, and some improvements are being identified through planning efforts such as the San Francisco Municipal Transportation Agency's (SFMTA) Transit Effectiveness Project (TEP), further study is needed to identify the specific projects that will make up a comprehensive multi-modal transportation improvement program. In 2008, the SFMTA, San Francisco County Transportation Authority (SFCTA), and the Planning Department will commence the Eastern Neighborhoods Transportation Implementation Study to identify needed improvements.

VI. Conclusion

Based on current levels of service and projected growth in the Eastern Neighborhoods as estimated based on Zoning Option B Revised, future needs are projected for district/neighborhood/subneighborhood open space and maintenance, recreational facilities and maintenance, child care, police squad cars, elementary and middle school facilities, health care facilities, human service facilities, cultural center expansion, library funding, neighborhood serving retail, affordable housing, and transportation and transit.

Table A-1
Current and Future Need (2025 - Option B Revised)
San Francisco Eastern Neighborhoods

Analysis Categories	Need Factor	Existing Condition ^a	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^b	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	14,477 residents	65.1 acres	(1,301) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	50.4 acres	Based on Geography	See Figure V-1	14,477 residents	14.5 acres	N/A	14.5 acres
Open Space & Parks (Operating Costs)	7,835 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			14.5 acres	\$ 89,322 annual labor cost	N/A	\$ 89,322 annual labor cost
Recreational Facilities	21.58 SF/resident	1,054,916 SF	67,204 residents	395,346 SF	14,477 residents	312,414 SF	707,760 SF	707,760 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	312,414 SF	\$ 79,325 annual labor cost	N/A	\$ 79,325 annual labor cost
Education (Schools) ^c	0.317 students/housing unit	7,275 student capacity	N/A	(3,167) student capacity	7,385 housing units	2,341 students	(826) students	N/A
High School (9-12)	0.102 students/housing unit	2,050 student capacity	N/A	(982) student capacity	7,385 housing units	753 students	(229) students	N/A
Middle School (6-8)	0.069 students/housing unit	1,025 student capacity	N/A	(443) student capacity	7,385 housing units	510 students	67 students	N/A
Elementary School (K-5)	0.146 students/housing unit	4,200 student capacity	N/A	(1,742) student capacity	7,385 housing units	1,078 students	(664) students	N/A
High School (9-12)	1,611 students/school	3 schools	N/A	(0.61) schools	753 students	0.47 schools	(0.14) schools	0 schools
Middle School (6-8)	1,389 students/school	2 schools	N/A	(0.32) schools	510 students	0.37 schools	0.05 schools	* schools
Elementary School (K-5)	656 students/school	8 schools	N/A	(2.66) schools	1,078 students	1.64 schools	(1.01) schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	5 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	67,204 residents	N/A	14,477 residents	\$ 1,066,342 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	3 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	67,204 residents	N/A	14,477 residents	11.2 squad cars	N/A	11 squad cars
Fire ^d	1/2 mile service area	11 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	4 centers	67,204 residents	0.0 centers	14,477 residents	0.82 centers	0.65 centers	0.65 centers
Human Service Agencies	0.043 centers/1,000 residents	3 centers	67,204 residents	(0.1) centers	14,477 residents	0.62 centers	0.49 centers	0.49 centers
Cultural Facilities	0.014 centers/1,000 residents	1 centers	67,204 residents	(0.0) centers	14,477 residents	0.21 centers	0.16 centers	0.16 centers
Child Care ^e	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	1,785 spaces	5,257 spaces	3,472 spaces	975 spaces	4,447 spaces	N/A	4,447 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	218 spaces	736 spaces	518 spaces	101 spaces	619 spaces	N/A	619 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	1,147 spaces	2,808 spaces	1,661 spaces	438 spaces	2,099 spaces	N/A	2,099 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	420 spaces	1,713 spaces	1,293 spaces	436 spaces	1,729 spaces	N/A	1,729 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	9,748 SF	N/A	9,748 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	60,040 SF	N/A	60,040 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	42,611 SF	N/A	42,611 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	29,466 SF	N/A	29,466 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	18,093 SF	N/A	18,093 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			7,385 housing units	9,231 SF	N/A	9,231 SF
Affordable housing needs	0.64 affordable units/total units	N/A	25,464 total units	N/A	7,385 total units	4,716 affordable units	N/A	4,716 affordable units

a. Existing conditions for libraries, police stations and fire stations are counted within the subareas by service area. Some facilities service more than one subarea, however, they are not counted multiple times in this total.

b. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

c. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

Current response times meet SFPD standards.

e. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

Table A-2
Current and Future Need (2025 - Option B Revised)
Mission Neighborhood

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,301 residents	19.4 acres	(1,346) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	17.0 acres	Based on Geography	See Figure V-1	4,301 residents	4.3 acres	N/A	4.3 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			4.3 acres	\$ 26,537 annual labor cost	N/A	\$ 26,537 annual labor cost
Recreational Facilities	21.58 SF/resident	385,683 SF	41,788 residents	516,102 SF	4,301 residents	92,816 SF	608,918 SF	608,918 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	92,816 SF	\$ 23,567 annual labor cost	N/A	\$ 23,567 annual labor cost
Education (Schools) ^b	0.317 students/housing unit	4,025 student capacity	N/A	(1,611) student capacity	1,118 housing units	354 students	(1,257) students	N/A
High School (9-12)	0.102 students/housing unit	1,225 student capacity	N/A	(482) student capacity	1,118 housing units	114 students	(368) students	N/A
Middle School (6-8)	0.069 students/housing unit	825 student capacity	N/A	(392) student capacity	1,118 housing units	77 students	(315) students	N/A
Elementary School (K-5)	0.146 students/housing unit	1,975 student capacity	N/A	(737) student capacity	1,118 housing units	163 students	(574) students	N/A
High School (9-12)	1,611 students/school	1 schools ^c	N/A	(0.30) schools	114 students	0.07 schools	(0.23) schools	0 schools
Middle School (6-8)	1,389 students/school	1 schools	N/A	(0.28) schools	77 students	0.06 schools	(0.23) schools	0 schools
Elementary School (K-5)	656 students/school	4 schools	N/A	(1.12) schools	163 students	0.25 schools	(0.87) schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	3 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	41,788 residents	N/A	4,301 residents	\$ 316,802 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	41,788 residents	N/A	4,301 residents	3.3 squad cars	N/A	3 squad cars
Fire ^d	1/2 mile service area	7 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	2 centers	41,788 residents	0.4 centers	4,301 residents	0.24 centers	0.6 centers	0.6 centers
Human Service Agencies	0.043 centers/1,000 residents	2 centers	41,788 residents	(0.2) centers	4,301 residents	0.18 centers	(0.0) centers	(0.0) centers
Cultural Centers	0.014 centers/1,000 residents	1 centers	41,788 residents	(0.4) centers	4,301 residents	0.06 centers	(0.3) centers	(0.3) centers
Child Care ^e	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	1,392 spaces	2,774 spaces	1,382 spaces	273 spaces	1,655 spaces	N/A	1,655 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	189 spaces	334 spaces	145 spaces	26 spaces	171 spaces	N/A	171 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	887 spaces	1,375 spaces	488 spaces	117 spaces	605 spaces	N/A	605 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	316 spaces	1,065 spaces	749 spaces	130 spaces	879 space	N/A	879 space
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	1,476 SF	N/A	1,476 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	9,089 SF	N/A	9,089 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	6,451 SF	N/A	6,451 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	4,461 SF	N/A	4,461 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	2,739 SF	N/A	2,739 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,118 housing units	1,398 SF	N/A	1,398 SF
Affordable housing needs	0.64 affordable units/total units	N/A	13,309 total units	N/A	1,118 total units	714 affordable units	N/A	714 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The analysis does not include Downtown High School, as this facility is scheduled to relocate within the 2006/2007 school year.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

e. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System. Source: San Francisco Planning Department, Environmental Science Associates, Seifert Consulting Inc.

**Table A-3
Current and Future Need (2025 - Option B Revised)
Showplace Square / Potrero Hill Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,049 residents	18.2 acres	(1,347) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	18.3 acres	Based on Geography	See Figure V-1	4,049 residents	4.0 acres	N/A	4.0 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 85% but cannot cost out deficiencies			4.0 acres	\$ 24,982 annual labor cost	N/A	\$ 24,982 annual labor cost
Recreational Facilities	21.58 SF/resident	574,940 SF	13,501 residents	(283,589) SF	4,049 residents	87,377 SF	(196,211) SF	0 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	87,377 SF	\$ 22,186 annual labor cost	N/A	\$ 22,186 annual labor cost
Education (Schools)	0.317 students/housing unit	2,500 student capacity	N/A	(1,380) student capacity	2,635 housing units	835 students	(545) students	N/A
High School (9-12)	0.102 students/housing unit	825 student capacity	N/A	(500) student capacity	2,635 housing units	269 students	(231) students	N/A
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity	2,635 housing units	182 students	182 students	N/A
Elementary School (K-5)	0.146 students/housing unit	1,675 student capacity	N/A	(880) student capacity	2,635 housing units	385 students	(495) students	N/A
High School (9-12)	1,611 students/school	2 schools ^c	N/A	(0.31) schools	269 students	0.17 schools	(0.14) schools	0 schools
Middle School (6-8)	1,389 students/school	0 schools	N/A	0.00 schools	182 students	0.13 schools	0.13 schools	* schools
Elementary School (K-5)	656 students/school	3 schools	N/A	(1.34) schools	385 students	0.59 schools	(0.76) schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	13,501 residents	N/A	4,049 residents	\$ 298,240 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	3 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	13,501 residents	N/A	4,049 residents	3.1 squad cars	N/A	3 squad cars
Fire ^d	1/2 mile service area	6 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	1 centers	13,501 residents	(0.2) centers	4,049 residents	0.23 centers	(0.0) centers	(0.0) centers
Human Service Agencies	0.043 centers/1,000 residents	1 centers	13,501 residents	(0.4) centers	4,049 residents	0.17 centers	(0.3) centers	(0.3) centers
Cultural Centers	0.014 centers/1,000 residents	0 centers	13,501 residents	0.2 centers	4,049 residents	0.06 centers	0.2 centers	0.2 centers
Child Care ^e	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	281 spaces	1,194 spaces	913 spaces	299 spaces	1,211 spaces	N/A	1,211 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	25 spaces	182 spaces	157 spaces	35 spaces	192 spaces	N/A	192 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	156 spaces	667 spaces	511 spaces	142 spaces	653 spaces	N/A	653 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	100 spaces	344 spaces	244 spaces	122 spaces	366 spaces	N/A	366 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	3,478 SF	N/A	3,478 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	21,423 SF	N/A	21,423 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	15,204 SF	N/A	15,204 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	10,514 SF	N/A	10,514 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	6,456 SF	N/A	6,456 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,635 housing units	3,294 SF	N/A	3,294 SF
Affordable housing needs	0.64 affordable units/total units	N/A	5,539 total units	N/A	2,635 total units	1,683 affordable units	N/A	1,683 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. Includes Downtown High School, although as it is an alternative format school, capacity and current enrollment are not included in calculations of existing surplus deficit.

d. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

e. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

Table A-4
Current and Future Need (2025 - Option B Revised)
Eastern SOMA Neighborhood

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	4,199 residents	18.9 acres	(1,347) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	12.3 acres	Based on Geography	See Figure V-1	4,199 residents	4.2 acres	N/A	4.2 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 80% but cannot cost out deficiencies			4.2 acres	\$ 25,908 annual labor cost	N/A	\$ 25,908 annual labor cost
Recreational Facilities	21.58 SF/resident	94,293 SF	10,211 residents	126,060 SF	4,199 residents	90,614 SF	216,675 SF	216,675 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	90,614 SF	\$ 23,008 annual labor cost	N/A	\$ 23,008 annual labor cost
Education (Schools) ^b	0.317 students/housing unit	750 student capacity	N/A	(176) student capacity	2,508 housing units	795 students	619 students	N/A
High School (9-12)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity	2,508 housing units	256 students	256 students	N/A
Middle School (6-8)	0.069 students/housing unit	200 student capacity	N/A	(51) student capacity	2,508 housing units	173 students	122 students	N/A
Elementary School (K-5)	0.146 students/housing unit	550 student capacity	N/A	(125) student capacity	2,508 housing units	366 students	241 students	N/A
High School (9-12)	1,611 students/school	0 schools	N/A	0.00 schools	256 students	0.16 schools	0.16 schools	0 schools
Middle School (6-8)	1,389 students/school	1 schools	N/A	(0.04) schools	173 students	0.12 schools	0.09 schools	* schools
Elementary School (K-5)	656 students/school	1 schools	N/A	(0.19) schools	366 students	0.56 schools	0.37 schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	10,211 residents	N/A	4,199 residents	\$ 309,288 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	10,211 residents	N/A	4,199 residents	3.2 squad cars	N/A	3 squad cars
Fire ^c	1/2 mile service area	3 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	1 centers	10,211 residents	(0.4) centers	4,199 residents	0.24 centers	(0.2) centers	(0.2) centers
Human Service Agencies	0.043 centers/1,000 residents	0 centers	10,211 residents	0.4 centers	4,199 residents	0.18 centers	0.6 centers	0.6 centers
Cultural Centers	0.014 centers/1,000 residents	0 centers	10,211 residents	0.1 centers	4,199 residents	0.06 centers	0.2 centers	0.2 centers
Child Care ^d	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	112 spaces	945 spaces	833 spaces	292 spaces	1,125 spaces	N/A	1,125 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	4 spaces	149 spaces	145 spaces	32 spaces	176 spaces	N/A	176 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	104 spaces	537 spaces	433 spaces	134 spaces	567 spaces	N/A	567 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	4 spaces	260 spaces	256 spaces	126 spaces	383 spaces	N/A	383 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	3,311 SF	N/A	3,311 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	20,390 SF	N/A	20,390 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	14,471 SF	N/A	14,471 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	10,007 SF	N/A	10,007 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	6,145 SF	N/A	6,145 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			2,508 housing units	3,135 SF	N/A	3,135 SF
Affordable housing needs	0.64 affordable units/total units	N/A	5,818 total units	N/A	2,508 total units	1,602 affordable units	N/A	1,602 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

d. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

Table A-5
Current and Future Need (2025 - Option B Revised)
Central Waterfront Neighborhood

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)	Growth in Need	Future Conditions Needed	Net Future Conditions Needed (Surplus)	Need Projection
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres	1,928 residents	8.7 acres	(1,357) acres	0.0 acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	2.8 acres	Based on Geography	See Figure V-1	1,928 residents	1.9 acres	N/A	1.9 acres
Open Space & Parks (Operating Costs)	6170 \$/acre	Average maintenance rating of 88% but cannot cost out deficiencies			1.9 acres	\$ 11,896 annual labor cost	N/A	\$ 11,896 annual labor cost
Recreational Facilities	21.58 SF/resident	0 SF	1,704 residents	36,772 SF	1,928 residents	41,606 SF	78,379 SF	78,379 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A	41,606 SF	\$ 10,564 annual labor cost	N/A	\$ 10,564 annual labor cost
Education (Schools) ^b	0.317 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	356 students	356 students	N/A
High School (9-12)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	115 students	115 students	N/A
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	78 students	78 students	N/A
Elementary School (K-5)	0.146 students/housing unit	0 student capacity	N/A	0 student capacity	1,124 housing units	164 students	164 students	N/A
High School (9-12)	1,611 students/school	0 schools	N/A	0 schools	115 students	0.07 schools	0.07 schools	0 schools
Middle School (6-8)	1,389 students/school	0 schools	N/A	0 schools	78 students	0.06 schools	0.06 schools	* schools
Elementary School (K-5)	656 students/school	0 schools	N/A	0 schools	164 students	0.25 schools	0.25 schools	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	2 libraries	Based on Geography	0 libraries	Based on Geography	0 libraries	0 libraries	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	1,704 residents	N/A	1,928 residents	\$ 142,012 total fees	N/A	\$ 74 fee/resident
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations	Based on Geography	0 stations	0 stations	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	1,704 residents	N/A	1,928 residents	1.5 squad cars	N/A	2 squad cars
Fire ^c	1/2 mile service area	2 stations	Based on response time	0 stations	Based on response time	0 stations	0 stations	0 stations
Health Care	0.057 centers/1,000 residents	0 centers	1,704 residents	0.1 centers	1,928 residents	0.11 centers	0.2 centers	0.2 centers
Human Service Agencies	0.043 centers/1,000 residents	0 centers	1,704 residents	0.1 centers	1,928 residents	0.08 centers	0.2 centers	0.2 centers
Cultural Centers	0.014 centers/1,000 residents	0 centers	1,704 residents	0.0 centers	1,928 residents	0.03 centers	0.1 centers	0.1 centers
Child Care ^d	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	0 spaces	343 spaces	343 spaces	112 spaces	455 spaces	N/A	455 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	0 spaces	71 spaces	71 spaces	9 spaces	80 spaces	N/A	80 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	0 spaces	229 spaces	229 spaces	45 spaces	274 spaces	N/A	274 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	0 spaces	43 spaces	43 spaces	58 spaces	102 spaces	N/A	102 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	1,484 SF	N/A	1,484 SF
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	9,138 SF	N/A	9,138 SF
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	6,485 SF	N/A	6,485 SF
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	4,485 SF	N/A	4,485 SF
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	2,754 SF	N/A	2,754 SF
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.			1,124 housing units	1,405 SF	N/A	1,405 SF
Affordable housing needs	0.64 affordable units/total units	N/A	798 total units	N/A	1,124 total units	718 affordable units	N/A	718 affordable units

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in the Eastern Neighborhoods.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations.

Current response times meet SFPD standards.

d. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates. Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

*Seifel recommends that a middle school be considered for the Eastern SOMA, Showplace Square/Potrero Hill, and/or Central Waterfront Neighborhoods.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

Appendix B: Western SOMA

This appendix describes the existing conditions and current needs in the Western SOMA neighborhood.³² Figures in the main report display the boundaries of this neighborhood, labeled Western SOMA Additional Area. Seifel did not project future needs for this neighborhood because it is not included in the Planning Department's Eastern Neighborhoods rezoning study area.

Appendix Table B-1 summarizes the assessment of existing conditions and current needs presented in this appendix. All category definitions are identical to those in the main text.

A. Open Space, Parks and Recreational Facilities

- **Open Space and Parks – Citywide**—*Need factor: 4.5 acres/1,000 residents*
No citywide open space currently exists within Western SOMA. However, sufficient amounts of citywide open space are accessible to neighborhood residents. The current citywide open space provision is a ratio of approximately 6.3 acres per 1,000 residents.
- **Open Space and Parks – District, Neighborhood and Subneighborhood**—*Need factor: one acre/1,000 residents*
Western SOMA contains one subneighborhood park of 0.23 acres. Large portions of the neighborhood lack access to neighborhood and/or subneighborhood open space (Figure V-1).
- **Recreational Facilities**—*Citywide provision of 21.58 square feet/resident*
No recreational facilities currently exist within Western SOMA. Based on current population, the existing need for recreational facilities in Western SOMA is 95,000 square feet.

B. Community Facilities and Services

- **Education**—*Need factor: Based on desired number of students per school type in San Francisco*
No schools are currently located in the Western SOMA neighborhood. As such, Seifel was unable to calculate the existing surplus or deficit in the schools capacity. However, given that surplus capacity currently exists in the nearby Eastern Neighborhoods schools, education needs in Western SOMA are likely currently fulfilled.
- **Public Libraries – Facilities**—*Need factor: Library department does not indicate need for new library branches*
Two libraries serve Western SOMA: the Main Library and the Mission Bay Branch (Figure V-5). Library service is sufficient in the neighborhood.
- **Police – Facilities**—*Need factor: Police department does not indicate need*
The SFPD's Southern Station is located within the Western SOMA neighborhood boundary (Figure V-6). The new station in Mission Bay will serve Western SOMA residents once SFPD relocates Southern Station to Mission Bay.

³² Analysis completed in September 2006.

- **Police – Equipment**—*Need factor: 2.7 officers/1,000 residents; 2 squad cars/7 officers; 0.77 squad cars/1,000 residents*
Seifel was unable to obtain information on the adequacy of current equipment or current equipment needs.
- **Fire**—*General Plan factor: 1/2 mile service area; Fire Department factor: Based on response time*
The SFFD currently has 4 fire stations that serve Western SOMA and an additional station planned in Mission Bay. Based on the 1/2-mile service area standard, there is a coverage gap in the western half of the neighborhood, but this does not necessarily indicate inadequate levels of service. The SFFD bases service standards on response time, and the department's 300-second response time goal is reported by SFFD as being met in Western SOMA.
- **Health Care**—*Citywide provision: 0.03 centers/1,000 residents*
No public health clinics are located in Western SOMA. However, the entire neighborhood is within one mile of an existing health center (Figure V-8). Therefore, although the equivalent of 0.1 centers would be required to bring Western SOMA to Citywide standards, the neighborhood has no functional need for an additional center.
- **Human Service Agencies**—*Citywide provision: 0.06 centers/1,000 residents*
Three of the City's human service agencies are located in Western SOMA (Figure V-8). An additional seven agencies are located within one-quarter mile of the neighborhood's northern boundary. On a per capita basis, a surplus of human service agencies exists in Western SOMA.
- **Child Care**—*Need factor: 52.7 spaces/1,000 residents, 22.4 spaces/1,000 workers*
Using the methodology described in the memorandum, Western SOMA has an existing need for 434 licensed child care spaces.

C. Neighborhood Serving Businesses—No standard need factors

Anecdotal evidence suggests that neighborhood serving business are lacking in Western SOMA, but the Planning Department does not have information on the current number and square footage of neighborhood serving businesses in the area.

D. Housing

- **Affordable Housing Needs**—*Need factor: 64% of new production is affordable*
ABAG estimates that 64 percent of new housing production in San Francisco will need to be affordable to low and moderate income households, as indicated in the Hausrath Socioeconomic Impact Analysis. Based on historical affordable housing production in the City, Seifel estimates that the City of San Francisco will produce about 25 percent of new housing affordable to low and moderate income households. This estimate is based on projections of achievable affordable housing development from a combination of the City's inclusionary housing program and non-profit housing development.

**Appendix Table B-1
Current Need
Western SOMA Neighborhood**

Analysis Categories	Need Factor	Existing Condition	Current Demand/Need	Existing Need (Surplus)
Open Space & Parks - Citywide ^a	4.5 acres/1,000 residents	4,772 acres	756,967 residents	(1,366) acres
Open Space & Parks - District, Neighborhood & Subneighborhood	1.0 acres/1,000 residents	0.23 acres	Based on Geography	See Figure 2
Open Space & Parks (Operating Costs)	6170 \$/acre	Existing park not included in maintenance evaluation		
Recreational Facilities	21.58 SF/resident	0 SF	4,425 residents	95,492 SF
Recreation Facilities (Operating Costs)	0.254 \$/SF	N/A	N/A	N/A
Education (Schools) ^b	0.317 students/housing unit	0 student capacity	N/A	0 student capacity
High School (9-12)	0.102 students/housing unit	0 student capacity	N/A	0 student capacity
Middle School (6-8)	0.069 students/housing unit	0 student capacity	N/A	0 student capacity
Elementary School (K-5)	0.146 students/housing unit	0 student capacity	N/A	0 student capacity
High School (9-12)	1,611 students/school	0 schools	N/A	0 schools
Middle School (6-8)	1,389 students/school	0 schools	N/A	0 schools
Elementary School (K-5)	656 students/school	0 schools	N/A	0 schools
Public Libraries (Facilities)	No standard need factor, no additional facilities anticipated to be needed	0 libraries	Based on Geography	0 libraries
Public Libraries (Materials)	\$ 74 fee/resident	N/A	4,425 residents	N/A
Police (Facilities)	No standard need factor, no additional facilities anticipated to be needed	1 stations	Based on Geography	0 stations
Police (Equipment)	0.77 squad cars/1,000 residents	Data unavailable	4,425 residents	N/A
Fire ^c	1/2 mile service area	4 stations	Based on response time	0 stations
Health Care	0.03 centers/1,000 residents	0 centers	4,425 residents	0.1 centers
Human Service Agencies	0.06 centers/1,000 residents	3 centers	4,425 residents	(2.7) centers
Child Care ^d	52.7 spaces/1,000 residents; 22.4 spaces/1,000 workers	351 spaces	785 spaces	434 spaces
Infants (0 to 24 months)	3.3 spaces/1,000 residents; 5.6 spaces/1,000 workers	58 spaces	158 spaces	100 spaces
Pre-School (2 to 5 years)	19.2 spaces/1,000 residents; 16.8 spaces/1,000 workers	233 spaces	514 spaces	281 spaces
School Aged (6 to 13 years)	30.1 spaces/1,000 residents; 0 spaces/1,000 workers	60 spaces	113 spaces	53 spaces
Drug Stores	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Supermarkets	8.1 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Full Service Restaurants	5.8 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Limited Service Restaurants	4.0 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Personal Service	2.5 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Other Neighborhood Serving Retail	1.3 SF/housing units	Anecdotal evidence of lack of neighborhood serving businesses.		
Affordable housing needs	0.64 affordable units/total units	N/A	2,215 total units	N/A

a. The existing city-wide open space condition refers to all areas of this size across the city, not only in Western SOMA.

b. Based on citywide and affordable housing student generation rates from Demographic Analyses and Enrollment Forecasts (DAEF), San Francisco Unified School District (SFUSD), July 2002. Assumes ratio of elementary to middle to high school students is consistent with existing and projected proportions in the DAEF and that 25% of new SF Eastern units are affordable. Design capacity for elementary and high schools from SFUSD's 2005 School Fee Justification Study and estimated for middle schools based on elementary school capacity, adjusted for the years spent in middle school and the relative number of middle schools in SFUSD.

c. The City's General Plan states "In general, firehouses should be distributed throughout the city so that each firehouse has a primary service area extending within a radius of one-half mile." However, the San Francisco Fire Department relies on response times in order to determine service areas for fire stations. Current response times meet SFPD standards.

d. Child care existing and projected demand methodology and assumptions developed by the SF Department of Children, Youth and Families and Brion & Associates.

Uses residential and employment data from SF Planning Department and US Census. Supply data from the SF Child Care Information Management System.

Source: San Francisco Planning Department, Environmental Science Associates, Seifel Consulting Inc.

San Francisco Planning Department
Eastern Neighborhoods Needs Assessment

Seifel Consulting Inc.
December 2007

Appendix B:

Transportation Costs

Appendix Table B-1
Transit Capital Cost Detail
San Francisco

Capital Program Category	Total Unfunded Costs^a
Equipment	\$601,606,215
Facilities	\$375,268,351
Fleet	\$991,943,640
Infrastructure	\$7,055,028,390
Replacement/Refurbishment ^b	\$351,750,402
Total	\$9,375,596,998

a. Includes projected expenditures for FY 2007/08–FY 2025/56, in FY 2007/08 dollars.

b. Unfunded costs for projects needing replacement or refurbishment, which was not included within the CIP budget line item cost estimate.

Source: Draft SFMTA FY 2008–2027 Short Range Transit Plan CIP, <http://www.sfmta.com/cms/rsrtp/srtpindx.htm>

Appendix Table B-2
Streets and Right of Way Capital Cost Detail
San Francisco

Program/Project	Total Unfunded Costs^a
Street Reconstruction	\$150,650,000
Street Structures	\$70,058,000
Street Trees	\$20,416,000
Irrigation Repairs and Upgrades	\$29,218,000
Great Streets Program	\$188,668,000
Total	\$459,010,000

a. Includes unfunded costs for programs for FY 2008/09 through FY 2017/18, from the deferred line item in the plan.

Source: General Fund Draft Capital Plan for Streets and Rights-of-Way 2009–2018.

Appendix Table B-3
Trip Rate Detail by Land Use Category
San Francisco

	Source of Trip Rates	Guidelines Designation	Daily Trips - 24 hr period/ Unit or KSF
Residential^a			8.5/unit
2+ Bedrooms	SF Guidelines, 2002	2+ Bedrooms	10.0/unit
1 bedroom/studio	SF Guidelines, 2002	1 bedroom/studio	7.5/unit
Senior Housing	SF Guidelines, 2002	Senior Housing	5.0/unit
Cultural/Institutional/Educational^b			48.04
Church or other religious institution	ITE	Church	9.11
Neighborhood Center	Project Study	Jewish Community Center	68.00
Child Care Centers	SF Guidelines, 2002	Daycare Center	67.00
Motel/Hotel	SF Guidelines, 2000	Hotel/Motel	21.80
Medical			28.60
Hospital, medical center	SF Guidelines, 2000	Service Institutional	28.60
Office			18.10
General	SF Guidelines, 2002	General Office	18.10
Medical/Psychiatric Center	SF Guidelines, 2000	C-3 Secondary Office	18.10
Retail^c			200.00
General Retail	SF Guidelines, 2002	General Retail	150.00
Supermarket	SF Guidelines, 2002	Supermarket	297.00
Athletic Clubs	SF Guidelines, 2002	Athletic Clubs	57.00
Eating/Drinking			
Quality Sit-Down	SF Guidelines, 2002	Quality Sit-Down	200.00
Composite Rate	SF Guidelines, 2002	Composite Rate	600.00
Fast Food	SF Guidelines, 2002	Fast Food	1400.00
Industrial/PDR			7.90
Industrial	SF Guidelines, 2002	Manufacturing/Industrial	7.90

a. Residential trip rate is calculated by assuming 50% of units are 2+ bedrooms, 40% are 1 bedroom/studio, and 10% are senior.

b. Daily trip rate is a composite of expected Civic/Institutional/Educational uses in the Eastern Neighborhoods.

c. A trip rate of 200 per 1,000 square feet was selected as representing the mid-point of this category.

Source: MEA Trip Generation Methodology, Transportation Impact Guidelines, January 2000 (1991 Guidelines) and October 2002, and Seifel Consulting Inc.

Appendix C:

Citywide Study—Recreation and Parks

**RECREATION AND PARKS
DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY
CITY AND COUNTY OF SAN FRANCISCO**

**September 18, 2007
UPDATED: JANUARY 7, 2008**

Public Finance
Facilities Planning
Urban Economics

Newport Beach
Riverside
Walnut Creek

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**RECREATION AND PARKS
DEVELOPMENT IMPACT FEE
JUSTIFICATION STUDY**

**September 18, 2007
Updated: January 7, 2008**

Prepared for

**SAN FRANCISCO RECREATION AND PARKS
DEPARTMENT**
McLaren Lodge, 501 Stanyan Street
San Francisco, California 94107
(415) 831-2700

Prepared by

DAVID TAUSSIG & ASSOCIATES, INC.
1301 Dove Street, Suite 600
Newport Beach, California 92660
(949) 955-1500

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RECREATION AND PARKS
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I. EXECUTIVE SUMMARY

In order to adequately plan for new development through 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City and County of San Francisco (“City”) to prepare a Recreation and Parks Development Impact Fee Justification Study (the “Fee Study”).

The Fee Study identifies additional public facilities required by new development and determines the maximum level of fees that may be imposed to pay the costs of these facilities. Recreation and Park Fees have been determined that will finance facilities at levels identified by the Recreation and Parks Department as being necessary to meet the needs of new development through 2025. The required facilities and associated acquisition/construction costs are identified in the Needs List, which is included in Section IV of the Fee Study.

Organization of the Fee Study

The recreation and park fees are calculated to fund the cost of facilities needed to support future development. The steps followed in our study include:

1. **Demographic Assumptions:** Identify future growth that represents the increased demand for recreation and park facilities.
2. **Facility Needs and Costs:** Identify the amount and cost of recreation and park facilities required to support the new development.
3. **Cost Allocation:** Allocate costs per equivalent dwelling unit.
4. **Fee Schedule:** Calculate the maximum fee per residential unit or per non-residential square foot.

Background

All new development (except development occurring in Mission Bay, Rincon Hill, and Visitation Valley) may be required to pay its “fair share” of the cost of the new infrastructure through the Recreation and Park Fee calculated in this Fee Study.

To estimate facility needs, the Fee Study utilizes population and employment data provided by the City. The City is expected to add approximately 46,108 new residents and 67,367 new employees between 2006 and 2025. Given that Mission Bay, Rincon Hill, and Visitation Valley, unlike other areas of the City, are already subject to project specific development impact fees, these areas are excluded from the development assumed to be subject to any of the new fees analyzed in this report, as shown in Section VI.

The City currently imposes a Downtown Park development impact fee for recreation and park facilities. The existing fee is equal to \$2.00 per square foot of new or net area added in office development projects within certain specified use districts. The fee is not currently imposed on residential development.

The following highlights the nexus analysis results:

- As shown in Section VIII of Appendix A, the City is expected to experience a need for additional park land, multi-use fields, tennis courts, outdoor basketball courts, walkway and bikeway trails, and the construction of new or expansion of existing facilities on existing City-owned park land to serve new growth.
- Section XI of Appendix A summarizes the costs of the new facilities allocated to each of the residential and non-residential land uses. Please note that if Recreation and Park Fees are collected at the maximum levels, residential uses are expected to fund approximately 75.3% and non-residential uses will fund approximately 24.7% of the new recreation and park facilities costs that are funded through the Recreation and Park Fee.
- Section XI of Appendix A shows the maximum Recreation and Park Fees as shown below:

Land Use	Administration Costs per unit/Non- Residential square foot	Land Acquisition Costs per unit/Non- Residential square foot	Improvement Costs per unit/Non- Residential square foot	Maximum Fee per unit/Non- Residential square foot
Single Family	\$98	\$4,460	\$3,287	\$7,845
Senior/Single Room Occupancy	\$38	\$1,750	\$1,290	\$3,078
Multi-Family, 0 to 1 bedrooms	\$65	\$2,939	\$2,166	\$5,170
Multi-Family, 2 or more bedrooms	\$74	\$3,354	\$2,472	\$5,899
Civic, Institutional, Educational	\$0.03	\$1.28	\$0.94	\$2.25
Motel-Hotel	\$0.02	\$0.72	\$0.53	\$1.26
Medical	\$0.03	\$1.28	\$0.94	\$2.25
Office	\$0.03	\$1.28	\$0.94	\$2.25
Retail	\$0.02	\$0.96	\$0.71	\$1.69
Industrial	\$0.02	\$0.82	\$0.61	\$1.45

- For purposes of comparison only, please note that recreation and park fees implemented in certain jurisdictions in California range from approximately \$1,510 to \$19,264 for a single family residence and \$1,233 to \$12,823 for a multi-family residence. For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: 'Comparative Practices for Development Impact Fees.'

II. INTRODUCTION

This report presents an analysis of the need for recreation and park facilities to support future development within the City and County of San Francisco (“City”) through 2025.

In order to adequately plan for new development through 2025 and identify the public facilities and costs associated with mitigating the direct and cumulative impacts of new development, David Taussig & Associates, Inc. (“DTA”) was retained by the City to prepare the Recreation and Parks Development Impact Fee Justification Study (the “Fee Study”).

Purpose

New residential and non-residential development within the City will generate additional residents and employees who will require additional recreation and park facilities. Land will have to be acquired and recreation, park, and trail facilities will have to be expanded, constructed or purchased to meet this increased demand. Thus a reasonable relationship exists between the need for recreation and park facilities and the impact of residential and non-residential development.

Demographics

As indicated in Section I of Appendix A, there are currently 777,121 residents and 536,224 employees within the City. The City is expected to add 55,871 new residents and 83,807 new employees through 2025. The future development results in 24,505 new residential units and 21.6 million square feet of new non-residential building space.

Existing Recreation and Parks Fee

The City currently imposes a Downtown Park development impact fee for recreation and park facilities which is explained in more detail below:

- ◆ The goal of the existing Downtown Park fee program is to “provide the City with the financial resources to acquire and develop public park and recreation facilities.”¹
- ◆ The City’s Downtown Park Fee ordinance was last updated and approved in 2003.
- ◆ The fee is only applicable to office development permit applicants in the downtown use districts known as C-3-O, C-3-O(SD), C-3-R, C-3-G, and C-3-S.
- ◆ Payment of the fee is made to the City Treasurer prior to issuance of the first certificate of occupancy for the project.
- ◆ The fee is calculated as follows: \$2.00 per square foot X the net addition of gross floor area per final permit.

¹ See City Planning Code Section 139

Existing Recreation and Park Facilities

Table 1 below summarizes the City's existing recreation and park facilities which are available to the City's residents and employees.

TABLE 1

Facility	Quantity
All Park Land [1]	5,875.68 Acres
Baseball/Softball Fields	66 Fields
Multi-use/Soccer Fields	41 Fields
Tennis Courts	156 Courts
Outdoor Basketball Courts	82 Courts
Trails	Existing trail system is minimal and accurate data is difficult to obtain
[1] Estimated based on all current Recreation Park Department-owned land plus all other non-Recreation Park Department-owned open spaces which results in 7.56 acres per 1,000 residents. Current Recreation Park Department-owned land equals 3,357.4 acres which results in 4.32 acres per 1,000 residents.	

III. DEMOGRAPHIC ASSUMPTIONS

To estimate facility needs, the Fee Study utilizes population and employment data provided by the City. The following is a summary of the demographic assumptions used to establish the Recreation and Parks Fee:

- The growth forecast and land use data used in this analysis are based on a recent forecast by Moody's Economy.com and adjusted by Brion & Associates, and other land use information and data from the City and County of San Francisco Planning Department. (For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: "City Growth Forecast and Demographic Data."). Total new development expected to occur from 2006 to 2025 would include the following:
 - ◆ 55,871 new residents
 - ◆ 24,505 new dwelling units
 - ◆ 83,807 new employees
 - ◆ 21.6 million square feet of non-residential building space
- Development in Mission Bay is expected to result in approximately 3,712 new residents and 15,118 new employees between 2006 and 2025. While this new development will be served by the Future Facilities (the facilities as described in the Needs List in Section IV), it is excluded from the development assumed to be subject to the fee, given that Mission Bay is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Mission Bay, but it is anticipated that the funding will come from other sources.
- Development in Rincon Hill is expected to result in approximately 4,810 new residents and 1,172 new employees between 2006 and 2025. While this new development will be served by the Future Facilities, it is excluded from the development assumed to be subject to the fee, given that Rincon Hill is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Rincon Hill, but it is anticipated that the funding will come from other sources.
- Development in Visitation Valley is expected to result in approximately 1,242 new residents and 149 new employees between 2006 and 2025. While this new development will be served by the Future Facilities, it is excluded from the development assumed to be subject to the fee, given that Visitation Valley is already subject to project specific development impact fees. Therefore, costs have been allocated to development within Visitation Valley, but it is anticipated that the funding will come from other sources.
- Net new development without Mission Bay, Rincon Hill, and Visitation Valley from 2006 to 2025 that would be subject to the Recreation and Park Fee includes:
 - ◆ 46,107 new residents
 - ◆ 19,146 new dwelling units
 - ◆ 67,367 new employees
 - ◆ 17.8 million square feet of non-residential building space

- We have determined that not all of the 67,367 future employees should be considered when calculating the Recreation and Park Fee for non-residential property. We have adjusted the number of employees to account for the fact that a person's park usage is more likely to be linked to their place of residence than their place of employment. As a result of these calculations, we have estimated that only 12,800 of the expected future employees will use City park facilities and will be included in the fee calculations.
- We have determined that not all of the 46,107 future residents should be considered when calculating the Recreation and Park Fee for residential property. In order to avoid double counting, for those residents that are expected to both live and work in the City, we have discounted the number of residents to account for their share of recreation and park facilities that will be funded through impact fees paid by their place of employment. As a result of these calculations, we have estimated that only 39,039 of the expected future residents will use City park facilities and will be included in the fee calculations.
- As explained in the Needs List in Section IV herein, the City Recreation and Parks Department anticipates the need for additional park land, multi-use fields (softball/baseball/soccer), tennis courts, outdoor basketball courts, walkway and bikeway trails, and the construction of new or expansion of existing facilities on existing City-owned park land in order to accommodate the City's future growth.
- With the exception of property located in Mission Bay, Rincon Hill, and Visitation Valley, DTA has calculated the Recreation and Park Fee under the assumption that such fee will be applied to all new development, and redevelopment where building space increases overall, and be applied to all land uses, residential and non-residential as listed below:
 - Single Family
 - Senior/Single Room Occupancy
 - Multi-Family, 0 to 1 bedrooms
 - Multi-Family, 2 or more bedrooms
 - Civic, Institutional, Educational
 - Motel-Hotel
 - Medical
 - Office
 - Retail
 - Industrial

IV. THE NEEDS LIST

Identification of the facilities to be financed is a critical component of any development impact fee program. In the broadest sense the purpose of impact fees is to protect the public health, safety, and general welfare by providing for adequate public facilities. The Needs List is intended to be the official public document identifying the facilities eligible to be financed, in whole or in part, through the levy of a Recreation and Park Fee. The Needs List is organized by facility element (or type) and includes a cost section consisting of five columns, which are listed below:

TABLE 2
CITY AND COUNTY OF SAN FRANCISCO NEEDS LIST
EXPLANATION OF COST SECTION

Column Title	Contents	Source
Total Cost for Facility	The total estimated facility cost including construction, land acquisition, and equipment (as applicable).	Recreation and Parks Department and DTA
Off-Setting Revenues	Any funds on hand that are allocated for a given facility, such as funds from previous Development Impact Fee programs earmarked for facilities identified on this needs list. This column does not include potential funding from Federal & State sources that cannot be confirmed.	Recreation and Parks Department
Net Cost to City	The difference between the Total Cost and the Off-Setting Revenues (column 1 minus column 2).	Calculated by DTA
Percent of Cost Allocated to New Development	Percentage of facility cost allocated to new development as calculated in Appendix A.	Calculated by DTA
Cost Allocated to New Development	Dollar amount representing the roughly proportional impact of new development on the needed facilities.	Calculated by DTA

DTA worked closely with the Recreation and Parks Department staff to determine what public facilities would be needed to meet increased demand resulting from new development in the City. For purposes of the Fee Study, it was determined that a planning horizon through 2025 would be appropriate. The Needs List (Table 3) identifies those facilities needed to serve future development through 2025.

In many jurisdictions the capital improvement plan is the basis for the needs list. The City's 10-year Capital Plan² proposes an investment of \$68 million in renewal and maintenance for at least 200 recreation and park facilities that currently suffer from deferred maintenance, structural problems, disability access, and other programmatic deficiencies. The Recreation and Parks Department has reviewed the improvements in the Capital Plan and has determined that they are primarily needed to meet the needs of existing development. Therefore, in preparing the Fee Study, DTA and the Recreation and Parks Department have developed a Needs List that focuses on improvements that are needed to serve new development.

Pursuant to Section 16.107 of the City Charter, five percent of the funds deposited in the Park, Recreation & Open Space Fund each year are dedicated to the acquisition of real property identified in the Capital Plan. Since the Needs List is not based on the Capital Plan, the Recreation and Parks Department has determined that it would not be appropriate to apply such revenues to offset the costs on the Needs List. However, the Recreation and Parks Department has identified approximately \$7.4 million in other sources that can be used to reduce the costs allocated to new development.

Currently, there are approximately 5,876 acres of parkland and open spaces available for use in the City, which is equivalent to 7.56 acres per 1,000 residents. However, when only Recreation Park Department-owned land is considered, the total is reduced to 3,357 acres, which results in 4.32 acres per 1,000 residents.

All of these numbers are less than the standard determined by the National Park and Recreation Association, which calls for 10 acres of open space per 1,000 residents in cities. Given the City's existing development patterns, high population density, and small land mass (28,918 acres), the National Park and Recreation Association standard will be difficult to achieve within the City limits. Nevertheless, according to the City's General Plan³ to the extent it reasonably can, the City is aiming to increase the per capita supply of public open space within the City.

For purposes of this Fee Study, the Recreation and Parks Department has identified the need for 241 park land and open space acres to serve new development in the City. This is based on maintaining a standard of 4.32 acres per 1,000 residents. However, given the constraints discussed above, the Recreation and Parks Department has estimated that there are only approximately 55.1 acres of land that can be realistically acquired for recreation and park facilities during the period through 2025. Due to the high cost of land within the City, it has been determined that the imposition of a fee based on acquisition of 55.1 acres would be overly burdensome to new development. Therefore, the Recreation and Parks Department has decided to base the fee on the acquisition of 5.9 acres of park land and open space.

In lieu of acquisition of additional park land, the City intends to add new or expand existing facilities on approximately 242 acres of existing City-owned recreation and park land in order to accommodate increased demand. Examples of such expansions or new improvements may include, but not be limited to, new park recreation centers, community gardens, playgrounds for children, and other facilities.

² Based on City's Capital Plan dated February 26, 2007 at [http://www.sfgov.org/site/uploadedfiles/cpp/CCSF_FY2008-2017_Proposed_Plan_3-5-07\(2\).pdf](http://www.sfgov.org/site/uploadedfiles/cpp/CCSF_FY2008-2017_Proposed_Plan_3-5-07(2).pdf)

³ Based on the City's General Plan (www.sfgov.org/site/planning_index.asp?id=41423)

The Recreation and Parks Department has also identified the need for the following park facilities improvements to serve the new growth of 55,871 new residents within the City: 13 multi-use fields (softball/baseball/soccer), 11 tennis courts, 11 outdoor basketball courts, and 14.51 miles of walkway and bikeway trails. The needs are based on the recommended standard of 1 baseball/softball field per 8,000 new residents, 1 multi-use/soccer field per 10,000 new residents, 1 tennis court per 5,000 new residents, and 1 basketball court per 5,000 new residents as identified on page 21 of the City of San Francisco Recreation and Parks Department *August 2004 Recreation Assessment Report*.

The need for additional trails to serve existing residents and new growth is based on a proposed trail network in the City that will include 14.51 miles of walkway and bikeway trails.

Please note that the facilities described in the needs list and the estimated costs herein are estimates only based upon current expectation of needs, and actual costs may differ from those estimates herein. While the Recreation and Park Fees have been calculated based on only those facilities shown on the Needs List, the Recreation and Park Fees may fund other recreation and park improvements such as maintenance of other park facilities based on actual future needs.

**TABLE 3
CITY OF SAN FRANCISCO
RECREATION AND PARKS DEPARTMENT
FUTURE FACILITY NEEDS LIST THROUGH 2025**

FACILITY NAME	SIZE/UNIT	TOTAL COST FOR FACILITY	OFFSETTING REVENUES	NET COST TO CITY	% OF COST ALLOCATED TO NEW DEVELOPMENT	COST ALLOCATED TO NEW DEVELOPMENT
1. Park Land [1]	5.9 acres	\$102,801,600 [3]	(\$7,424,000) [4]	\$95,377,600	100.00%	\$95,377,600
2. Open Space & Facilities Improvements	241.7 acres [8]	\$46,475,000 [5]	\$0	\$46,475,000	100.00%	\$46,475,000
3. Park Facilities Improvements [2]						
Multi-Use Fields	13 each	\$19,398,787 [6]	\$0	\$19,398,787	100.00%	\$19,398,787
Tennis	11 each	\$2,166,912 [6]	\$0	\$2,166,912	100.00%	\$2,166,912
Outdoor Basketball	11 each	\$1,359,737 [6]	\$0	\$1,359,737	100.00%	\$1,359,737
4. Walkway and Bikeway Trails	14.51 Miles	\$12,616,072 [7]	\$0	\$12,616,072	7.11%	\$897,358
TOTAL RECREATION AND PARKS FACILITIES		\$184,818,108	(\$7,424,000)	\$177,394,108	93.39%	\$165,675,395
Notes: [1] Estimated acres provided by the San Francisco Recreation & Parks Department. [2] Based on existing facility standards and recommended future standards from the San Francisco Recreation & Parks Department August 2004 Recreation Assessment Report. [3] Costs per Acre for Land Acquisition based on \$400/square foot as estimated by the City and County of San Francisco Department of Real Estate and provided to DTA by the San Francisco Recreation & Parks Department. [4] Offsetting revenues provided by the San Francisco Recreation & Parks Department. [5] Park Land Improvement Costs based on \$192,258 per acre estimated by DTA. [6] All Park Facilities Improvement Costs based on the average cost per square foot of \$27.36 provided by San Francisco Recreation & Parks Department. Average facility size provided by San Francisco Recreation & Parks Department. [7] 11.51 number of miles of trails and trail costs based on information dated 3/22/07 provided by San Francisco Recreation & Parks Department. In addition, DTA estimated the miles of trails for two proposed trail networks equal to 79,200 square feet of trail and 15,840 square feet of trail, assuming the trails are 6 feet wide. Trail costs for the two trails based on information dated 10/6/06 provided by San Francisco Recreation & Parks Department. [8] Based on the construction of new or expansion of existing facilities on approximately 242 acres of park land as provided by the San Francisco Recreation & Parks Department.						

V. METHODOLOGY UTILIZED TO CALCULATE IMPACT FEE

There are many methods or ways of calculating fees, but they are all based on determining the cost of needed improvements and assigning those costs equitably to various types of development. The Recreation and Park Fee has been calculated utilizing the methodology discussed below. The methodology employs the concept of an Equivalent Dwelling Unit to allocate benefit among the ten land use classes. Equivalent Dwelling Units are a means of quantifying different land uses in terms of their equivalence to a residential dwelling unit, where equivalence is measured in terms of potential infrastructure use or benefit for each type of public facility. For the Recreation and Park Fee, Equivalent Dwelling Units are calculated based on the number of residents and/or employees, adjusted to reflect estimated park usage, generated by each land use class.

Step 1: DETERMINE FACILITIES COSTS

The total cost of recreation and park facilities as identified on the Needs List is approximately \$177 million. In addition, we have included total administrative costs of \$2 million which will pay for the annual administration of the new impact fee through 2025. The total administrative costs is based on one Full Time Equivalent at \$110,309 per year, as needed to administer the new impact fee through 2025.

Step 2: ALLOCATION OF COSTS TO NEW AND EXISTING DEVELOPMENT

The Recreation and Parks Department has determined that the land acquisition, park improvements, baseball/softball fields, multi-use/soccer fields, tennis facilities, and outdoor basketball facilities as identified on the Needs List are all needed to serve new development, and that no portion of the cost of such facilities should be borne by existing development.

As shown in Table 4 below, there are currently 7.56 acres of park land per 1,000 residents in the City and the Recreation and Park Fee calculated in this report includes costs for only 0.11 acres of park land per 1,000 new residents. Since new development is paying for fewer facilities than what is currently being provided to existing development, all costs for future facilities have been allocated to new development.

The table below shows the existing and future recreation and park land service standards per 1,000 residents:

TABLE 4

	Park Land Acres	Total Residents	Acres per 1,000 Residents
Existing	5,876 [1]	777,121	7.56
Proposed	241	55,871	4.32
For the Fee	5.9	55,871	0.11

[1] Estimated based on all current Recreation Park Department-owned land plus all other non-Recreation Park Department-owned open spaces. Current Recreation Park Department-owned land equals 3,357.4 acres which results in 4.32 acres per 1,000 residents.

In addition, the Recreation and Parks Department has determined that the expansion of walking and biking trails are needed to serve new development, but that existing residents would benefit from such improvements as well. Therefore, the costs for these improvements have been allocated to both existing and new development based on their applicable share of the total number of existing and future Equivalent Dwelling Units as shown in Sections I and III of Appendix A. Based on this share of total Equivalent Dwelling Units, costs of new trails allocated to new development is \$897,358.

The total costs for new facilities allocated to existing and new development is \$11,718,714 and \$165,675,394, respectively.

STEP 3: ALLOCATION OF COSTS TO NEW DEVELOPMENT

To allocate the costs, we have first assumed that both residents and workers are considered to be users of recreation and park facilities in the City. Demand for parks and related facilities are based on the City's combined resident-worker service population. However, we have discounted the number of expected employees to account for (i) workers can utilize park facilities near their home or place of employment, and (ii) workers who live and work within the City should not be double counted.

In order to estimate the park usage of an employee versus a resident, we have relied on the usage factors presented in the Phoenix Park and Library Equivalent Dwelling Unit Factors study prepared by the Hausrath Economics Group⁴. According to this study, park usage for an employee is equal to 0.19 of the park usage for a typical resident. Therefore, in determining Equivalent Dwelling Unit factors, the number of expected employees is multiplied by 0.19. In order to avoid double counting, the number of expected residents who work in the City is multiplied by 0.81 (1.00 minus 0.19). Please note that we have assumed that 55.2% of the employees working within the City also reside in the City based on data from the 2000 U.S. Census⁵.

Each of the ten land use categories (Single Family, Senior/Single Room Occupancy, Multi-Family (0 to 1 bedrooms), Multi-Family (2 or more bedrooms), Commercial (Civic/Institutional/Educational), Commercial (Motel/Hotel), Commercial (Medical), Commercial (Office), Commercial (Retail), and Industrial) is assigned an Equivalent Dwelling Unit factor derived from (i) the number of persons per household (for residential units) or (ii) the number of employees per 1,000 square feet of non-residential development, adjusted to reflect estimated park usage.

To establish the Equivalent Dwelling Unit factor for each land use, we first assumed that 2.95 park using residents residing within a Single Family Unit is equal to 1.00 Equivalent Dwelling

⁴ Phoenix Park and Library Equivalent Dwelling Unit Factors dated September 1998 prepared by Hausrath Economics Group

⁵ Based on "Residence County to Workplace County Flows for California" data from US Census (www.census.gov)

Unit. The Equivalent Dwelling Unit factor for all other land uses are then compared to the standard of 2.95 residents per unit. For instance, the Equivalent Dwelling Unit factor for a Senior/Single Room Occupancy unit is equal to 1.16 residents per unit divided by 2.95 residents per unit, or 0.39 Equivalent Dwelling Units per Senior/Single Room Occupancy unit. The Equivalent Dwelling Unit factor for non-residential property is determined the same way. For example, the Equivalent Dwelling Unit factor for Commercial (Civic/Institutional/Educational) property is equal to 0.84 employees who live outside the City but are likely to use park facilities per 1,000 square feet divided by 2.95 residents per unit, or 0.29 Equivalent Dwelling Units per 1,000 square feet. This allows us to quantify the demand for recreation and park facilities by each land use as it relates to the demand from a single family residential unit.

We can then estimate the total number of future Equivalent Dwelling Units based on the future growth projections (i.e., number of residential units and non-residential square feet) multiplied by the Equivalent Dwelling Unit factors as explained above. Based on the future growth projections, we have calculated a total of approximately 17,596 future Equivalent Dwelling Units, as indicated in Section VII of Appendix A and Table 5 below.

Total costs are then divided by total future Equivalent Dwelling Units (including Mission Bay, Rincon Hill, and Visitation Valley development) to arrive at a maximum Recreation and Park Fee per Equivalent Dwelling Unit of \$7,845. Section XI of Appendix A and Table 5 below show the total costs financed by the Recreation and Park Fee and the costs allocated to the Mission Bay, Rincon Hill, and Visitation Valley areas.

STEP 4: APPORTIONMENT OF RECREATION AND PARKS IMPROVEMENT COSTS

All new development (except development occurring in Mission Bay, Rincon Hill, and Visitation Valley) and redevelopment where building space increases overall, may be required to pay its “fair share” of the cost of the new infrastructure through the Recreation and Park Fee calculated in this Fee Study.

While new development in Mission Bay, Rincon Hill and Visitation Valley will be served by the Future Facilities, these areas are already subject to project specific development impact fees, and are excluded from the development assumed to be subject to any of the new fees analyzed in this report. Therefore, costs have been allocated to development within Mission Bay, Rincon Hill, and Visitation Valley, but it is anticipated that the funding will come from other sources.

Table 5 below presents a summary of the derivation of Equivalent Dwelling Units, maximum Recreation and Park Fee amounts, and the costs financed by Recreation and Park Fees for facilities identified on the Needs List. Calculation details are presented in Appendix A.

TABLE 5
RECREATION AND PARKS IMPROVEMENTS
MAXIMUM FEE DERIVATION SUMMARY

	(A)	(B) = (A) / 2.95 ^[1]	(C)	(D) = \$7,845 ^[2] x (B)	(E) = (D) x (C)
Land Use Type	Residents per Unit/Employees per 1,000 Non-Residential Square Feet	Equivalent Dwelling Units per Unit/1,000 Non-Residential Square Foot ⁶	Number of New Units/Square Feet	Maximum Recreation and Park Fee Per Unit/Non-Residential Square Foot	Cost Financed by Maximum Recreation and Parks Fee
Residential					
Single Family	2.95	1.00	477	\$7,845	\$3,742,087
Senior/Single Room Occupancy	1.16	0.39	721	\$3,078	\$2,219,232
Multi-Family (0 to 1 bedrooms)	1.94	0.66	10,806	\$5,170	\$55,864,925
Multi-Family (2 or more bedrooms)	2.22	0.75	7,142	\$5,899	\$42,133,432
Non-Residential					
Civic/Institutional/Educational	0.84	0.29	20,083	\$2.25	\$45,160
Motel/Hotel	0.48	0.16	938,640	\$1.26	\$1,187,297
Medical	0.84	0.29	866,036	\$2.25	\$1,947,483
Office	0.84	0.29	9,148,963	\$2.25	\$20,573,576
Retail	0.63	0.21	2,103,296	\$1.69	\$3,547,314
Industrial	0.54	0.18	4,693,269	\$1.45	\$6,784,656
Total					\$138,045,161
Cost Allocated to Existing Development & Funded Through Other Sources					\$11,718,714
Cost Allocated to Mission Bay, Rincon Hill, and Visitation Valley Development					\$29,726,106
Total Cost of Recreation and Park Facilities					\$179,489,979
[1] 2.95 represents number of residents per single family residential unit.					
[2] \$7,845 represents maximum Recreation and Park Fee per equivalent dwelling unit.					

If development takes place as projected in Appendix B, the maximum fee amounts presented in Table 5 are expected to finance 77% of the recreation and park facilities on the Needs List. As discussed in Section I, the remaining costs have been allocated to existing development and the Mission Bay, Rincon Hill, and Visitation Valley areas which are already subject to project specific development impact fees.

⁶ Factors have been rounded to two decimals

VI. SUMMARY OF RECREATION AND PARKS FEE

Table 6 below summarizes the schedule of maximum justified recreation and park fees based on the analysis contained in the Fee Study. These fees will ensure that each new development project would fund the same proportionate share of recreation and parks costs.

**TABLE 6
MAXIMUM RECREATION AND PARK FEE SUMMARY**

Land Use Type	Administration Costs per Unit/Square Foot	Land Costs per Unit/Square Foot	Improvement Costs per Unit/Square Foot	Maximum Recreation & Park Fee per Unit/Square Foot
Residential				
Single Family	\$98	\$4,460	\$3,287	\$7,845
Senior/Single Room Occupancy	\$38	\$1,750	\$1,290	\$3,078
Multi-Family (0 to 1 bedrooms)	\$65	\$2,939	\$2,166	\$5,170
Multi-Family (2 or more bedrooms)	\$74	\$3,354	\$2,472	\$5,899
Non-Residential				
Commercial (Civic, Institutional, Educational)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Motel/Hotel)	\$0.02	\$0.72	\$0.53	\$1.26
Commercial (Medical)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Office)	\$0.03	\$1.28	\$0.94	\$2.25
Commercial (Retail)	\$0.02	\$0.96	\$0.71	\$1.69
Industrial	\$0.02	\$0.82	\$0.61	\$1.45

Please note that the facilities described in the needs list and the estimated costs herein are estimates only based upon current expectation of needs, and actual costs may differ from those estimates herein. While the Recreation and Park Fees have been calculated based on only those facilities shown on the Needs List, the Recreation and Park Fees may fund other recreation and park improvements such as maintenance of other park facilities based on actual future needs.

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Appendix A
Fee Derivation Worksheet

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APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION

I. Existing Recreation and Park Facilities EDU Calculation

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	291,000	(114,083)	NA	92,407	269,324	93,520	2.88	0.98	91,421
Senior/Single Room Occupancy	22,400	(224)	NA	181	22,357	22,292	1.00	0.34	7,589
Multi-Family (0 to 1 bedrooms)	274,721	(107,701)	NA	87,238	254,258	135,152	1.88	0.64	86,307
Multi-Family (2 or more bedrooms)	189,000	(74,095)	NA	60,017	174,922	90,089	1.94	0.66	59,377
Subtotal	777,121	(296,103)	0	239,843	720,861	341,053	NA	NA	244,694
Civic, Institutional, Educational	94,127	(51,977)	42,150	17,884	17,884	19,295,974	0.93	0.31	6,071
Motel/Hotel	18,761	(10,360)	8,401	3,565	3,565	7,279,093	0.49	0.17	1,210
Medical	36,772	(20,305)	16,466	6,987	6,987	10,810,895	0.65	0.22	2,372
Office	225,676	(124,618)	101,058	42,878	42,878	90,270,440	0.48	0.16	14,555
Retail	97,205	(53,676)	43,528	18,469	18,469	31,494,307	0.59	0.20	6,269
Industrial	63,684	(35,166)	28,518	12,100	12,100	30,186,311	0.40	0.14	4,107
Subtotal	536,224	(296,103)	240,121	101,883	101,883	189,337,019	NA	NA	34,584
Total	1,313,345	NA	240,121	581,569	1,543,605	NA	NA	NA	279,278

II. Inventory of Existing Facilities

Facility Type	Quantity	Facility Unit	Facility Units Per 1,000 Residents
All Park Land [1]	5,875.68	Acres	8.15
Park Facilities Improvements [2]			
Baseball/Softball Fields	66	Each	0.09
Multi-use/Soccer Fields	41	Each	0.06
Tennis	156	Each	0.22
Outdoor Basketball	82	Each	0.11
Trails	NA [7]	Miles	NA

III. Future Recreation and Park Facilities EDU Calculation (Including Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	1,733	(1,458)	NA	1,181	1,456	490	2.97	1.01	494
Senior/Single Room Occupancy	860	(9)	NA	7	858	735	1.17	0.40	291
Multi-Family (0 to 1 bedrooms)	30,464	(25,623)	NA	20,755	25,596	13,968	1.83	0.62	8,688
Multi-Family (2 or more bedrooms)	22,814	(19,189)	NA	15,543	19,168	9,312	2.06	0.70	6,507
Subtotal	55,871	(46,278)	0	37,485	47,078	24,505	NA	NA	15,981
Civic, Institutional, Educational	4,442	(2,453)	1,989	844	844	999,400	0.84	0.29	286
Motel/Hotel	2,347	(1,296)	1,051	446	446	938,640	0.48	0.16	151
Medical	3,855	(2,129)	1,726	732	732	867,404	0.84	0.29	249
Office	51,122	(28,230)	22,893	9,713	9,713	11,502,528	0.84	0.29	3,297
Retail	8,297	(4,582)	3,715	1,576	1,576	2,489,072	0.63	0.21	535
Industrial	13,744	(7,590)	6,155	2,611	2,611	4,810,529	0.54	0.18	886
Subtotal	83,807	(46,278)	37,529	15,923	15,923	21,607,571	NA	NA	5,405
Total	139,678	NA	37,529	53,409	63,001	NA	NA	NA	21,386

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

IV. Future Recreation and Park Facilities EDU Calculation (Mission Bay Area)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	0	0	NA	0	0	0	NA	NA	NA
Senior/Single Room Occupancy	0	0	NA	0	0	0	NA	NA	NA
Multi-Family (0 to 1 bedrooms)	2,227	(2,071)	NA	1,677	1,834	1,190	1.54	0.52	622
<u>Multi-Family (2 or more bedrooms)</u>	<u>1,485</u>	<u>(1,381)</u>	<u>NA</u>	<u>1,118</u>	<u>1,223</u>	<u>793</u>	<u>1.54</u>	<u>0.52</u>	<u>415</u>
Subtotal	3,712	(3,451)	0	2,795	3,056	1,983	NA	NA	1,037
Civic, Institutional, Educational	4,220	(2,330)	1,890	802	802	949,392	0.84	0.29	272
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	5	(3)	2	1	1	1,026	0.84	0.29	0
Office	9,598	(5,300)	4,298	1,824	1,824	2,159,598	0.84	0.29	619
Retail	1,026	(567)	459	195	195	307,800	0.63	0.21	66
<u>Industrial</u>	<u>270</u>	<u>(149)</u>	<u>121</u>	<u>51</u>	<u>51</u>	<u>94,539</u>	<u>0.54</u>	<u>0.18</u>	<u>17</u>
Subtotal	15,118	(8,348)	6,770	2,872	2,872	3,512,355	NA	NA	975
Total	18,830	NA	6,770	5,668	5,929	NA	NA	NA	2,012

V. Future Recreation and Park Facilities EDU Calculation (Rincon Hill Area)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	0	0	NA	0	0	0	NA	NA	NA
Senior/Single Room Occupancy	0	0	NA	0	0	0	NA	NA	NA
Multi-Family (0 to 1 bedrooms)	2,886	(2,683)	NA	2,173	2,376	1,860	1.28	0.43	807
<u>Multi-Family (2 or more bedrooms)</u>	<u>1,924</u>	<u>(1,789)</u>	<u>NA</u>	<u>1,449</u>	<u>1,584</u>	<u>1,240</u>	<u>1.28</u>	<u>0.43</u>	<u>538</u>
Subtotal	4,810	(4,472)	0	3,622	3,960	3,100	NA	NA	1,344
Civic, Institutional, Educational	123	(68)	55	23	23	27,702	0.84	0.29	8
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	2	(1)	1	0	0	342	0.84	0.29	0
Office	814	(449)	364	155	155	183,100	0.84	0.29	52
Retail	226	(125)	101	43	43	67,944	0.63	0.21	15
<u>Industrial</u>	<u>7</u>	<u>(4)</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>2,522</u>	<u>0.54</u>	<u>0.18</u>	<u>0</u>
Subtotal	1,172	(647)	525	223	223	281,610	NA	NA	76
Total	5,982	NA	525	3,845	4,183	NA	NA	NA	1,420

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

VI. Future Recreation and Park Facilities EDU Calculation (Visitation Valley Area)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	62	(59)	NA	48	51	13	3.91	1.33	17
Senior/Single Room Occupancy	25	0	NA	0	25	14	1.79	0.61	8
Multi-Family (0 to 1 bedrooms)	497	(472)	NA	382	407	112	3.64	1.23	138
<u>Multi-Family (2 or more bedrooms)</u>	<u>658</u>	<u>(624)</u>	<u>NA</u>	<u>506</u>	<u>539</u>	<u>137</u>	<u>3.94</u>	<u>1.34</u>	<u>183</u>
Subtotal	1,242	(1,155)	0	935	1,023	276	NA	NA	347
Civic, Institutional, Educational	10	(5)	4	2	2	2,223	0.84	0.29	1
Motel/Hotel	0	0	0	0	0	0	NA	NA	NA
Medical	0	0	0	0	0	0	NA	NA	NA
Office	48	(27)	22	9	9	10,867	0.84	0.29	3
Retail	33	(18)	15	6	6	10,032	0.63	0.21	2
<u>Industrial</u>	<u>58</u>	<u>(32)</u>	<u>26</u>	<u>11</u>	<u>11</u>	<u>20,199</u>	<u>0.54</u>	<u>0.18</u>	<u>4</u>
Subtotal	149	(82)	67	28	28	43,321	NA	NA	10
Total	1,391	NA	67	964	1,051	NA	NA	NA	357

VII. Future Recreation and Park Facilities EDU Calculation (Excluding Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Number of Residents/Employees [3]	Number of Employees Residing within City [4]	Number of Employees (Not Residing within City)	Number of Residents Employed within City / Number of Employees (Utilizing Facilities) [5]	Adjusted Number of Residents/Employees	Number of Units / Non-Residential Square Feet	Residents per Unit / Employees per 1,000 Non-Residential Square Feet [6]	EDUs per Unit / 1,000 Non-Residential Square Feet	Total Number of EDUs
Single Family	1,671	(1,399)	NA	1,133	1,405	477	2.95	1.00	477
Senior/Single Room Occupancy	835	(9)	NA	7	833	721	1.16	0.39	283
Multi-Family (0 to 1 bedrooms)	24,854	(20,398)	NA	16,522	20,978	10,806	1.94	0.66	7,121
<u>Multi-Family (2 or more bedrooms)</u>	<u>18,747</u>	<u>(15,395)</u>	<u>NA</u>	<u>12,470</u>	<u>15,822</u>	<u>7,142</u>	<u>2.22</u>	<u>0.75</u>	<u>5,371</u>
Subtotal	46,107	(37,200)	0	30,132	39,039	19,146	NA	NA	13,252
Civic, Institutional, Educational	89	(49)	40	17	17	20,083	0.84	0.29	6
Motel/Hotel	2,347	(1,296)	1,051	446	446	938,640	0.48	0.16	151
Medical	3,849	(2,125)	1,724	731	731	866,036	0.84	0.29	248
Office	40,662	(22,454)	18,208	7,726	7,726	9,148,963	0.84	0.29	2,622
Retail	7,011	(3,871)	3,140	1,332	1,332	2,103,296	0.63	0.21	452
<u>Industrial</u>	<u>13,409</u>	<u>(7,405)</u>	<u>6,005</u>	<u>2,548</u>	<u>2,548</u>	<u>4,693,269</u>	<u>0.54</u>	<u>0.18</u>	<u>865</u>
	67,367	(37,200)	30,167	12,800	12,800	17,770,285	NA	NA	4,345
Total	113,474	NA	30,167	42,932	51,839	NA	NA	NA	17,596

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

VIII. Proposed Inventory and Costs

Description	Quantity	Facility Unit	Facility Units Per 1,000 Residents	Cost per Facility Unit [13, 14]	Offsetting Revenues [15]	Facility Cost
Park Land [8]	203	Acres	4.32	\$17,424,000	NA	NA
Adjusted Park Land [9]	5.9	Acres	0.11	\$17,424,000	(\$7,424,000)	\$95,377,600
OS & Facility Improvements [10]	242	Acres	4.33	\$192,258	\$0	\$46,475,000
Park Facilities Improvements [2]						
Multi-Use Fields	13	Each	0.23	\$1,492,214	\$0	\$19,398,787
Tennis	11	Each	0.20	\$196,992	\$0	\$2,166,912
Outdoor Basketball	11	Each	0.20	\$123,612	\$0	\$1,359,737
Walkway and Bikeway Trails [11]	14.51	Miles	0.26	\$869,474	\$0	\$12,616,072
						\$177,394,108

IX. Allocation of Costs to Existing & New Development

**A. Park Land, Park Land Improvements, Baseball/Softball Fields, Multi-use/Soccer Fields, Tennis, and Outdoor Basketball
Cost Allocated to New Development**

Facility	% of Cost Allocated to Future Development	Facility Cost to Future Development
Adjusted Park Land	100.00%	\$95,377,600
OS & Facility Improvements	100.00%	\$46,475,000
Park Facilities Improvements		
Multi-Use Fields	100.00%	\$19,398,787
Tennis	100.00%	\$2,166,912
Outdoor Basketball	100.00%	\$1,359,737
Total		\$164,778,036

**B. Walkway and Bikeway Trails
Cost Allocated to Existing and New Development**

Trails	EDUs	Percentage of Cost Allocated	Facility Cost
Existing	279,278	92.89%	\$11,718,714
New Development	21,386	7.11%	\$897,358
Total	300,663	100.00%	\$12,616,072

X. Summary Cost Data

Description	Cost Allocated to New Development	Total Future EDUs	Maximum Cost per EDU
A. Adjusted Park Land	\$95,377,600	21,386	\$4,460
OS & Facility Improvements	\$46,475,000	21,386	\$2,173
Park Facilities Improvements			
Multi-Use Fields	\$19,398,787	21,386	\$907
Tennis	\$2,166,912	21,386	\$101
Outdoor Basketball	\$1,359,737	21,386	\$64
B. Walkway and Bikeway Trails	\$897,358	21,386	\$42
C. Administrative Costs [12]	\$2,095,871	21,386	\$98
Total	\$167,771,266	NA	\$7,845

**APPENDIX A
CITY OF SAN FRANCISCO
RECREATION AND PARK FACILITIES FEE CALCULATION**

XI. Recreation and Parks Facilities Costs per Unit or Non-Res SF (Separating Amount Allocated to Mission Bay, Rincon Hill and Visitation Valley Areas)

Land Use Type	Cost Per EDU	EDUs per Unit / 1,000 Non-Residential Square Feet	Administration Costs Per Unit / Non-Residential Square Foot	Land Acquisition Costs Per Unit / Non-Residential Square Foot	Improvement Costs Per Unit / Non-Residential Square Foot	Maximum Fee Per Unit / Non-Residential Square Foot	Number of Units / Non-Residential Square Foot	Cost Financed by Maximum Development Impact Fee
Single Family	\$7,845	1.00	\$98	\$4,460	\$3,287	\$7,845	477	\$3,742,087
Senior/Single Room Occupancy	\$7,845	0.39	\$38	\$1,750	\$1,290	\$3,078	721	\$2,219,232
Multi-Family (0 to 1 bedrooms)	\$7,845	0.66	\$65	\$2,939	\$2,166	\$5,170	10,806	\$55,864,925
Multi-Family (2 or more bedrooms)	\$7,845	0.75	\$74	\$3,354	\$2,472	\$5,899	7,142	\$42,133,432
Subtotal	\$7,845	NA	NA	NA	NA	NA	19,146	\$103,959,675
Civic, Institutional, Educational	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	20,083	\$45,160
Motel/Hotel	\$7,845	0.16	\$0.02	\$0.72	\$0.53	\$1.26	938,640	\$1,187,297
Medical	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	866,036	\$1,947,483
Office	\$7,845	0.29	\$0.03	\$1.28	\$0.94	\$2.25	9,146,963	\$20,573,576
Retail	\$7,845	0.21	\$0.02	\$0.96	\$0.71	\$1.69	2,103,296	\$3,547,314
Industrial	\$7,845	0.18	\$0.02	\$0.82	\$0.61	\$1.45	4,693,269	\$6,784,656
Subtotal	\$7,845	NA	NA	NA	NA	NA	17,770,285	\$34,085,485
Total Financed by Development Impact Fee								\$138,045,161
Amount Allocated to Mission Bay Area								\$15,788,154
Amount Allocated to Rincon Hill Area								\$11,139,241
Amount Allocated to Visitation Valley Area								\$2,798,711
Outside Funding Responsibility								\$11,718,714
Total Cost of Recreation and Park Facilities								\$179,489,979

[1] Estimated based on current all Park Lands standard of 7.56 acres per 1,000 residents.

[2] Based on existing facility standards and recommended future standards from the San Francisco Recreation & Parks Department August 2004 Recreation Assessment Report.

[3] Existing Residents per Residential land use class estimated by DTA. Future Residents per Residential land use class and number of employee figures per Non-Residential land use class based on data provided by Brion & Associates and City of San Francisco Planning Department.

[4] Employees residing within the City based on "Residence County to Workplace County Flows for California" data from the 2000 U.S. Census. We have estimated that 55% of the City's employees both live and work in the City.

[5] Based on number of residents employed within City utilizing park facilities and number of total employees within City utilizing park facilities. Assumes that workers have 0.19 of the impact of one resident based on the *Phoenix Park and Library EDU Factors* study prepared by the Hausrath Economics Group. Therefore, residents who live and work in the City are counted as 0.81 since 0.19 is charged at their place of employment.

[6] Residents per Unit and employees per 1,000 Non-Residential square feet based on data dated 4/27/07 provided by Brion & Associates.

[7] Existing trail system is minimal and accurate data is difficult to obtain.

[8] Estimated based on maintaining existing all Recreation Park Lands standard of 4.32 acres per 1,000 residents.

[9] Total acres estimated by the San Francisco Recreation & Parks Department.

[10] Based on the construction of new or expansion of existing facilities on approximately 242 acres of park land as provided by the San Francisco Recreation & Parks Department.

[11] 11.51 number of miles of trails and trail costs based on information dated 3/22/07 provided by San Francisco Recreation & Parks Department. In addition, DTA estimated the miles of trails for two proposed trail networks equal to 79,200 square feet of trail and 15,840 square feet of trail, assuming the trails are 6 feet wide. Trail costs for the two trails based on information dated 10/6/06 provided by San Francisco Recreation & Parks Department.

[12] Based on annual administrative costs of \$110,309 per Full Time Equivalent needed to administer the development impact fee from 2006 to 2025.

[13] Costs per Acre for Land Acquisition based on \$400/square foot as estimated by City and County of San Francisco Department of Real Estate and provided to DTA by the San Francisco Recreation & Parks Department.

[14] All Park Facilities Improvement Costs based on the average cost per square foot of \$27.36 provided by San Francisco Recreation & Parks Department. Average facility size provided by San Francisco Recreation & Parks Department. Park Open Space and Facility Improvement Costs based on \$192,258 per acre estimated by San Francisco Recreation & Parks Department.

[15] Offsetting revenues provided by the San Francisco Recreation & Parks Department.

Appendix D:
Citywide Study—Child Care



BRION & ASSOCIATES

Final Report:

**CHILD CARE NEXUS STUDY FOR
CITY OF SAN FRANCISCO**

**Prepared by Brion & Associates
in conjunction with**

**FCS Group, Inc.
Nilsson Consulting**

May 2007

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Executive Summary

The City and County of San Francisco (City) expects to add about 55,900 new residents and 83,800 new employees between 2006 and 2025, including development expected at Mission Bay, Rincon Hill, and Visitation Valley. A portion of these new residents and employees will need child care for their children 0 to 13 years of age. Based on a variety of demand factors that are discussed in this chapter, the following findings are made concerning the need for and the nexus to establish a citywide child care linkage fee in San Francisco. The Department of Children, Youth, and Their Families proposes to expand the Child Care Linkage Fee Program to apply to all land uses citywide. This is in contrast to the existing child care fee that only applies to office and hotel uses in the downtown area.

This child care nexus analysis estimates the number of children associated with residential growth (including residents that work in the City) and employees that work in the City but live elsewhere. The need for these children to have licensed child care is based on a variety of demand factors that are described in more detail below. In summary, 44% of 0 to 13 year old children of residents are assumed to need formal child care and 5% of the children of non-resident employees are assumed to need child care, assuming one child per employee. The analysis does not double-count residents that also work in the City.

The analysis estimates child care demand for three age groups—infants, preschool, and school age—based on industry standards of categorizing care. Child care supply analyzed in this report includes licensed child care centers, family child care homes, school age programs, both licensed and license-exempt, and some private afterschool care facilities.¹

In general, under the proposed child care program, new development would have two choices: 1. provide child care space on- or offsite at certain rates that vary by land use; or 2. pay a linkage fee that would vary by land use. Monies generated by the fee program would be used to fund new child care facilities throughout the City. These options are currently available in the existing child care fee program.

To summarize, the following steps and assumptions are used to estimate the nexus for establishing the child care linkage fee by land use:

- ◆ Total population and non-resident employment growth are estimated by land use category.

¹ It also includes spaces in the San Francisco Unified School District's afterschool program spaces and in the Recreation and Park Department's Latchkey program.

- ◆ Density assumptions are applied to estimate new dwelling units and square feet of non-residential space (i.e., persons per household and square feet per employee).
- ◆ Child care demand factors are applied to this estimate of new population and employment growth by land use category to estimate number of total children, 0 to 13 years old, needing licensed care.
- ◆ An assumption is made regarding San Francisco's policy target for child care. This assumption is that San Francisco plans to fund 100% of the need for new licensed child care created by growth in population and employment. This is consistent with most other cities' child care fees, including the proposed fee in Alameda County and the current fee in Palm Desert.
- ◆ The State licensing requirements for child care indoor and outdoor space are applied to the estimated need for child care spaces by land use.
- ◆ The total child care space requirements are divided by the amount of development expected in each land use category, i.e., units of residential and by 1,000 square feet for non-residential. This becomes the child care space requirement per land use for indoor and outdoor space.
- ◆ The average cost per child care space² is applied to the estimated demand for child care spaces by land use to derive total costs by land use.
- ◆ The total cost of child care by land use is divided by the number of units or amount of square footage of new development in each land use category to derive the maximum linkage fee rate by land use justified by this nexus study.
- ◆ An administration fee is added to fund the cost of administering the linkage fee program, which is estimated at 5% of total facility costs. The total child care facility costs, including administrative costs, is estimated by land use and then divided by the amount of development in each land use category to estimate the maximum possible linkage fee on a per unit or per square foot basis. This is the maximum child care linkage fee that could be charged to new development at the issuance of building permits.

The following items summarize and highlight the results of the child care nexus analysis for the City and County of San Francisco.³

² See Table 10.

³ Please note that many figures throughout this document are rounded to the nearest 100.

- ◆ As shown in **Table S-1**, the City will experience a need for an additional 3,780 formal child care spaces between 2006 and 2025. About 60% of these will come from residential uses or 2,271 spaces and about 40% or 1,509 spaces from non-residential uses.
- ◆ On average, the City will need to add about 199 new child care spaces per year to address demand from expected new development. These spaces are expected to cost an average of about \$2.57 million per year to construct (see **Table S-1**).
- ◆ **Table S-2** summarizes the demand for child care spaces as allocated to different types of child care and the associated cost for each type of care. As shown, child care centers are the most costly type of child care to build with an average cost per space of about \$27,400. Because the City wants to provide a mix of different types of care with varying costs and settings, the average cost per space overall would be \$12,325, or significantly less than the average center-based space.
- ◆ **Table S-3** summarizes the costs of providing child care by land use based on the demand factors for each land use, which vary based on resident and employee densities. Residential uses will generate about 60% of the new cost of child care or about \$29.4 million, and non-residential uses will generate the remaining 40% of revenues or \$19.5 million. These revenues will cover the total combined costs of \$48.9 million needed to provide new child care facilities (including administrative costs) to serve child care needs associated with new development.
- ◆ **Table S-4** summarizes the child care requirements for residential and non-residential uses. The requirements are expressed as square feet per dwelling unit by type of unit and square feet per 1,000 square feet of non-residential building space. The child care requirement would include indoor and outdoor space, as shown.
 - Residential uses would fund a range of 12.6 to 19.1 square feet of indoor child care space and 8.7 to 13.2 square feet of outdoor space per dwelling unit based on the nexus analysis.
 - Non-residential uses would fund an average of 9.3 square feet of indoor child care space and 6.4 square feet of outdoor space per 1,000 square feet of building space based on the nexus analysis. Actual rates vary by land use category.

Table S-5 shows the maximum child care linkage fee rates based on this nexus study, which include the following:

○ Single Family:	\$2,272 per unit
○ Multi-Family, 0 to 1 bedrooms:	\$1,493 per unit
○ Multi-Family, 2+ bedrooms:	\$1,704 per unit
○ <i>Average, Residential</i>	<i>\$1,595 per unit or \$1.72 per sqft⁴</i>
○ Civic, Institutional, Educational:	\$1.29 per square foot
○ Hotel:	\$0.72 per square foot
○ Industrial:	\$0.83 per square foot
○ Medical:	\$1.29 per square foot
○ Office:	\$1.29 per square foot
○ Retail:	\$0.97 per square foot

These fee rates include 5% for administrative costs.

- ◆ The City has the option to adopt fee rates that are lower than those included in this nexus study. The fee rates discussed in this study reflect the maximum amount of fee that could be charged based on nexus requirements for establishing fees.

Thus, a 100-unit new multi-family (0 to 1 bedrooms) residential project would generate about \$149,000 in linkage fees to be used to construct new child care or expand existing child care facilities. The average residential fee of \$1,595 per unit is also estimated at \$1.72 per square foot for comparison purposes and is based on the assumption that the average size of a new residential unit is 925 square feet. A new 100,000-square foot office project would generate about \$129,000 in linkage fee revenue. The existing child care fee for an office in the downtown district is \$1.00 per square foot, and that fee has not been increased since its adoption in 1986, although changes have been made to the ordinance for administration purposes. The potential maximum child care linkage impact fee represents a 29% increase over the prior child care fee for office space, and also expands coverage to a full range of non-residential uses located throughout San Francisco.

Policy Options

Several policy options developed by the Department of Children, Youth, and Their Families and the Consultant are included in this nexus study, which would be at the discretion of the Board of Supervisors to consider and adopt as part of implementing the updated Child Care Linkage Fee. These include:

⁴ This is for comparison only and assumes an average sized dwelling unit of 925 square feet. The fee would be a "per dwelling unit" fee.

1. *The child care impact fee will address 100% of the need for projected child care demand from 2006 to 2025.*
2. *The child care fee would apply to all land uses citywide. The current child care fee applies to office and hotel uses located only in the downtown area.*
3. *The provision of child care facilities instead of paying the in-lieu fee is limited to non-residential projects that generate demand for at least 14 child care spaces (the equivalent of a large family child care home) or a residential project that wanted to provide a small family child care home within the project, which serves up to 8 children.*

Table S-1
Child Care Requirement and Costs for Residential and Non-Residential Uses
From Net New Growth 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Land Use	Required Child Care Spaces (1)		Total Cost of New of Child Care (2)		Average per Year 2006-2025	
	Amount	Percent	Amount	Percent	Spaces	Funding
Residential	2,271	60%	\$29,392,103	60%	120	\$1,546,953
Non Residential	1,509	40%	\$19,522,825	40%	79	\$1,027,517
Totals	3,780	100%	\$48,914,928	100%	199	\$2,574,470

(1) Based on incremental growth in population and employment as estimated in Tables 1 through 8.

(2) Costs includes administrative cost of 5%.

Source: Brion & Associates.

Table S-2
Summary of Potential Child Care Costs
From New Development 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care	Number of Child Care Spaces	Average Cost Per Space (1)	Total Child Care Costs
1 Build New Centers: Spaces	1,070	\$27,406	\$29,335,081
2 New Centers in Existing or New Commercial Space	344	\$13,703	\$4,713,908
3 Expand at Existing Centers: Spaces	397	\$13,703	\$5,442,160
4 New Small Family Child Care Homes: Spaces	756	\$500	\$377,963
5 New Large Family Child Care Home Spaces	378	\$1,429	\$539,947
6 Expand FCCH from 8 to 14: Spaces	155	\$3,333	\$516,741
7 School Age at Existing Schools	679	\$8,333	\$5,659,846
Average Child Care Cost per Space		\$12,325	
Total Spaces and Costs	3,780		\$46,585,646
Administrative Costs (5%)			\$2,329,282
Total Child Care Costs			\$48,914,928

(1) See Table 10 for detailed estimates of demand by type of facility and cost factors.
Source: Brion & Associates.

Table S-3
Summary of New Child Care Costs Generated by New Development by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Density Assumptions (1)		Allocated Costs by Land Use	Percent Distribution
	Factor	Type		
<u>Residential Uses</u>				
Single-Family	3.50	persons/household	\$1,084,959	2%
Multi-Family, 0 to 1 Bedroom	2.30	persons/household	\$16,135,758	33%
Multi-Family, 2 + Bedrooms	<u>2.63</u>	persons/household	<u>\$12,171,386</u>	<u>25%</u>
Total Residential	2.35	persons/household	\$29,392,103	60%
<u>Non-Residential Uses</u>				
Civic, Institutional, Education	225	sqft per employee	\$25,867	0%
Hotel	400	sqft per employee	\$680,037	1%
Industrial/PDR	225	sqft per employee	\$3,885,985	8%
Medical	225	sqft per employee	\$1,115,442	2%
Office	300	sqft per employee	\$11,783,734	24%
Retail	350	sqft per employee	<u>\$2,031,761</u>	<u>4%</u>
Total Non-Residential			\$19,522,825	40%
Total Child Care Costs with Admin. Costs			\$48,914,928	100%

(1) Costs are allocated to land uses based on their population and employment densities.

See Tables 14 and 15.

Source: Brion & Associates.

Table S-4
Summary of New Child Care Space Requirements by Land Use
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Child Care Requirements	
	Indoor Space	Outdoor Space
<u>Residential Uses</u>		
Single-Family	19.1	13.2 sqft per dwelling unit
Multi-Family, 0 to 1 Bedroom	12.6	8.7 sqft per dwelling unit
Multi-Family, 2 + Bedrooms	14.4	9.9 sqft per dwelling unit
<u>Non-Residential Uses</u>		
Civic, Institutional, Education	10.8	7.5 sqft per 1,000 sqft of gross building space
Hotel	6.1	4.2 sqft per 1,000 sqft of gross building space
Industrial/PDR	7.0	4.8 sqft per 1,000 sqft of gross building space
Medical	10.8	7.5 sqft per 1,000 sqft of gross building space
Office	10.8	7.5 sqft per 1,000 sqft of gross building space
Retail	8.1	5.6 sqft per 1,000 sqft of gross building space
Average Non-Residential (1)	9.3	6.4 sqft per 1,000 sqft of gross building space

Note: Child Care demand by land use is based on population and employment densities and other child care demand factors.

(1) The average would apply to uses that do not fit in the above land use categories.

Source: Brion & Associates.

Table S-5
Summary of Maximum New Child Care Linkage Fees by Type of Development
San Francisco Child Care Linkage Fee Nexus Study

Type of Development	Maximum Potential Child Care Linkage Fee
<u>Residential Linkage Fee (1)</u>	
Single-Family	\$2,272 per dwelling unit
Multi-Family, 0 to 1 Bedroom	\$1,493 per dwelling unit
Multi-Family, 2 + Bedrooms	\$1,704 per dwelling unit
Average, All Units	\$1,595 per dwelling unit
Average Per Sqft of Residential Space	\$1.72 (3)
<u>Non-Residential Linkage Fee (1)</u>	
Civic, Institutional, Education	\$1.29 per sqft of gross building space
Hotel	\$0.72 per sqft of gross building space
Industrial/PDR	\$0.83 per sqft of gross building space
Medical	\$1.29 per sqft of gross building space
Office	\$1.29 per sqft of gross building space
Retail	\$0.97 per sqft of gross building space
Average Non-Residential (2)	\$1.06 per sqft of gross building space

*Note: Costs are allocated to land uses based on their population and employment densities.
While the non-residential requirement is per 1,000 sqft, the fee is \$ per sqft of space.*

(1) Residential fees are by unit type; non-residential fees are per square foot.

(2) The average would apply to uses that do not fit in the above categories.

(3) Assumes the average size unit is 925 sqft per dwelling unit.

Source: Brion & Associates.

1. Introduction and Purpose of Study

The City and County of San Francisco (City) currently has a child care inclusionary zoning ordinance with a linkage fee option, which was adopted in 1986. The child care program applies to office and hotel uses only in the downtown district at \$1.00 per square foot for projects with a net addition of 50,000 square feet of gross building space or more. The goal of the program is to “foster the expansion of and ease access to child care facilities affordable to households of low or moderate income.”⁵

The child care requirement was originally adopted in 1986, prior to the adoption of AB1600 in 1987, which is now commonly called The Mitigation Fee Act (Government Code 66000). This Act generally requires that a nexus be established for a public entity to adopt a development impact fee. While it is the City’s position that a nexus analysis is not needed for the Child Care Linkage Fee Program, the City does want to ensure that the fee is fair and equitable and meets the principles of nexus. The City’s child care ordinance was last updated and revised in 2003.⁶

The requirements of the existing zoning ordinance can be summarized as follows:

- ◆ Overall, the child care requirement is for a minimum of 3,000 square feet of child care facility space onsite.
- ◆ For hotel or office projects less than 300,000 square feet, a 2,000 square foot child care facility is required onsite.
- ◆ The child care facility must be a licensed facility.
- ◆ The formula for determining the amount of child care space is:

net addition gross square feet of hotel/office space x .01 = square feet of child care space facility required or the minimums listed above.
- ◆ A project sponsor or group of project sponsors within 0.5 miles of each other may elect to provide a child care facility at the above rates offsite, within 1.0 miles of the project(s) to meet the requirement.
- ◆ The child care facility must be provided for the life of the development project for which the facility is required or as long as there is demonstrated demand.
- ◆ The child care facility must be reasonably accessible to public transportation or transportation provided by the project sponsors.

⁵ See Section 314.4.(a)(1) Imposition of Child Care Requirement, page 42, dated April, 9, 2003.

⁶ This update included changes to the Transit Impact, Housing, Child Care, Park, and Inclusionary Housing Fees to transfer the collection and enforcement of the said fees to the City Treasurer’s Office.

- ◆ In all cases above, proof must be provided that the child care facility is leased to a non-profit child care provider without charge for rent, utilities, property taxes, building services, repairs, or any other charges of any nature for a minimum of three years.
- ◆ The project sponsor may elect to pay an in-lieu fee at the following rate:

net addition of gross hotel/office space x \$1.00 = total in-lieu fee requirement.
- ◆ Payment of the in-lieu fee is made to the City Treasurer, and the Treasurer prepares a certification which the project sponsor submits to the Planning Department as proof of child care mitigation prior to the issuance of the project's building permit.
- ◆ A project sponsor may elect to provide a combination of child care space and an in-lieu fee, singly or in conjunction with other project sponsors.
- ◆ A project sponsor may enter into an agreement with a nonprofit child care provider to provide a child care facility within the city to meet the conditions of the requirement; the agreement must be for a period of 20 years, with the first three years being made available free of rent, utilities, property taxes, building services, repairs or other charges. To facilitate this agreement, the project sponsor may pay to the nonprofit an amount equal to or in excess of the sum of the in-lieu fee due for the development project.

Since 1986, the City has collected approximately \$4.8 million in child care in-lieu fees. Over this period, no revenue was collected during seven of the years. The average annual amount of revenue collected in the last 20 years was \$241,000 per year. During the years when revenue was generated, the largest amount of revenue collected in one year was \$1.01 million in Fiscal Year 1990/91 and the lowest amount collected was about \$26,000 in Fiscal Year 1992/93. Given that the existing fee only applies to downtown office and hotel development, much of the new development in the City over the last 20 years has not paid child care impact fees.

2. Nexus Findings

This section describes the findings which establish the nexus between the need for the Child Care Linkage Fee, the maximum amount of the fee, the need for the facilities to be funded with the fee, and new development. The City's current position is that the present Child Care Linkage Program, including the in-lieu fee provision offered as an alternative to providing child care on- or offsite, is not subject to the requirements of the Mitigation Fee Act or Government Code Section 66000. The City does not expect to alter its position on this matter. However, because the City agreed to sponsor a supporting nexus analysis as part of the citywide fee study effort, and because there is interest in determining whether the Inclusionary Program can be supported by a nexus type analysis as an additional support measure, the City has contracted for the preparation of a nexus analysis at this time. The nexus findings include:

1. The purpose of the fee and related description of the child care facilities for which the revenue will be used;
2. The specific use of the child care fee;
3. The reasonable relationship between the child care facility to be funded and the type of development to be charged the fee;
4. The need for the child care facility and the type of development; and
5. The reasonable relationship between the amount of the child care fee and the proportionality of the cost specifically attributable to new and existing development.

Each of these findings is addressed below.

Purpose of the Child Care Linkage Fee

The purpose of the Child Care Linkage Fee is to fund required capital improvements to create new child care facilities or new spaces at existing child care facilities. These facilities will be available to serve all new residents and employees that require child care in San Francisco.

Use of the Child Care Linkage Fee

The Child Care Linkage Fee revenue will be used by the City and County of San Francisco to construct new child care facilities or provide funding for the expansion of existing child care facilities in the City. This study identifies seven potential options for creating new child care spaces and the fee revenue that will be used to fund these options in the City over the next 19 years, including:

1. Build new centers (free standing);
2. Build new centers in existing or new commercial space;
3. Expand existing centers;
4. Assist new small Family Child Care Homes;
5. Assist new large Family Child Care Homes;
6. Expand Family Child Care Homes from 8 to 14 spaces; and
7. Support school age care at existing schools or community facilities.

The Child Care Linkage Fee revenue will be combined with other City revenues and private funding to fund new child care facilities. A series of grants and loans will be used to allocate funding to child care providers, as is the City's practice with the current child care fee program.

Relationship of the Child Care Linkage Fee to New Development

New child care facilities are required to serve existing development as well as new development. The demand for new child care spaces is based on current projections of child care need prepared as part of this nexus study. The demand for child care from new development uses the same assumptions that have been used for existing development and is based on the methodology discussed at the beginning of this chapter and other research conducted for this study. The fee revenue will be used to fund new development's fair share of required child care facilities and/or new spaces at existing facilities. For development projects which require more than 14 spaces, the developer would have the option of providing the facility on- or offsite or paying the linkage fee. The City's current child care fee allows for either providing child care space or paying an in-lieu linkage fee.

Need for the Child Care Linkage Fee

Each new residential or commercial project that is developed in the City and County of San Francisco will generate new residents and non-resident employees. Current data on the supply of child care in the City shows that approximately two-thirds (or 64%) of the children needing licensed care have an available space. New development will add to this unmet demand for child care and aggravate the existing shortage of child care. The Child Care Linkage Fee will provide or fund new development's share of required child care facilities and spaces over the next 19 years. The linkage fee, however, will not be used to address existing deficiencies.

Proportionality of the Child Care Linkage Fee

This analysis assumes that the City and County of San Francisco will fund 100% of the total potential demand for child care in the City arising from new development through the Child Care Linkage Fee program. New development is being assessed fees only for their proportional share of the cost of providing new child care facilities and spaces in the City, assuming the same cost and demand factors that are applied to existing development. The child care linkage fee program addresses the impact of new development and not existing development. This study presents the maximum amount of fees by land use that could be charged to new development based on its impacts. However, the City can choose to adopt a fee rate that is less than the amounts discussed in this study.

3. Summary of Study Approach

This study estimates the current number of children ages 0 to 13 years old who require child care and the future demand for child care from new development, both residential and non-residential, through 2025.

- ◆ Children are analyzed in three age groups:
 1. Birth to 24 months old, or **Infants**
 2. 2 to 5 years old, or **Preschool**
 3. 6 to 13 years old or **School Age**
- ◆ Several types of child care spaces and providers are discussed:
 - **Small Family Child Care Home** that serves up to 8 children and can serve all age groups with limits on number of spaces per age group;
 - **Large Family Child Care Home** that serves up to 14 children and can serve all age groups with limits on number of spaces per age group;
 - **Child Care Center** that can serve all age groups, depending on its license(s); infants require a separate license from other age groups; and
 - **School Age**, which typically just serve school age children but may also serve preschool-age children
- ◆ Children as a percent of total population is a key factor in the child care demand analysis. These rates are taken from the California Department of Finance's P-3 Report, which forecasts population by age. The following represents a summary of the rates assumed in the analysis:

Year	Infants	Preschool	School Age	Total, 0 to 13
2006	2.3%	4.1%	6.1%	12.5%
2006-2025 ⁷	1.5%	3.3%	7.2%	12.1%

- ◆ While the overall rate does not change very much during the analysis period, the rate by age group does change significantly. In particular, infants and preschool-age children decrease, and school age children increase.

⁷ These rates are the average by age over the time period (to 2025).

- ◆ All child care spaces analyzed in this report are either licensed or license-exempt⁸ child care and spaces provided by the City's Latchkey program run by the Recreation and Park Department. The City's Recreation and Park Department's program is also not considered formally license-exempt but is a main source of school age care in the City. Private school afterschool spaces are not included in the supply data, because it is not possible to determine if they are already counted in other license or license exempt supply data.
- ◆ This analysis estimates that 37% of infants with working parents need licensed child care,⁹ and 66% of school age children with working parents¹⁰ require licensed child care. For preschool, a total of 100% of all preschool-age children with working parents are assumed to need a licensed preschool space.
- ◆ In addition to residents, this study also estimates that 5% of non-resident employees in San Francisco need licensed care, and each of these employees generates one child needing a licensed child care space on average. This factor is based on data derived from child care nexus studies from South San Francisco and Santa Monica.¹¹
- ◆ The Department of Children, Youth, and Their Families proposes that the child care inclusionary requirement and linkage fee will apply citywide to all new development—and redevelopment where building space increases overall—and will apply to all land uses, residential and non-residential, including:
 - Single Family
 - Multi-Family, Units with 0 to 1 bedroom
 - Multi-Family, Units with 2 or more bedrooms
 - Civic, Institutional, Educational
 - Hotel
 - Industrial

⁸ License-exempt spaces are child care providers that are generally associated with a public agency such as a unified school district; typically only school age care is license-exempt. This is a different status than unlicensed care. The local Child Care Resource & Referral Agency collects some data on license-exempt providers, but these providers are not required to register with the State. This analysis uses data collected by the Low Income Investment Fund (LIIF) on license-exempt providers, and from City's Recreation and Park Department's Latchkey program.

⁹ Based on a study prepared for Santa Clara County, which surveyed 1,400 working families. Also see Appendix A for more information.

¹⁰ Based on local San Francisco surveys and other child care studies. See Appendix A for more information.

¹¹ Information on South San Francisco is from "South San Francisco Child Care Facility Impact Free Study" by Brion & Associates, 2002. For the City of Santa Monica, see "Child Care Linkage Program," prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

- Medical
- Office
- Retail

For this analysis, single resident occupancy (SRO) units and senior units are not assumed to generate any children by definition and are thus not included in the fee calculations.¹²

- ◆ The Consultant and the Department of Children, Youth, and Their Families suggest that a new non-residential project would have to generate the need for at least 14 child care spaces in order to provide child care space to meet its impact or for a residential project, a unit could be set aside for a small family child care home, serving up to 8 children. It is suggested that any project with an impact lower than 14 spaces would pay the linkage fee with the exception of the residential project that prefers to provide a unit onsite for a small family child care home. It is further suggested that projects with an impact of over 14 spaces could choose either option, i.e., pay the fee or build the space, onsite or offsite, consistent with the current child care fee ordinance. It also suggested that residential projects could have the option, at the City's discretion, of setting aside units that could be designated for family child care home units, either small or large, as a means of meeting the requirements of the child care ordinance. The rationale for 14 spaces is that this represents the size of a large family child care home.
- ◆ For indoor child care space requirements, a factor of 109 square feet of gross building space per child is required based on the average of 13 recent San Francisco child care projects partially funded through the City's existing Child Care Facilities Fund. This factor includes the 35 square feet of play space per child based on State licensing requirements combined with additional ancillary space, such as kitchens, halls, bathrooms, storage, and lobbies. For outdoor space requirements, a total of 75 square feet of outdoor space per child is required based on State licensing requirements.

¹² It is recognized that some single resident occupancy units do house children, but the intent of this type of housing is not family housing, and, thus, they are excluded; senior housing generally has age restrictions that exclude children.

4. Existing and Projected Demographics

Table 1 shows current (2006) and future (2025) data on population, households/housing units, and employment for San Francisco. The forecast and land use data are based on a recent forecast by Moody's "Economy.com" and adjusted by Brion & Associates, and other land use information and data from the City and County of San Francisco Planning Department. (For further information, refer to the separate section of the consolidated report for the Citywide Development Impact Fee Study: "City Growth Forecast and Demographic Data.") There are an estimated 777,000 residents and 536,000 jobs as of 2006. Future population is estimated at about 833,000 residents and 620,000 jobs by 2025.

Total new development expected to occur from 2006 to 2025 would include the following:

- ◆ 55,871 new residents;
- ◆ 24,505 new dwelling units; and
- ◆ 83,807 new employees.

Given that Mission Bay, Rincon Hill, and Visitation Valley, unlike other areas of the City, are already subject to project specific development impact fees and are therefore excluded from the development assumed to be subject to any of the new fees analyzed in this report, as shown in **Table 1**.

Net new development without Mission Bay, Rincon Hill, and Visitation Valley from 2006 to 2025 that would be subject to the child care fee includes:

- ◆ 46,108 new residents;
- ◆ 19,146 new dwelling units; and
- ◆ 67,367 new employees.

Table 2 presents the number of children in San Francisco based on 2000 U.S. Census data. The percentage of children by age group is based on the breakdown of children by age group from the Census and divided by the total population. Overall, children 0 to 13 years old comprise 11.3% of the population as of 2000. This table also shows the labor force participation rates of parents with children for each age group as of 2000. In calculating these rates, we count households with children in which there are two working parents or a single working parent. The Census breaks this down for households with children under the age of 6 and children ages 6 and over. On average, 57.6% of children under the age of 6 have working parents, and 63.2% of children ages 6 and over have working parents in San Francisco.

For this analysis, the number of children by age for children 0 to 13 years old is estimated based on percentages from the California Department of Finance P-3 Report for the City

and County of San Francisco. **Table 3** first applies the percent of children by age group to the total 2006 population estimate of 760,673 (excluding Mission Bay, Rincon Hill, and Visitation Valley¹³). This 2006 population estimate is based on data from the City's Planning Department and the forecast prepared for the Citywide Development Impact Fee Project and has been adjusted to be in-line with the employment estimates which are from Moody's "Economy.com." Next, the percent of total estimated employed residents in the City and residents who work outside the City (based on 2000 Census data) is applied to the 2006 population estimate to determine the number of children who might need care outside of San Francisco and those that require care in San Francisco. The "Net Residents" or those residents who are presumed to require care for their children in San Francisco is approximately 753,500. Based on this methodology, which discounts the population of those needing care outside of the City, it is estimated that there are approximately 88,000 children between the ages of 0 and 13 in San Francisco as of 2006.

¹³ The number of children for Mission Bay, Rincon Hill, and Visitation Valley is included for information purposes in Appendix B, Table F.

Table 1
Projected Growth in San Francisco from 2006-2025
San Francisco Child Care Linkage Fee Nexus Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
			Amount (3)	Avg. Annual Growth Rate			
<u>Total Population</u>	(1)	777,121	55,871	0.37%		832,992	na
Visitation Valley		11,501	1,242	0.54%		12,743	90%
Mission Bay		2,112	3,711	5.48%		5,823	65%
Rincon Hill		<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal		16,448	9,763			26,211	
Total w/out MB/RH/VV	(2)	760,673	46,108	0.31%		806,781	na
<u>Total Housing Units</u>	(1)	341,052	24,505	0.37%	2.28	365,557	na
Visitation Valley		3,100	276	0.45%	4.51	3,376	91%
Mission Bay		1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill		<u>1,500</u>	<u>3,100</u>	6.08%	1.55	<u>4,600</u>	100%
Subtotal		5,800	5,359			11,159	
Total w/out MB/RH/VV	(2)	335,252	19,146	0.29%	2.27	354,399	na
<u>Total Employment</u>	(1)	536,224	83,807	0.77%		620,031	na
Visitation Valley		1,268	149	0.59%		1,417	100%
Mission Bay		8,901	15,118	5.36%		24,020	100%
Rincon Hill		<u>17,811</u>	<u>1,172</u>	0.34%		<u>18,983</u>	100%
Subtotal		27,981	16,440			44,420	
Total w/out MB/RH/VV	(2)	508,243	67,367	0.66%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Table 2
Children as Percent of Total Population in 2000 and
Labor Force Participation Rates for Parents with Children Under 6 and 6-17 Years in 2000
San Francisco Child Care Linkage Fee Nexus Study

2000 Census Data	Population by Age as of 2000					2000 Total Population
	0 to 24 Mos. Years	2 to 5 Years	6 to 9 Years	10 to 13 Years	Total 0-13 Years	
San Francisco Population	13,001	24,267	25,140	25,501	87,909	776,733
Percentage of Total Population	1.7%	3.1%	3.2%	3.3%	11.3%	
Labor Force Participation Rates (1)	57.6%	57.6%	63.2%	63.2%		

(1) Labor Force Participation Rates are calculated for children with two working parents or a working single parent.
LFPRs are calculated for children under age 6 and for children ages 6 to 17.

Sources: Census 2000; Brion & Associates.

Table 3
Number of Children and Total Population of San Francisco for 2006 and 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

San Francisco		Total Population All Ages	Population by Age (1)				
			0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)	Total 0-13	
<u>Children as of 2006 (w/out MB, RH, VV)</u>							
Children as % of Population by Age Group (1)			2.3%	4.1%	6.1%	12.5%	
Total Population at 2006 (2)			760,673	17,261	31,182	46,569	95,012
Total Estimated Employed Residents in City			41%	315,351 (3)			
SF Employed Residents Working Outside SF (5)			23%	72,739			
Those Needing Child Care Outside SF (5)			5%	7,214 (4)	3,607	3,607	
Net Residents			753,459				
Estimated Children at 2006 (5)				13,654	27,575	46,569	87,798
<u>New Children 2006-2025 (w/out MB, RH, VV)</u>							
Children as % of Population by Age Group (6)			1.5%	3.3%	7.2%	12.1%	
Net New Population			46,108				
Senior and SRO Population			1,081				
Net Population with Children			45,027				
Estimated Children of New Residents				696	1,505	3,244	5,445
New Employed Residents (7)			50%	22,432			
New Employed Residents Working Outside SF			23%	5,174			
Those Needing Child Care Outside SF (5)			5%	259	129	129	259
Net New Residents Possibly Needing Care				44,768			
Net New Children 2006 to 2025				566	1,375	3,244	5,186
<u>Total Children at 2025 (w/ MB, RH, VV)</u> (8)							
Total Population			832,992				
Senior and SRO Population			24,990				
Net Population with Children			808,003				
Children as Percent of Total Population at 2025				1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents				9,480	18,666	47,102	75,248
New Employed Residents			50%	402,546			
New Employed Residents Working Outside SF			23%	92,852			
Those Needing Child Care Outside SF (5)			5%	4,643	2,321	2,321	4,643
Total Residents Possibly Needing Care				803,360			
Total Children 2025				7,158	16,345	47,102	70,605

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).

(2) Excludes Mission Bay, Rincon Hill and Visitation Valley areas as they have special agreements regarding child care.

(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.

(4) Based on non-resident employee demand for child care in SF. See Table 6.

(5) Based on Journey to Work data - see Table 5 and Table 6.

(6) Based on total population as estimated times the average percentage of children per age group from above.

(7) Based on forecasts of Employed Residents at 2025 by ABAG.

(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.

Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Table 3 also estimates the number of children expected in San Francisco between 2006 and 2025, based on the changes in the percent population that are children, 0 to 13, through 2025. Not including the Single Resident Occupancy population and excluding children assumed to need care outside of San Francisco, it is estimated that there will be 5,186 additional children associated with new development from 2006 to 2025. Using the same methodology, and as shown at the bottom of **Table 3**, the number of total children at 2025 is expected to total approximately 70,605.

Overall, children 0 to 13 in the City as a percent of total population will decline from 12.5% to 9.3% by 2025. This trend is forecast by the California Department of Finance based on changes in demographics, such as the age women have children and the number of children they have. The Association of Bay Area Governments (ABAG) forecasts a reduction of 16,000 in children 0 to 5 for the nine-county region.¹⁴ Almost all counties are forecast to have a net reduction in children ages 0 to 14 by 2025. For instance; Marin County is forecast to lose about 3,200 children 0 to 14, Santa Clara County will lose about 3,900 children 0 to 5, San Mateo County will lose about 4,500 children 0 to 14, Alameda County will lose about 1,500 children 0 to 14, and Contra Costa County will lose 9,800 children 5 to 14. Only Solano and Napa Counties are expected to add children overall from 2005 to 2025.

Even though the City will lose children overall, new development will generate new children, albeit at lower rates than currently, and generate new demand for child care. After accounting for the child care spaces planned to be funded through the proposed fee program, there will still be an unmet demand for child care as discussed further in this study (see **Table 9**).

¹⁴ See *ABAG Projections 2005*, population by age and county.

5. Existing Child Care Demand and Supply

Current Child Care Supply

Table 4 presents the current supply of child care in San Francisco. This data are summarized by type of facility and number of spaces by age group and was provided by the San Francisco Department of Children, Youth, and Their Families and the Department of Human Services. These data are consistent with the supply data being used for preparation of the City's updated Child Care Needs Assessment.

Overall, there are approximately 31,800 child care spaces at a total of 1,012 child care facilities. These facilities do not include the private afterschool programs for school age children. The breakdown of facilities and spaces is (see **Table 4**):

- ◆ 303 child care centers with 18,161 spaces;
- ◆ 562 small family child care homes with 4,430 spaces;
- ◆ 147 large family child care homes with 1,956 spaces; and
- ◆ 7,295 school age spaces through the San Francisco Unified School District and the City's Recreation and Park Department's Latchkey programs.

Spaces at child care centers make up over half of all spaces (57%), with small and large family child care homes making up about 20% and school age license-exempt care making up the remaining 23%. The amount and distribution of existing supply includes:

- ◆ Infant spaces, at 2,646 or 8% of total;
- ◆ Preschool spaces, at 14,410 or 45% of total; and
- ◆ School age spaces, at 14,789 or 46% of total.

Non-Resident Employees

Table 5 uses Journey-to-Work data from the 2000 U.S. Census to determine the number of residents who both live and work in San Francisco and the number of residents who work outside of San Francisco. This is the total count of employed residents who live in San Francisco. **Table 5** also shows the total estimated number of employees in San Francisco. Based on these numbers, it is estimated that 55.2% of employees live and work in the City, and 44.8% of employees who work in San Francisco live elsewhere.

For 2006, it is estimated that there are 508,243 jobs in the City, excluding those in Mission Bay, Rincon Hill, and Visitation Valley. Of these jobs, 227,616 are held by individuals that reside outside of the City or 44.8%. Based on employment projections (see **Table 1**) and the estimated percentage of employees who live outside of the City, it is estimated that of the total 575,611 jobs in 2025, the number of jobs held by individuals who do not live in the City will total 257,787. These estimates are used in **Tables 6 through 8** to calculate the estimated number of children of non-resident employees that

need licensed child care in San Francisco. Overall, there will be an increase in jobs held by individuals that do not live in the City, or non-resident employees of about 30,170 through 2025.

In 2006, there are an estimated 227,600 employees who work in the City and live elsewhere. For this analysis, we estimate child care demand for non-resident employees who work in San Francisco. Employees who work and live in San Francisco are counted under population demand estimates below. It is estimated that 5% of these employees in San Francisco have children requiring licensed-based care in the City. This percentage is based on the South San Francisco child care fee nexus study and surveys of corporate employees as well as the recent Santa Monica child care nexus fee study.¹⁵ Of those needing licensed care, the analysis also assumes one child per employee ages 0 to 5. Based on this data, approximately 11,381 children, whose parents work in San Francisco but reside elsewhere, require child care in San Francisco in 2006. By 2025, this number will increase by approximately 1,509 to a total of 12,889 children needing spaces.

Existing Child Care Demand and Supply Comparison

Current child care demand, as well as the current supply of child care in San Francisco, is summarized in this section. **Table 7** calculates the existing demand for child care based on the estimated number of children in 2006 and applying demand factors, including labor force participation rates of parents, and estimates of the need for licensed care by age group. This is calculated by taking the estimated number of children by age group and multiplying it by the labor force participation rates by age. The product of these numbers is considered the number of infant, preschool, and school age children with working parents who need some type of child care.

The percent of children requiring licensed care is then calculated by applying percentages based on a review of several child care studies, including child care impact fee studies (see **Appendix A**). For this study, we assume that, for residents, 37% of infants, 100% of preschool, and 66% of school age children with working parents require licensed care.

For non-resident employee child care demand, which is from 0 to 5 years old, we estimate that 25% of that demand is for infants, and 75% is for preschool-age children. It is assumed that school age children of non-resident employees receive care near their places of residence or near or at their neighborhood schools and not in San Francisco.

¹⁵ Information on South San Francisco is from "South San Francisco Child Care Facility Impact Fee Study" by Brion & Associates, 2002. For the City of Santa Monica, see "Child Care Linkage Program," prepared for the City of Santa Monica by Keyser Marston Associates, Inc., November 2005.

Table 4
Child Care Supply Data for San Francisco as of June 2006
San Francisco Child Care Linkage Fee Nexus Study

Type of Child Care Facility	Number of Facilities - Providers	Number of Child Care Spaces by Age			Total Spaces, 0 to 13	Percent Distribution of Spaces by Type
		Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age		
Child Care Center	303	1,080	11,248	5,833	18,161	57.0%
Percent Distribution		6%	62%	32%	100%	
Sm. Family Child Care Home	(1) 562	1,124	2,182	1,124	4,430	13.9%
Percent Distribution		25%	49%	25%	100%	
Lg. Family Child Care Home	(1) 147	441	978	537	1,956	6.1%
Percent Distribution		23%	50%	27%	100%	
School Age Care (2)						
SFUSD Programs (Excel/SF Team)	na			6,895		
Rec & Park LatchKey	na			400		
Total School Age				7,295	7,295	22.9%
Percent Distribution				100%	100%	
Total, All Facilities	1,012	2,646	14,410	14,789	31,842	100.0%
Percent Distribution		8%	45%	46%	100%	

- (1) Distribution of these spaces is based on licensing restrictions by age; actual spaces by age may vary from these estimates. The ages served by FCCHs are not reported to the local Resource and Referral Agency.
- (2) From Department of Children, Youth and Their Families (October 2006); excludes some unlicensed community based organizations such as Boys & Girls Clubs and other non licensed or licensed exempt care due to inability to verify total capacity at these programs. Excel/SF Team data is from the San Francisco Unified School District School Health Program Data, 2005-2006. Rec & Park LatchKey Data is from the San Francisco Rec and Park Staff Survey in 2005.

Sources: SF Department of Children, Youth and Their Families; and Brion & Associates.

Table 5
Journey to Work Data and Employees Living Elsewhere but Working in
San Francisco by Year
San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Amount	Rates	Notes
Employed Residents that Live & Work in San Francisco in 2000 (1)	322,009 <i>a</i>	76.9%	
Employed Residents that Work Outside San Francisco in 2000 (1)	96,544 <i>b</i>	23.1%	
Total # of Employed Residents in 2000 (1)	418,553 <i>c</i>	100.0% $a + b = c$	
Estimated Total Employees in City as of 2000 Census	583,190 <i>d</i>		
Percent of Employees that Live and Work in City in 2000	55.2% <i>e</i>		$a / d = e$
Percent of Employees that Live Elsewhere and Work in the City in 2000	44.8% <i>f</i>		$100\% - e$
Estimated Current Jobs as of 2006 (2)	508,243 <i>g</i>		
Employees Living Elsewhere Working in San Francisco in 2006 (3)	227,616 <i>h</i>		$g * f = h$
Projected total Jobs at 2025 (2)	575,611 <i>i</i>		
Employees Living Elsewhere Working in San Francisco in 2025	257,787 <i>j</i>		$i * f = j$

- (1) Based on Journey-to-Work data from the 2000 U.S. Census.
 (2) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.
 (3) Assumes same ratio of employed residents living and working in San Francisco from 2000.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

Table 6
Existing and Future Child Care Demand from Non-Resident Employees: 2006 and 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Existing Conditions 2006	Future Conditions 2025	Net Growth, 2006- 2025
Employees that live elsewhere but work in San Francisco (1)	227,616	257,787	30,170 (4)
Estimated Number of Children of Employees Needing Licensed Care			
Estimated % of Employees with Children Needing Care (2)	5%	5%	na
Children Needing Licensed Care (3)	11,381	12,889	1,509

(1) Based on SF DCP Projections (Table 1) and U.S. Census Journey-to-Work data (see Table 5).

(2) Based on South San Francisco Child Care Facilities Impact Fee Nexus Study and surveys of corporate employees and other child care studies, reviewed by Brion & Associates, including Santa Monica's New Child Care Fee Nexus Study.

(3) Assumes one child per employee.

(4) See Table 1. Excludes Mission Bay, Rincon Hill and Visitation Valley as they have separate child care arrangements through project mitigation.

Sources: SF Department of City Planning; Census 2000; Brion & Associates.

Table 7
Existing Child Care Demand and Supply in San Francisco in 2006
San Francisco Child Care Linkage Fee Nexus Study

Existing Conditions at 2006	Child Care Demand & Supply by Age				
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old	
EXISTING DEMAND at 2006					
Resident Children Potentially Needing Care	(1)	13,654	27,575	46,569	87,798
Average Labor Force Participation Rates	(2)	57.6%	57.6%	63.2%	
Children With Working Parents		7,864	15,881	29,454	53,199
% Children Needing Licensed Care	(3)	37%	100%	66%	72%
Children Needing Licensed Care		2,910	15,881	19,498	38,289
Percent of Children by Age Needing Care		21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces		5,755	24,417	19,498	49,670
Percent Distribution		12%	49%	39%	100%
EXISTING SUPPLY at 2006					
Family Child Care Homes	(5)				
Small, Licensed for 8		1,124	2,182	1,124	4,430
Large, Licensed for 14		441	978	537	1,956
Child Care Centers		1,080	11,248	5,833	18,161
School Age Care		-	-	7,295	7,295
Current Available Spaces		2,645	14,408	14,789	31,842
Percent Distribution		8%	45%	46%	100%
EXISTING SURPLUS/(SHORTAGE) at 2006					
Percent Distribution		(3,110)	(10,009)	(4,709)	(17,828)
Percentage of Demand Met		17%	56%	26%	100%
by Existing Facilities/Spaces		46%	59%	76%	64%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of existing population for 2006.
Excludes residents that work outside of SF and need child care outside SF (see Table 3) and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Labor force participation rates (LFPRs) are from the 2000 Census and include children with two working parents or single working parents. The Census calculates LFPRs for all children under 6 years, and children 6 to 17 years old. Therefore, LFPRs for infants and preschool are the same. (See Table 2 for more information.)
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used.
The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care.
Percentages are based on a detailed review of 12 other child care studies, including impact fee studies.
Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF.
School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Applying these assumptions regarding the percent of children needing licensed care for residents and employees generates the total number of children requiring licensed child care spaces by age. The number of existing required spaces totals 49,670. Accounting for the current supply of child care, which is summarized in **Table 4**, we find that there is a shortage of 17,828 spaces overall for children ages 0 to 13 in San Francisco. Most of this shortage is for preschool-age and school age care. Overall, there are child care spaces available for about 64% of the children needing care. This does not account for whether they can afford these child care spaces, however. For infant care, 46% of demand is being met; for preschool, 59% of overall demand is met currently; and for school age children, 76% of demand is being met. Overall, one-third of children that need a licensed child care space may not have one available, irrespective of affordability.

In summary, of total children 0 to 13 living in the City, which equals 87,800; 44%, or slightly less than half, are assumed to require licensed child care outside the home. Overall, there is demand for nearly 50,000 child care spaces. With a supply of about 31,800 spaces, there is a significant shortfall of spaces in the City as of 2006.

Another measure of the unmet need for child care in the City includes the current waiting list for child care. The San Francisco Centralized Eligibility List publishes a monthly report which includes information on the number of children who are eligible for subsidized child care.¹⁶ To be eligible for the List, families must be low-income (i.e., at or below 75% of the State Median Income) and meet at least one of the following needs: working, looking for work, attending school or in training, homeless, medically incapacitated, or receiving Child Protective Services.¹⁷ Thus, not all the children estimated above needing a child care space are eligible for this List because it focuses on low-income children.

As of January 2007, there were 3,039 eligible children on the Centralized Eligibility List. This is over 1.5 times the 1,833 children currently enrolled in subsidized child care in the City. Of the total eligible children in January 2007, 1,242 (41%) were in families that earned 25% or less of the State Median Income. Approximately 45%, or 1,358 children, were in families which earned 25% to 50% of the State Median Income and 374 children (12%) were in families earning 50% to 75% of the State Median Income. Less than 2% of children came from families who earned over 75% of the State Median Income.

Future Child Care Demand

The future demand for child care is shown in **Table 8** and is based on projected population growth between 2006 and 2025 as discussed above. Demand is calculated using the same methodology and assumptions as in the previous tables for current

¹⁶ See *San Francisco Centralized Eligibility List Monthly Report* (as of 1/01/2007) for further explanation on the different categories and more detailed information.

¹⁷ Please see the San Francisco Centralized Eligibility List website: www.celsf.org.

demand and supply, with the exception of children as a percent of the total population, which is forecast to decline very slightly by 2025 from 12.5% in 2006 to 12.1% for the period 2006 to 2025 (see **Table 3**).¹⁸

Because we do not have estimates of future supply, the future demand analysis only presents future demand. **Table 8** calculates the total new demand for child care between 2006 and 2025, which is expected to equal 3,780 licensed child care spaces. Over half of these spaces, or 2,271 spaces, are generated by San Francisco residents. By age, the breakdown is as follows:

- ◆ 498 infant spaces, or 13% of total
- ◆ 1,923 preschool spaces, or 51% of total
- ◆ 1,358 school age spaces, or 36% of total

Table 9 shows the total child care demand at 2025, based on current and future demand, including the estimated 3,780 spaces to be added through the fee program. Assuming the child care fee program is updated as proposed herein and funds the 3,780 spaces needed, there would be an estimated shortfall of approximately 6,400 spaces at 2025, due to existing deficiencies. By age group, the estimated shortfalls equal:

- ◆ 1,228 infant spaces, or 19%;
- ◆ 1,618 preschool spaces, or 25%; and
- ◆ 3,574 school age spaces, or 56%.

The child care needs of Mission Bay, Rincon Hill, and Visitation Valley, which are excluded from the analysis as discussed above, are estimated for informational purposes and included in **Appendix B: Tables F and G**.

¹⁸ The average rates for children as a percent of the total population from the Department of Finance vary slightly from year to year, and this analysis uses the average rates between 2010 and 2025 for the net new growth in the City.

Table 8
Future Demand for Child Care: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Future Growth - 2006 to 2025	New Population & Employment	% Distri- bution	New Child Care Demand by Age			Total. 0 to 13 Years Old
			Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	
<u>Future Child Care Need</u>						
New Population with Children - 2006 to 2025	(1)	44,768	(see Table 3)			
Resident Children Potentially Needing Care						
Estimated Number of Children by Age	(2)	(see Table 3)	566	1,375	3,244	5,186
Average Labor Force Participation Rates	(3)		57.6%	57.6%	63.2%	
Children With Working Parents			326	792	2,052	3,170
% Children Needing Licensed Care	(4)		37%	100%	66%	72%
Children Needing Licensed Care			121	792	1,358	2,271
Percent of Children by Age Needing Care			21%	58%	42%	44%
Non-Resident Employee's Children Needing Care	(5)	(see Table 6)	377	1,131		1,509
<i>Distributed by Land Use Category</i>						
Civic, Institutional, Education		89	0%	0	-	2
Hotel-Motel		2,347	3%	13	-	53
Industrial/PDR		13,409	20%	75	-	300
Medical		3,849	6%	22	-	86
Office		40,662	60%	228	-	911
Retail		7,011	10%	39	-	157
Total Future Employee Demand for Child Care		67,367	100%	377	1,131	1,509
Total New Demand for Child Care Spaces			498	1,923	1,358	3,780
Percent Distribution			13%	51%	36%	100%

- (1) Excludes residents that work outside of SF and need child care outside SF (see Table 3) and represents population associated with SF and MF unit development and excludes SRO and senior units and excludes Mission Bay, Rincon Hill and Visitation Valley existing development as estimated through 2006.
- (2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
- (3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
- (4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (5) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age. School age children are assumed to have care near their home and school.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Table 9
Total Child Care Demand at 2025
San Francisco Child Care Linkage Fee Nexus Study

Existing Conditions	Child Care Demand & Supply by Age			
	Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old
DEMAND at 2025				
Resident Children Potentially Needing Care (1)	7,158	16,345	47,102	70,605
Average Labor Force Participation Rates (2)	57.6%	57.6%	63.2%	
Children With Working Parents	4,123	9,414	29,791	43,327
% Children Needing Licensed Care (3)	37%	100%	66%	71%
Children Needing Licensed Care	1,525	9,414	19,721	30,660
Percent of Children by Age Needing Care	21%	58%	42%	43%
Non-Resident Employee's Children Needing Care (4)	2,845	8,536	-	11,381
Total Demand for Child Care Spaces at 2025	4,371	17,949	19,721	42,041
Percent Distribution	10%	43%	47%	100%
EXISTING & FUTURE SUPPLY at 2025 (5)				
Family Child Care Homes				
Small, Licensed for 8	1,124	2,182	1,124	4,430
Large, Licensed for 14	441	978	537	1,956
Child Care Centers	1,080	11,248	5,833	18,161
School Age Care	-	-	7,295	7,295
Future Supply Funded with Fee Program (6)	498	1,923	1,358	3,780
Total Expected Spaces at 2025	3,143	16,331	16,147	35,622
Percent Distribution	9%	46%	45%	100%
ESTIMATED SURPLUS/(SHORTAGE) at 2025	(1,228)	(1,618)	(3,574)	(6,420)
Percent Distribution	19%	25%	56%	100%
Percentage of Demand Met by Existing & Planned Facilities/Spaces	72%	91%	82%	85%

- (1) Based on estimated number of children by age categories for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of total future population at 2025. (See Tables 1 and 3).
Note: includes Mission Bay, Rincon Hill and Visitation Valley existing development so as to give a full estimate of total demand at 2025.
- (2) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents.
Rates vary by age, under 6 years and over 6 years.
- (3) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used.
The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care.
Percentages are based on a detailed review of 12 other child care studies, including impact fee studies.
Demand for preschool is based on the Universal Preschool approach which is a policy goal of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (4) Includes demand from employees that work in the San Francisco but live elsewhere (see Tables 5 and 6). This analysis assumes one child per employee that needs care residence at the rate of: 25% infants 75% preschool 0% school age
School age children are assumed to have care near their home and school.
- (5) See Table 4 for more detail and sources of supply.
- (6) Includes future supply expected to be constructed through the Linkage Fee Program (see Table 8).
- Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

6. Child Care Facilities Master Plan

As part of this effort, a plan for how the City would provide new child care spaces given the existing supply of child care by type, and the cost of providing new child care by type, has been prepared. The breakdown of new child care spaces by type of facility and age is shown for projected future demand in **Table 10**. This distribution of future spaces reflects the current supply by type of facility and age as well as the likelihood of each type of supply to expand or add more spaces. **Table 10** shows the breakdown of spaces by facility and age for the estimated 3,780 licensed spaces that will be required by new residents and non-resident employees in San Francisco. About 48% of the new spaces will be center-based through new centers, expansions of existing centers, or new centers in new or existing commercial space. About 34% of the spaces will be created through new and expanding family child care homes. For school age children, half of the new spaces are assumed to be school age care onsite at existing schools, and the other half will be split between center-based and family child care homes. Based on this breakdown of spaces, **Table 10** also calculates the total costs by type of care for new child care spaces. Child care spaces at new child care centers are the most expensive at approximately \$27,400 per space based on data from other San Francisco child care projects over the last several years.¹⁹ The costs per space by type of care are:

- ◆ \$27,400 per space for new child care center spaces;
 - ◆ \$13,700 for spaces in existing or new commercial space;
 - ◆ \$13,700 per space for existing child care centers which choose to expand;
 - ◆ \$500 per space for new small family child care homes;
 - ◆ \$1,429 per space for new large family child care homes;
 - ◆ \$3,333 per space for small family child care homes to expand to large family child care homes (net increase of 6 spaces per home); and
 - ◆ \$8,333 per space for school age care at existing schools.
- ◆ *Average: \$12,325 per space across all types of care.*

If San Francisco were to have a higher proportion of new center spaces, the average cost per space would be higher. The total cost of new required child care facilities equals about \$46.6 million, based on the above rates and distribution of spaces by facility type. Taking the average cost among these various types of care, however, is reasonable, given that the type of care that will actually be built is difficult to predict. This method reflects a reasonable estimate of what the City will build with the fee revenues given the distribution of demand by type of care, age, and the supply of existing types of child care. For instance, only a portion of small family child care homes can be assumed to be interested in or capable of expanding to large child care homes.

¹⁹ These costs have been adjusted for inflation and expressed in 2006 dollars.

Table 10
Estimated Cost of Child Care Spaces by Type of Space and Age: 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Type of Facility or Program	Average Cost per Space by Facility Type	Birth to 2 or Infant	3 to 5 or Preschool	6 to 13 or School Age	Totals, 0 to 13 Years Old	Percents of Totals
Target Number of Spaces	<i>(see Table 8)</i>	498	1,923	1,358	3,780	
1. Build New Centers: Spaces		199	769	102	1,070	28.3%
Costs (1)	\$27,406	\$5,457,364	\$21,085,657	\$2,792,060	\$29,335,081	63.0%
2. New Centers in Existing or New Commercial Space		50	192	102	344	9.1%
Costs (1)	\$13,703	\$682,170	\$2,635,707	\$1,396,030	\$4,713,908	10.1%
3. Expand at Existing Centers: Spaces		75	289	34	397	10.5%
Costs (2)	\$13,703	\$1,023,256	\$3,953,561	\$465,343	\$5,442,160	11.7%
4. New Small Family Child Care Homes: Spaces		100	385	272	756	20.0%
Costs (3)	\$500	\$49,782	\$192,344	\$135,836	\$377,963	0.8%
5. New Large Family Child Care Home Spaces		50	192	136	378	10.0%
Costs (4)	\$1,429	\$71,118	\$274,778	\$194,052	\$539,947	1.2%
6. Expand FCCH from 8 to 14: Spaces		25	96	34	155	4.1%
Costs (5)	\$3,333	\$82,971	\$320,574	\$113,197	\$516,741	1.1%
7. School Age at Existing Schools		-	-	679	679	18.0%
Costs (6)	\$8,333			\$5,659,846	\$5,659,846	12.1%
Total Spaces	na	498	1,923	1,358	3,780	100%
Total Costs	na	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646	100%
Average Cost by Age Group	na	\$14,798	\$14,798	\$7,919	\$12,325	

Note: This matrix of child care spaces is derived by evaluating the current supply of spaces and estimating how many facilities might expand; based on past development of spaces and the demand for child care by age group, as determined by the consultant and DCYF.

- (1) Based on actual project costs for 13 projects that have received some funding from the City of San Francisco's low-interest loan program for child care facilities (See Appendix Table B).
- (2) Expansion is assumed to cost 50% of new child care center spaces.
- (3) Assumes cost based on approximation of \$4,000 to set up a new small family child care home for 8 children.
- (4) Assumes cost based on approximation of \$20,000 to set up a new large family child care home for 14 children. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (5) Assumes cost based on approximation of \$20,000 to expand from a small to a large family child care home. based on data from actual grant programs administered by the Child Care Development Fund and DCYF/LIIF (See Appendix Table E).
- (6) Assumes \$350,000 per portable serving 36 children on average for before- and after-school care.

Sources: City of San Francisco; LINCC; Brion & Associates.

Table 11 summarizes the new child care spaces and costs and shows the average number of spaces and costs per year over the study period or 2006 to 2025. As shown, infant and preschool spaces cost more on average than school age spaces. Over the 19-year period, on average, there will be an annual need for 26 infant spaces, 101 preschool spaces, and 71 school age spaces, or an overall total of about 199 per year. The average annual cost of these spaces would be approximately \$2.6 million per year. In reality, new development will be higher or lower in any given year, and the actual child care needs would be more or less than the averages presented here.

Table 11
Summary of New Demand for Child Care and Costs 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

Item	Child Care Demand - 2006 to 2025			Total Estimated Child Care Need in Spaces
	Birth to 23 months or Infant	2 to 5 or Preschool	6 to 13 or School Age	
Total New Demand from 2006 to 2025 for Child Care by Age	498	1,923	1,358	3,780
City's Target as % of Total	100%	498	1,923	1,358
Average Facility Cost per Space	\$14,798	\$14,798	\$7,919	\$12,325
Total Cost of Child Care Spaces (excluding administrative costs)	\$7,366,661	\$28,462,621	\$10,756,364	\$46,585,646
With Administrative Costs (5%)	\$7,734,994	\$29,885,752	\$11,294,183	\$48,914,928
Average No. of Spaces per Year (1)	26	101	71	199
Average Cost per Year (1)	\$407,105	\$1,572,934	\$594,431	\$2,574,470

(1) Assumes growth occurs evenly over the 2006 to 2025 period; in reality, development will be higher or lower in any given year.

Sources: City of San Francisco; Brion & Associates.

7. Child Care Requirements

Table 12 calculates demand for child care spaces by type of future residential development. Assuming the City will fund 100% of the future demand for child care, it will need to fund 2,271 spaces generated by residential demand. As discussed above under **Section 3**, single resident occupancy and senior units are not assumed to generate children by definition and are therefore not included; these units are expected to make up 2-3% of the total new dwelling units in the City through 2025. There will be 45,014 new residents who are expected to generate 5,186 children 0 to 13 years old. Of these children, 44%, or 2,271 children, are assumed to need licensed care based on the methodology discussed above. This amount of children will generate a need for a total of 247,551 square feet of new child care space of various types and about 170,333 square feet of outdoor space.

Based on State child care licensing requirements, new residential units would be required to provide the following amounts of indoor and outdoor child care space:

- ◆ Single Family: 19.1 square feet of indoor space and 13.2 square feet of outdoor space;
- ◆ Multi-Family 0 to 1 bedroom: 12.6 square feet of indoor space and 8.7 square feet of outdoor space; and
- ◆ Multi-Family 2+ bedrooms: 14.4 square feet of indoor space and 9.9 square feet of outdoor space.

The breakdown is based on the persons per household factors for each of these three types of residential units. The San Francisco Planning Department estimates slightly more than 40% of new multi-family units will be larger units with 2 or more bedrooms, based on the City's housing policy requirements for most of the areas with development potential within the City.

The child care space requirement varies slightly between single family and multi-family units, based on population density or persons per household per unit. The City forecasts about 95% of the new development to be multi-family units, which include apartments, condos, live/work units, lofts, and flats. This forecast is based on historical development patterns, current applications and proposed projects, and current zoning in the City (see **Appendix C: Table C**).

Table 12
Child Care Requirement for Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total Residential Uses	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	4%	54%	41%	2%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	4%	55%	41%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	4%	55%	41%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	
Child Care Requirement in Sqft by Land Use (3)						
Building Space		247,551	9,138	135,901	102,512	
Outdoor Space		170,333	6,288	93,510	70,536	
Child Care Space Requirement per Unit (4)						
Building Space in Sqft		13.4	19.1	12.6	14.4	
Outdoor Space in Sqft		9.2	13.2	8.7	9.9	

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects
Assumes an average outdoor space sqft of 75 based on state licensing requirements.

(4) If less than 14 spaces for Residential project and 24 spaces for Commercial Projects are required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.

Sources: Brion & Associates.

The demand for child care spaces from non-residential uses is calculated in **Table 13** by type of land use, for a total of 1,509 child care spaces. The child care requirements for non-residential development are expressed as square feet of child care space per 1,000 square feet of non-residential space, as shown in **Table 13** and summarized below:

- ◆ Civic, Institutional, Educational: 10.8 square feet of indoor space and 7.5 square feet of outdoor space;
- ◆ Hotel: 6.1 square feet of indoor space and 4.2 square feet of outdoor space;
- ◆ Industrial: 7.0 square feet of indoor space and 4.8 square feet of outdoor space;
- ◆ Medical: 10.8 square feet of indoor and 7.5 square feet of outdoor space;
- ◆ Office: 10.8 square feet of indoor space and 7.5 square feet of outdoor space; and
- ◆ Retail: 8.1 square feet of indoor space and 5.6 square feet of outdoor space.

- ◆ *Average: 9.3 square feet of indoor space and 6.4 square feet of outdoor space.*

The space requirements vary by land use because the employment densities vary by land use. The higher the density, or the more employees per square foot, the greater the child care requirements for that land use. The density assumptions (square feet per employee) are shown in **Appendix B: Table A** and are from the San Francisco Planning Department.

For projects that 1) are too small to create demand for a reasonably sized child care project (under 14 spaces); 2) do not want to provide child care space directly; or 3) cannot provide child care onsite, giving them the option of paying a linkage fee, which is calculated based on the space requirements shown in **Tables 12 and 13**, is suggested. This approach is consistent with the current child care fee program in the City. The proposed in-lieu or linkage fee rates are shown in **Tables 14 and 15**.

Table 13
Child Care Requirement for Non-Residential Uses
San Francisco Child Care Linkage Fee Nexus Study

Item		New Non-Residential Uses						Total Non-Residential Space (Sq. Ft.)
		Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail	
Future Development: Sqft of Space	(1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286
Child Care Space Demand	(2)	2	53	300	86	911	157	1,509
City's Policy Target: % of Demand	100%	2	53	300	86	911	157	1,509
Child Care Requirement in Sqft by Land Use (3)								
Building Space		218	5,728	32,729	9,395	99,247	17,112	164,428
Outdoor Space		150	3,941	22,520	6,464	68,289	11,774	113,139
Child Care Space Requirement	(4)							
CC Building Space in Sqft per 1,000 Sqft		10.8	6.1	7.0	10.8	10.8	8.1	9.3
CC Outdoor Space in Sqft per 1,000 Sqft		7.5	4.2	4.8	7.5	7.5	5.6	6.4

- (1) Based on projections by SF Department of City Planning (July 2006); See Appendix Table A.
The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.
- (2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.
- (3) Assumes an average building sqft per space of 109 based on recent projects in San Francisco (See Appendix Table B) and includes support space: halls, storage, restrooms, kitchen, etc. and the average sqft per space from recent San Francisco Projects
Assumes an average outdoor space sqft of 75 based on state licensing requirements.
- (4) If less than 14 spaces were required by a "project" then the in-lieu fee would be levied; otherwise a "project" could pay either the in-lieu fee or provide the child care spaces on- or off-site, with deed restrictions for a specified term, to be defined in the fee ordinance.
- Sources: Brion & Associates.

Table 14
Potential Maximum Residential Child Care Linkage Fee by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study

Item	Assumptions - Percents	Residential Uses				
		Total - Residential	Single Family Units	Multi-Family Units - 0-1 Bedrooms	Multi-Family Units - 2+ Bedrooms	SRO/Senior Units
Future Dwelling Units (w/out MB, RH, VV)		19,146	477	10,806	7,142	721
Persons Per Household Factors		2.35	3.50	2.30	2.63	1.16
Total Population	See Table 1	46,108	1,671	24,854	18,748	836
Percent Distribution		100%	3.6%	53.9%	40.7%	1.8%
Total Population Minus SR/SRO Population		45,273	1,671	24,854	18,748	
Percent Distribution		100%	3.7%	54.9%	41.4%	
Residents Needing Care Outside SF	See Table 3	(259)	(10)	(142)	(107)	
Future Population Subject to Fee		45,014	1,662	24,712	18,641	
Percent Distribution		100%	3.7%	55%	41.4%	
Estimated Total Children (1)	0.0%	5,186	191	2,847	2,148	
Children Needing Licensed Care (2)	43.8%	2,271	84	1,247	940	
City's Policy Target: % of Demand	100%	2,271	84	1,247	940	
Cost of Child Care by Land Use (3)		\$27,992,479	\$1,033,294	\$15,367,388	\$11,591,797	
Administrative Cost Factor (4)		\$1,399,624	\$51,665	\$768,369	\$579,590	
Total Child Care Costs		\$29,392,103	\$1,084,959	\$16,135,758	\$12,171,386	
Dwelling Units Subject to Fee		18,426	477	10,806	7,142	-
Potential Maximum Linkage Fee Per Unit		\$1,519	\$2,164	\$1,422	\$1,623	
Administrative Cost per Unit	5.0%	\$76	\$108	\$71	\$81	
Total Potential Maximum Linkage Fee per Dwelling Unit		\$1,595	\$2,272	\$1,493	\$1,704	\$0

Note: SRO and Senior units would be exempt from the child care fee as they do not generate children by definition.

However, it is true that children do occasionally live in SROs.

(1) See Table 8; children as % of total population citywide.

(2) See Table 8; represents average factor for all child care age groups.

(3) Assumes an average cost per space of \$12,325 (see Table 11).

(4) Assumes an administrative cost factor of 5.0% of total costs for administration of child care fee fund.

Sources: Brion & Associates.

Table 15
Potential Maximum Non-Residential Child Care Linkage Fee by Land Use Category
San Francisco Child Care Linkage Fee Nexus Study

Item		New Non-Residential Uses						Total Non-Residential Space (Sq. Ft.)
		Civic, Institutional, Education	Hotel-Motel	Industrial/PDR	Medical	Office	Retail	
Future Development: Sqft of Space	(1)	20,083	938,640	4,693,270	866,036	9,148,962	2,103,296	17,770,286
Child Care Space Demand	(2)	2	53	300	86	911	157	1,509
City's Policy Target: % of Demand	100%	2	53	300	86	911	157	1,509
Cost of Child Care by Land Use (3)		\$24,635	\$647,654	\$3,700,938	\$1,062,325	\$11,222,604	\$1,935,011	\$18,593,167
Administrative Cost Factor (4)		\$1,232	\$32,383	\$185,047	\$53,116	\$561,130	\$96,751	\$929,658
Total Child Care Costs		\$25,867	\$680,037	\$3,885,985	\$1,115,442	\$11,783,734	\$2,031,761	\$19,522,825
Potential Maximum Linkage Fee Per Sqft of Space		\$1.23	\$0.69	\$0.79	\$1.23	\$1.23	\$0.92	\$1.05
Administrative Cost per Space	5.0%	\$0.06	\$0.03	\$0.04	\$0.06	\$0.06	\$0.05	\$0.05
Potential Maximum Fee per Sqft of Development		\$1.29	\$0.72	\$0.83	\$1.29	\$1.29	\$0.97	\$1.06

(1) Based on projections by SF Department of City Planning (July 2006).

The cost of non-resident employee child care demand is spread over all expected non-residential space as it is not possible to distinguish which space is used by resident employees versus non-resident employees.

(2) See Tables 5 and 6. Assumes that about 5% of employees need child care and of those, one child per employee, age 0 to 5.

(3) Assumes an average cost per space of \$12,325 (see Table 11).

(4) Assumes an administrative cost factor of 5% of total costs for administration of child care fee fund.

Sources: Brion & Associates.

8. Proposed Maximum Child Care Linkage Fee by Land Use

The total estimated maximum residential child care linkage fees by land use are calculated in **Table 14** based on the average cost per space calculated in **Table 10**. Total costs of new required child care for residential uses equal \$29.4 million, assuming an average cost per space of \$12,325 and a 5% administration cost. Most of these costs, about \$28.3 million, are estimated to be associated with multi-family development because the City is expected to add very few single family units. These proposed fee rates represent the maximum amount that the City could charge based on nexus. These maximum fee rates are comparable with child care fees in other locations as discussed in **Chapter II: Fee Comparisons**. Many of these fees have not been updated in a number of years and/or were adopted prior to the adoption of the Mitigation Fee Act. In summary, other cities' current child care fees range from:

- ◆ \$100 to \$1,736 for a single family residence;
- ◆ \$115 to \$1,624 for a multi-family residence; and
- ◆ \$0.01 to \$1.15 per square foot for non-residential uses.

The proposed San Francisco child care residential linkage fees are as follows:

- ◆ Single Family: \$2,272 per unit;
- ◆ Multi-Family 0 to 1 bedroom: \$1,493 per unit; and
- ◆ Multi-Family 2+ bedrooms: \$1,704 per unit.
- ◆ *Average: \$1,595 per residential unit or \$1.72 per square foot of residential development.*²⁰

Table 15 calculates the maximum proposed non-residential linkage fee per square foot for non-residential land uses. The maximum fees range from \$0.72 per square foot for hotel/motel uses to \$1.29 per square foot for office, medical, and civic, institutional, educational. The cost of providing child care to non-resident employees that work in the City is divided by the total amount of expected gross building space by land use category to derive the non-residential linkage fees. The proposed fee rates are:

- ◆ Civic, Institutional, Educational: \$1.29 per square foot of building space;
- ◆ Hotel/Motel: \$0.72 per square foot of building space;
- ◆ Industrial: \$0.83 per square foot of building space;
- ◆ Medical: \$1.29 per square foot of building space;
- ◆ Office: \$1.29 per square foot of building space; and
- ◆ Retail: \$0.97 per square foot of building space.
- ◆ *Average: \$1.06 per square foot of building space.*

²⁰ The residential development factor of \$1.72 per square foot is for comparison purposes and assumes the average residential unit to be 925 square feet.

The total projected revenues funded by non-residential uses would equal \$19.5 million over the 2006 to 2025 period, including 5% for administration. These maximum fees assume an estimated amount of new non-residential development that totals approximately 17.8 million new square feet of non-residential space over existing conditions, not including development approved at Mission Bay, Visitation Valley, and Rincon Hill (see **Appendix B: Table A**).

The amount of projected new development expected from 2006 to 2025 equals about 1.1 million square feet per year on average, of which about 605,000 square feet per year would be office space. These figures exclude non-residential space associated with Mission Bay, Rincon Hill and Visitation Valley as discussed elsewhere in the report. The City's Proposition M, which regulates office development in the City, allows for up to 875,000 square feet of office space per year. Even with the inclusion of the three project areas, the projected office development would total about 481,000 square feet per year, or within the Proposition M limit.

It should be noted that for those projects that choose to provide the child care space directly and not pay the linkage fee, the administrative fee would still need to be applied to cover the cost of the City's monitoring the project's mitigation.

It is important to understand that the methodology used to estimate child care demand and the maximum linkage fee requirement and fee rate is not dependent on the total overall amount of growth expected. With other types of impact fees, this may not be the case. For instance, if the City is trying to fund \$100 million worth of needed traffic improvements, the fee rate would be derived by dividing the total costs by the expected growth in trips, after making allocation assumptions to each land use. Thus, a fixed cost is allocated over a certain amount of growth to derive the fee rate. In this example, if the growth is less, the City would receive less money than needed or the fee rate would have to be increased to reflect lower growth.

With child care, we calculated the child care need per one new dwelling unit or per employee and applied an average cost per child care space to that demand to derive the maximum fee rates by land use. If actual growth is lower than analyzed in this report, the child care fee revenue generated will be less than estimated, but the child care fee rate would remain the same. The analysis does not presume some fixed amount of child care facilities that are needed independent of growth and then allocate those costs over the new growth as with other types of impact fees. The methodology presumes a bottom-up approach to derive child care costs or facility needs. Thus, if growth is less than analyzed herein, then child care demand would be commensurate with the amount of child care fee revenue collected.

It is important to note that the Department of Children, Youth, and Their Families proposes that each land use would pay the proposed fee rate listed in the **Tables 14 and 15**, unless the new development could not be categorized into one of these categories. In that situation, the average fee would apply respectively to residential or non-residential

uses. In total, it is assumed that the new child care fee will generate over \$46.6 million (plus administrative costs) to San Francisco over the next 19 years (through 2025) assuming development occurs as projected. If development is less than projected, the child care fee revenue collected will also be less, but demand for child care will be less as well.

9. Linkage Fee Implementation

This section discusses potential funding mechanisms the City of San Francisco could adopt to implement the Child Care Linkage Fee Program and other policy and implementation issues discussed in this report.

Proposed Funding Mechanisms for Fee Program

The expected development linkage fee revenue (i.e., \$48.9 million²¹) could be allocated to a variety of “funding mechanisms” the City could adopt to provide for new child care, which are discussed below. Should the child care fee be updated as proposed, the Board of Supervisors would set the priorities, choose the funding mechanisms, and the amounts allocated to each mechanism during the annual review of the fee program with input from the Department of Children, Youth, and Their Families. The City’s current Child Care Facilities Fund, which is administered by the Low Income Investment Fund, provides a variety of funding mechanisms and programs as outlined below. With the additional funding that would be generated by this fee update, the dollar amounts available for new child care would increase. These include, but are not limited to, the following:

1. **Direct City Funding** of new projects through joint development agreements with developers, non-profit providers/agencies, or City contributions towards private projects. This type of funding would include additional requirements concerning affordability and access to spaces. The City is not expected to build and own any child care facilities outright, except perhaps those developed through the Recreation and Park Department’s programs.
2. **Low-Interest Loans** to new or existing child care providers/facilities. There are a few options here. The first is a straight low-interest loan, with no special requirements. The second option includes a low interest loan with certain requirements or restrictions. For instance, there could be a payment waiver clause: if new spaces eligible to very low income children are created and maintained, then no loan payment would be required; however, if the provider eliminates the low income spaces, the loan repayment would become due. With low interest loans, the revenue would be used to create a revolving loan fund that would regenerate itself though the low interest charged on the loans.
3. **No-Interest Loans** with income/profit limits similar to those required to qualify for housing loan funds. These funds could be offered to existing child care providers at risk of going out of business because they are losing their space or to providers that will provide infant care, subsidized care, or spaces for children with special needs, assuming they expand their facilities.

²¹ This includes the administrative costs at 5% of total fee revenue through the year 2025.

4. **Grants with Matching Requirements** to new or existing child care providers. These funds would be available if the project provides infant care along with other age groups. To the extent that providers find additional monies or grants for expanding or creating new child care spaces, these spaces would count toward the City's existing need for spaces.
5. **Outright Grants** could be available to new or existing providers that provide spaces for children with special needs and/or new subsidized spaces. However, conditions and restrictions should be placed on the child care provider that receives outright grants to ensure that not only are new spaces being provided, but other goals of the City are being met also.

The amount of money allocated to each of these funding mechanisms would be in proportion to the amount of revenue needed to put each mechanism into operation. Revolving loan funds would generate interest and the revenue would be returned to the fund; thus, less revenue would be allocated to this option. Outright grants and the provision of new centers would be more costly, and more revenue should be allocated to these mechanisms. The ultimate allocation formula should be one that maximizes the provision of new spaces with the least cost to the overall program.

10. Use of Potential Child Care Linkage Fee Revenue

The \$48.9 million estimated to be generated by the Child Care Linkage Fee will accrue through 2025. In the first few years, the City will need to establish a priority list for the above funding mechanisms. Not all of the mechanisms will be created immediately. A special Child Care Linkage Fee Fund will need to be created so that the funds can be kept separately, and any interest earned on the fee revenue will become part of the fee fund. Up to 5% of the total fee amount collected from a project would be set aside for administration of the fee program.

Once a sufficient amount of fee revenue has been generated to construct a project, the City will need to determine how it will participate in the project. If development were to occur equally over the next 19 years, the City would receive about \$2.6 million per year in child care linkage fee revenue. In reality, real estate development varies year to year in business cycles, and the amount of fee revenue collected in any given year will vary. These are a few of the potential options available to the City:

1. The City currently contracts with the Low Income Investment Fund to manage the child care fee fund. The City could continue to work with the Low Income Investment Fund to manage and implement the program.
2. The City could partner with other child care agencies and non-profits for one of their child care projects.
3. The City could team with a local provider or developer that wants to build a new center and apply the revenue toward the project.
4. The City could issue a Request for Proposals to child care providers and developers that are interested in building a new center or expanding an existing center.
5. The City could develop a grant and low-interest loan program for providers in need of funding to create new child care facilities.

**Appendix A: Summary of Child Care Demand Factors
from Recent Child Care Studies**

Appendix A

Table 1

Summary of Child Care Demand Factors

San Francisco Child Care Linkage Fee Nexus Study

# Study Name and Location		Residential/Population Demand				Employment Demand Factors	Other Demand Factors/Comments	
		Licensed Care by Age Group (1)						Labor Force Participation Rates
		0-1 years	2-5 years	6-9 years	10-13 years			
1	<i>Child Care Master Plan, City of Santa Monica, June 1991</i> . Prepared by Moore Iacofano Goltsman, Inc.	40%	64%	59%	59%	56% under 6 and 73% over 6	Study breaks down ages from 0-2 years, 3-4 years, and 5-14 years.	
2	<i>Child Care Linkage Program, City of Santa Monica, November 2005</i> . Prepared by Keyser Marston Associates, Inc.					Assumes 14% of employees have children who demand child care in the City.	Fee applies to non-residential uses only.	
3	<i>A New Assessment of Child Care Need for Children Age 5 and Under in Santa Clara County</i> , Sponsored by FIRST 5 Santa Clara County and prepared by International Child Resource Institute, September 2002.	29% Center-based care, 8% FCCH; 37% total	29% Center-based care, 8% FCCH; 37% total	na	na	na	Study looks only at children ages 0 to 5 years old.	
4	<i>City of Alameda Child Care Needs</i> , February 2003 and <i>County of Alameda Meeting the Child Care Needs of Alameda County's Children</i> , February 2002, prepared by Berkeley Policy Associates. (2)	16%	33%	51%	51%	63% of families with children are considered "working" families where both parents or a single parent work.	The study employs a Conservative Demand Estimate and Broad Demand Estimate. Figures shown here are for the Conservative Demand Estimate which does not assume that every "working" family requires licensed care.	
5	<i>Who's Minding the Kids? Child Care Arrangements: Winter 2002</i> . Issued October 2005 by the U.S. Census Bureau based on the Survey of Income and Program Participation (SIPP).	24.2% in organized care; 6.2% FCCH. (3)	24.2% in organized care; 6.2% FCCH. (3)	5% in organized care; 5% in FCCH/ 16% in after-school enrichment programs.	5% in organized care; 5% in FCCH/ 16% in after-school enrichment programs.	Doesn't discuss LFPR.	This study is based on data from the Survey of Income and Program Participation (SIPP) which is collected by the U.S. Census.	

Appendix A

Table 1

Summary of Child Care Demand Factors

San Francisco Child Care Linkage Fee Nexus Study

# Study Name and Location		Residential/Population Demand				Labor Force Participation Rates	Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years			
6	<i>Methodology: Child Care Demand</i> , from Tompkins County, NY, www.daycarecouncil.org (3)	47%-69%	47%-69%	na	na	na		This study looks at children under age 6 who require care and summarizes results from four other studies which looked at demand.
7	<i>Primary Child Care Arrangements of Employed Parents: Findings from the 1999 National Survey of America's Families</i> , 2002, The Urban Institute.	73%	73%	80%	80%	na		These percentages refer to the number of children receiving care, both licensed and unlicensed.
8	<i>The Demand and Supply of Child Care in 1990</i> , Joint Findings of the National Child Care Survey 1990 and A Profile of Child Care Settings, 1991.	na	na	na	na	The report finds that 83% of children 0 to 5 years old have working parents, which is much higher than labor force participation rates we have found.		na No demand estimates are stated.
9	<i>Linking Development and Child Care: A Toolkit for Developers and Local Governments</i> , 2005, Prepared for Local Investment in Child Care (LINCC) by Bay Area Economics. Mission Bay Project Only	29.9% for center-based care and 12.6% for FCCH care	29.9% for center-based care and 12.6% for FCCH care	na	na	Does not appear to use LFPRs.		na This study also looks at employee demand, which most studies do not consider.
10	<i>Survey of Parents/Guardians and Childcare Providers</i> , January 2006, Conducted for the City of San Jose and the San Jose Public Library, by Godbe Research.	28%	28%	na	na	This is a survey of actual use patterns and not an estimate of demand, therefore LFPRs are irrelevant.		na Overall, 43% of respondents said that they used child care, but that included care provided by anyone who was not the parent/guardian.

Appendix A

Table 1

Summary of Child Care Demand Factors

San Francisco Child Care Linkage Fee Nexus Study

# Study Name and Location		Residential/Population Demand				Labor Force Participation Rates	Employment Demand Factors	Other Demand Factors/Comments
		Licensed Care by Age Group (1)						
		0-1 years	2-5 years	6-9 years	10-13 years			
11	<i>Child Care and Housing Linkage Research Study</i> , June 2003, Prepared for the County of San Mateo Office of Housing in conjunction with the San Mateo Child Care Coordinating Council, by Brion & Associates with Vernazza Wolfe, Inc.	75%	100%	38%	25%	LFPRs vary by community area.	na	This study looks at a variety of policies and programs that can be implemented in order to increase the supply of child care at the same time new housing is developed.
12	<i>Kern County Child Care Policy Analysis and Strategy Study</i> , October 2005, prepared by Brion & Associates.	37%	50%	50%	25%	LFPRs vary by community area.	na	
13	<i>City of Palm Desert Child Care Facilities Impact Fee Nexus Study</i> , August 2005, prepared by Brion & Associates.	37%	80%	50%	25%	53% for children under the age of 6 years and 59% for children over 6 years old.	Assumes that 5% of employees who work in Palm Desert have children ages 0-5 years old who need child care in Palm Desert. Spaces are split 50-50 between infant and preschool.	This study looks at both residential and employment demand, although a fee was only established for non-residential development, as requested by the City.
14	<i>City of South San Francisco Child Care Facilities Impact Fee Nexus Study</i> , September 2001, prepared by Brion & Associates.	100%	100%	100%	100%	na	5% of employees are expected to require child care in South San Francisco.	Data was taken directly from the then current Needs Assessment, which assumed 100% of children with working parents needed licensed care. The city however targeted 50% of this figure because it felt that some parents desire and use unlicensed care.
15	<i>PROPOSED Alameda County Child Care In-Lieu Fee Study</i> , May 2007, prepared by Brion & Associates.	37%	75%	38%	38%	60% for children under the age of 6 years and 66% for children over 6 years old.	Estimates that 5% of employees have children who require care near place of work	Study looks at unincorporated areas of Alameda County and calculates demand for both residential and non-residential uses.

(1) Represents demand for licensed care of children with working parents; and not the percentage of total children unless otherwise stated.

(2) The City of Alameda based their child care needs assessment on the study done for Alameda County in 2002; therefore their demand factors are the same.

(3) Organized care includes day care center, nursery or preschool, or Head Start/school programs.

Source: Compiled by Brion & Associates.

Prepared by Brion & Associates

Appendix B: Child Care Model Background and Detailed Supporting Data

Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs -2006- 2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
				<i>a</i>	<i>b</i>	<i>c</i>			
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

- (1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).
Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.
- (2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.
- (3)
Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates.
The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.
- (4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.
- (5) The totals above are off by one job from the totals in Table 1 due to rounding.
- (6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.
Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Appendix B: Table A
Development Projections
for Non-Residential Uses
San Francisco Child Care
Linkage Fee Nexus Study

Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006- 2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MB,RH,VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528 (6)	2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	385,776	2,103,296	33,983,378	32,041,778
<u>Industrial/PDR</u>	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

LO	Loan #	Borrower	SPONSOR	Project Name	Project Costs	Costs Adjusted for Inflation per CPI for Region (1)	Square footage	Square footage cost	Inflation Adjusted Square Footage Cost	Total Child Care Spaces
BP	10288-14	San Francisco Women's Centers, Inc.	San Francisco Women's Centers, Inc.	SAN FRANCISCO WOMEN'S CENTER	\$333,457	\$398,070	1,485	\$225	\$268	23
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	THE FAMILY SCHOOL	\$213,568	\$247,654	2,600	\$82	\$95	23
BP	10299-14	Frandelja Enrichment Center	Frandelja Enrichment Center	FRANDELJA ENRICHMENT CENTER	\$716,104	\$842,452	6,700	\$107	\$126	40
DL	10300-14	1st Place 2 Start	Family Service Agency Of San Francisco	1ST PLACE 2 START	\$335,026	\$397,466	1,530	\$219	\$260	40
DL	10295-14	Wu Yee Children's Services	Wu Yee Children's Services	CHINATOWN EARLY HEAD START	\$1,382,290	\$1,659,536	6,700	\$206	\$248	40
DL	10296-14	Portola Family Connection Center, Inc.	Portola Family Connection Center, Inc.	PORTOLA FAMILY CONNECTION	\$1,396,280	\$1,642,636	7,500	\$186	\$219	63
DL	10311.02-14	Compass Community Services	Compass Community Services	TENDERLOIN CHILD CARE CENTER	\$3,855,900	\$4,450,496	11,277	\$342	\$395	63
BP	10310.02-14	Mission Neighborhood Centers, Inc	Mission Neighborhood Centers, Inc	ORLANDO CEPEDA PLACE CHILDREN'S CENTER	\$1,042,313	\$1,137,903	6,900	\$151	\$165	40
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	JEAN JACOBS CHILDCARE CENTER	\$1,018,859	\$1,124,240	6,700	\$152	\$168	40
BP	10298-14	899 Guerrero Street, Inc.	Catholic Charities Diocese Of San Diego	ST. JOSEPH'S VILLAGE	\$1,547,700	\$1,925,032	5,000	\$310	\$385	121
DL	10304-14	Visitacion Valley Community Center	Visitacion Valley Community Center	HERITAGE HOMES CHILDREN'S CENTER	\$634,323	\$698,468	3,414	\$186	\$205	44
DL	10303.02-14	Visitacion Valley Community Center	Visitacion Valley Community Center	JOHN KING CHILD AND FAMILY	\$1,030,000	\$1,136,533	3,518	\$293	\$323	42
DL	10324.02-14	Cross Cultural Family Center	Cross Cultural Family Center	ONE CHURCH CHILD DEVELOPMENT CENTER	\$868,918	\$947,624	2,775	\$313	\$341	27
Totals, All Projects					\$14,374,738	\$16,608,111	66,099	na	na	606
Averages, All Projects					\$1,105,749	\$1,277,547	5,085	\$213	\$246	47

(1) For CPI factors see http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA422SA0,CUUSA422SA0
Sources: Low Income Investment Fund - San Francisco; Brion & Associates.

Appendix B: Table B
Summary of Recent Child Care
Projects with City Funding
San Francisco Child Care Linkage Fee Nexus Study

LO	Loan #	Borrower	Average Cost per Space in 2006 \$\$	Average Sqft per Child Care Space	Type of Child Care Slots	Loan closing dates	CPI Index (1)	Change in CPI to August 2006 (1)	% Change
BP	10288-14	San Francisco Women's Centers, Inc.	\$17,307	65	23 Preschoolers	2/1/2000	176.5	34.2	19.4%
BP	10297-14	Housing Services Affiliate Of The Bernal Heights Neighborhood Center	\$10,768	113	23 Preschoolers	8/23/2000	181.7	29	16.0%
BP	10299-14	Frandelja Enrichment Center	\$21,061	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	5/25/2000	179.1	31.6	17.6%
DL	10300-14	1st Place 2 Start	\$9,937	38	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	3/28/2000	177.6	33.1	18.6%
DL	10295-14	Wu Yee Children's Services	\$41,488	168	8 infant, 8 toddler, 18 Preschoolers, 8 SA = 40	1/13/2000	175.5	35.2	20.1%
DL	10296-14	Portola Family Connection Center, Inc.	\$26,074	119	18 Preschooler, 45 school age = 63	5/4/2000	179.1	31.6	17.6%
DL	10311.02-14	Compass Community Services	\$70,643	179	27 infant toddlers, 36 preschool =63	9/28/2000	182.55	28.15	15.4%
BP	10310.02-14	Mission Neighborhood Centers, Inc	\$28,448	173	40 pre-school	4/19/2002	193	17.7	9.2%
BP	10351.02-14	Coleman Children And Youth Services (dba Coleman Advocates For Children & Youth)	\$28,106	168	40 pre-school	1/25/2002	190.95	19.75	10.3%
BP	10298-14	899 Guerrero Street, Inc.	\$15,909	41	21 infants, 28 toddlers, 48 preschool, 24 school age = 121 total	2/1/1999	169.4	41.3	24.4%
DL	10304-14	Visitacion Valley Community Center	\$15,874	78	20 infants & toddlers, 24 Preschooler=44 total	9/3/2001	191.35	19.35	10.1%
DL	10303.02-14	Visitacion Valley Community Center	\$27,060	84	18 infant toddlers, 24 preschoolers =42 total	1/7/2002	190.95	19.75	10.3%
DL	10324.02-14	Cross Cultural Family Center	\$35,097	103	27 infant toddlers	6/28/2002	193.2	17.5	9.1%
Totals, All Projects			na	na					
Averages, All Projects			\$27,406	109					

Appendix B: Table C

Historical and Current Housing Unit Development in San Francisco by Type of Unit
San Francisco Child Care Linkage Fee Nexus Study

Year	All SF	MF 2 unit	MF 3-9 unit	MF 10-19 unit	MF 20+ unit	Total Units		Sr/SRO Units	SF Units	MF Units	Total Units
<u>HISTORIC</u>											
produced 2001	73	108	297	249	892	1,619		61	73	1,485	1,619
	5%	7%	18%	15%	55%	100%		4%	5%	92%	100%
produced 2002	59	134	358	230	1,479	2,260	=	61	59	2,140	2,260
	3%	6%	16%	10%	65%	100%		3%	3%	95%	100%
produced 2003	67	104	176	152	2,231	2,730	=	62	67	2,601	2,730
	2%	4%	6%	6%	82%	100%		2%	2%	95%	100%
produced 2004	55	84	91	120	1,430	1,780	=	65	55	1,660	1,780
	3%	5%	5%	7%	80%	100%		4%	3%	93%	100%
<u>CURRENT</u>											
	SF	2 unit	3-9 unit	10-19 unit	20+ unit						
authorized 2005	82	50	32	172	5,235	5,571					
	1%	1%	1%	3%	94%	100%					
produced 2005	46	38	117	38	1,633	1,872	=	235	46	1,591	1,872
	2%	2%	6%	2%	87%	100%		13%	2%	85%	100%
Average Produced											
2001 to 2005	60	94	208	158	1,533	2,052		97	60	1,895	2,052
<u>RECOMMENDED DISTRIBUTION FOR GROWTH 2006 TO 2025</u>											
	<u>Sr/SRO</u>	<u>SF</u>	<u>MF</u>	<u>Total</u>							
Average (past 4yrs)	5%	3%	92%	100%							
Recommended	3%	2%	95%	100%							
Housing Distribution	735	490	23,280	24,505							

* Note: All numbers from San Francisco Planning Department: '01-04 numbers from Housing Inventory 2001-2004 published July 2005, and '05 numbers from Housing Inventory 2005 pending

Sources: San Francisco Planning Department; Brion & Associates.

Appendix B: Table D
San Francisco Growth Forecast by Age, 0 to 13 and Total Population (1)
Department of Finance P-3 Reports
San Francisco Child Care Linkage Fee Nexus Study

Age	2000 Total	Children as % of Pop.	2006 Total	Children as % of Pop.	2010 Total	Children as % of Pop.	2015 Total	Children as % of Pop.	2020 Total	Children as % of Pop.	2025 Total	Children as % of Pop.	Averages 2010-2025
0	7,224	0.9%	9,287	1.2%	8,929	1.1%	6,273	0.8%	4,830	0.6%	4,773	0.6%	
1	6,398	0.8%	8,872	1.1%	9,281	1.1%	6,868	0.8%	4,892	0.6%	4,737	0.6%	
2	5,927	0.8%	8,372	1.0%	9,408	1.2%	7,454	0.9%	4,974	0.6%	4,698	0.6%	
3	5,993	0.8%	8,026	1.0%	9,334	1.1%	7,953	1.0%	5,190	0.6%	4,671	0.6%	
4	5,844	0.7%	8,013	1.0%	9,067	1.1%	8,354	1.0%	5,577	0.7%	4,666	0.6%	
5	5,963	0.8%	8,393	1.0%	8,638	1.1%	8,714	1.1%	6,065	0.7%	4,691	0.6%	
6	5,974	0.8%	7,181	0.9%	8,132	1.0%	9,055	1.1%	6,647	0.8%	4,746	0.6%	
7	5,970	0.8%	6,327	0.8%	7,778	1.0%	9,175	1.1%	7,226	0.9%	4,825	0.6%	
8	6,127	0.8%	5,842	0.7%	7,748	0.9%	9,095	1.1%	7,717	0.9%	5,040	0.6%	
9	6,087	0.8%	5,905	0.7%	8,111	1.0%	8,816	1.1%	8,104	1.0%	5,425	0.7%	
10	6,220	0.8%	5,754	0.7%	6,898	0.8%	8,393	1.0%	8,469	1.0%	5,920	0.7%	
11	6,116	0.8%	5,920	0.7%	6,074	0.7%	7,907	1.0%	8,829	1.1%	6,518	0.8%	
12	6,066	0.8%	6,015	0.8%	5,650	0.7%	7,595	0.9%	8,991	1.1%	7,126	0.9%	
13	5,897	0.8%	6,048	0.8%	5,785	0.7%	7,617	0.9%	8,961	1.1%	7,653	0.9%	
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	
0-1	13,622	1.7%	18,159	2.3%	18,210	2.2%	13,141	1.6%	9,722	1.2%	9,510	1.2%	1.5%
2-5	23,727	3.0%	32,804	4.1%	36,447	4.5%	32,475	3.9%	21,806	2.7%	18,726	2.3%	3.3%
6-13	48,457	6.2%	48,992	6.1%	56,176	6.9%	67,653	8.2%	64,944	7.9%	47,253	5.8%	7.2%
Total 0-13	85,806	11.0%	99,955	12.5%	110,833	13.6%	113,269	13.7%	96,472	11.8%	75,489	9.3%	12.1%
Total Population	781,174	100.0%	800,244	100.0%	816,230	100.0%	825,614	100.0%	820,545	100%	810,595	100%	

(1) The actual numbers of children and total population from DOF is not used in the analysis but rather the relationships between children and total population.

The percentages calculated above are applied to the City Planning Department's forecast of population growth.

Sources: California Department of Finance; Brion & Associates.

Appendix B: Table E

**Cost of Family Child Care Home Expansions Funded with Existing Child Care Fee Grants
San Francisco Child Care Linkage Fee Nexus Study**

<i>Project & Year</i>	<i>Project Budget</i>	<i>Grant/Loan Amount</i>	<i>Slots Created</i>	<i>Slots Enhanced</i>	<i>Slots Preserved</i>	<i>Total Slots</i>	<i>Cost per Space</i>	<i>Notes</i>
<i>FY 04</i>								
#04-1	\$4,434	\$3,500	5		7	12	\$887	Purchase of sprinkler heads for Large FCC Fire Regulations
#04-2	\$27,500	\$12,500	6	8		14	\$4,583	Permits and Sprinkler System for Expansion- includes \$15,000 below for Fire Clearance
<i>FY04 Subtotal</i>	<i>\$31,934</i>	<i>\$16,000</i>	<i>11</i>	<i>8</i>	<i>7</i>	<i>26</i>	<i>\$2,903</i>	
<i>FY 05</i>								
#05-1	\$15,159	\$4,500	6	7		13	\$2,527	Purchase of equipment to meet the needs of larger group of children following expansion.
#05-2	\$20,000	\$6,000	6	6		12	\$3,333	Creation of a second exit to obtain fire clearance for expansion
#04-2*R		\$4,500	R	R		R		Replacement of electric garage door with manually operated door in order to receive fire clearance for expansion
<i>FY05 Subtotal</i>	<i>\$35,159</i>	<i>\$15,000</i>	<i>12</i>	<i>13</i>	<i>0</i>	<i>25</i>	<i>\$2,930</i>	
<i>FY 06</i>								
#06-1	\$15,082	\$15,000	5		7	12	\$3,016	To buy equipment and renovate first floor to meet Licensing and Fire Department requirements for expansion
<i>FY06 Subtotal</i>	<i>\$15,082</i>	<i>\$15,000</i>	<i>5</i>	<i>0</i>	<i>7</i>	<i>12</i>	<i>\$3,016</i>	
	<i>\$82,175</i>	<i>\$46,000</i>	<i>28</i>	<i>21</i>	<i>14</i>	<i>63</i>	<i>2,935</i>	
	<i>\$20,544</i>	<i>\$11,500</i>						

*R = Repeated - provider received a previous grant, slots not counted to avoid duplicates

Sources: Local Income Investment Fund, Child Care Capital Facilities Fund; Brion & Associates.

Appendix B: Table F

Number of Children and Total Population for Mission Bay, Rincon Hill and Visitation Valley for 2006 and 2006 to 2025
San Francisco Child Care Linkage Fee Nexus Study

San Francisco	Total Population All Ages	Population by Age (1)				Total 0-13
		0 to 24 Mos. (infants)	2 to 5 (preschool)	6 to 13 (school age)		
<u>Children as of 2006 (only MB, RH, VV)</u>						
Children as % of Population by Age Group (1)			2.3%	4.1%	6.1%	12.5%
Total Population at 2006 (2)	16,448	373	674	1,007	2,054	
Total Estimated Employed Residents in City	41%	6,819 (3)				
SF Employed Residents Working						
Outside SF (5)	23%	1,573				
Those Needing Child Care Outside SF (5)	5%	199 (4)	99	99		
Net Residents		16,249				
Estimated Children at 2006 (5)			274	575	1,007	1,856
<u>New Children 2006-2025 (only MB, RH, VV)</u>						
Children as % of Population by Age Group (6)			1.5%	3.3%	7.2%	12.1%
Net New Population		9,763				
Senior and SRO Population		195				
Net Population with Children		9,568				
Estimated Children of New Residents			148	320	689	1,157
New Employed Residents (7)	50%	4,767				
New Employed Residents Working Outside SF	23%	1,100				
Those Needing Child Care Outside SF (5)	5%	55	27	27		55
Net New Residents Possibly Needing Care		9,513				
Net New Children 2006 to 2025			120	292	689	1,102
<u>Total Children at 2025 (only MB, RH, VV)</u> (8)						
Total Population		26,211				
Senior and SRO Population		786				
Net Population with Children		25,425				
Children as Percent of Total Population at 2025			1.2%	2.3%	5.8%	9.3%
Estimated Children of New Residents			298	587	1,482	2,368
New Employed Residents	50%	12,667				
New Employed Residents Working Outside SF	23%	2,922				
Those Needing Child Care Outside SF (5)	5%	146	73	73		146
Total Residents Possibly Needing Care		25,279				
Total Children 2025			225	514	1,482	2,222

(1) Based on the percent of children by age group for San Francisco from DOF P-3 Report and applied to DCP's estimate of existing population as of 2006 (See Appendix Table D).

(2) For Mission Bay, Rincon Hill and Visitation Valley areas only.

(3) Based on Employed Residents as percent of total population as of 2000 Census and this rate times 2006 Population estimate.

(4) Based on non-resident employee demand for child care in SF. See Table 6.

(5) Based on Journey to Work data - see Table 5 and Table 6.

(6) Based on total population as estimated times the average percentage of children per age group from above.

(7) Based on forecasts of Employed Residents at 2025 by ABAG.

(8) Note that the analysis for 2025 is based total population at 2025 and includes Mission Bay, Rincon Hill and Visitation Valley to provide an estimate of total demand for child care; these figures are not used in the impact fee calculations but rather for information of total future conditions.

Sources: California Department of Finance; SF City Planning Department; Brion & Associates.

Appendix B: Table G

Future Demand for Child Care for Mission Bay, Rincon Hill, and Visitation Valley: 2006 to 2025

San Francisco Child Care Linkage Fee Nexus Study

Future Growth - 2006 to 2025	New Population & Employment	% Distri- bution	New Child Care Demand by Age				
			Birth to 24 Mos. or Infant	2 to 5 or Preschool	6 to 13 or School Age	Total. 0 to 13 Years Old	
<u>Future Child Care Need</u>							
New Population with Children - 2006 to 2025	(1)	9,513	(see Table 3)				
Resident Children Potentially Needing Care							
Estimated Number of Children by Age	(2)	(see Table 3)	120	292	689	1,102	
Average Labor Force Participation Rates	(3)		57.6%	57.6%	63.2%		
Children With Working Parents			69	168	436	674	
% Children Needing Licensed Care	(4)		37%	100%	66%	72%	
Children Needing Licensed Care			26	168	289	483	
Percent of Children by Age Needing Care			21%	58%	42%	44%	
Non-Resident Employee's Children Needing Care (5)			205	616		822	
<i>Distributed by Land Use Category</i>							
Civic, Institutional, Education		4,353	26%	54	163	-	218
Hotel-Motel		-	0%	-	-	-	-
Industrial/PDR		6	0%	0	0	-	0
Medical		10,460	64%	131	392	-	523
Office		1,286	8%	16	48	-	64
Retail		335	2%	4	13	-	17
Total Future Employee Demand for Child Care		16,440	100%	205	616	-	822
Total New Demand for Child Care Spaces			231	785	289	1,305	
Percent Distribution			18%	60%	22%	100%	

- (1) Represents population associated with Mission Bay, Rincon Hill and Visitation Valley.
- (2) Based on the estimated average number of children by age categories for 2010 to 2015 for San Francisco from CA Dept. of Finance P-3 Report and applied to City Planning Department's estimate of expected new population between 2006 and 2025.
- (3) Labor force participation rates are from the 2000 Census and include children with two working parents or single working parents. Rates vary by age, under 6 years and over 6 years (see Table 2).
- (4) Not all children with working parents are assumed to need licensed care: the assumptions - % - under each age category are used. The remaining children are assumed to be cared for by family members, nannies, friends, and unlicensed care. Percentages are based on a detailed review of 12 other child care studies, including impact fee studies. Infant and preschool demand factors have been developed with the staff of the Dept. of Human Services and DCYF. School age Demand factor is from San Francisco Rec and Park Staff Survey in 2005.
- (5) Includes demand from employees that work in these three areas but live elsewhere. This analysis assumes one child per employee that needs care at the rate of: 25% infants 75% preschool 0% school age. School age children are assumed to have care near their home and school.

Sources: California Department of Finance-P-3 Report; SF City Planning Department; and Brion & Associates.

Appendix C: Land Use Data and Growth Forecasts

APPENDIX C-1
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Citywide Forecast

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	<u>350</u>	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-2
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Mission Bay Area Only

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *

III. Total at 2025

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-3
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Rincon Hill Area Only

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	2,835	1.89	1,500 *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	<u>350</u>	<u>33,346</u> *
<i>Subtotal</i>	17,811	242	4,313,604 *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	4,810	1.55	3,100 *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	1,172	240	281,610 *

III. Total at 2025 [5]

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	7,645	1.66	4,600 *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	18,983	242	4,595,214 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-4
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Visitation Valley Area Only

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	<u>2,875</u>	<u>3.80</u>	<u>757</u> *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100</i> *
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	<u>636</u>	<u>350</u>	<u>222,679</u> *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355</i> *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	<u>658</u>	<u>4.80</u>	<u>137</u> *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276</i> *
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	<u>58</u>	<u>350</u>	<u>20,199</u> *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321</i> *

III. Total at 2025

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	<u>3,534</u>	<u>3.95</u>	<u>894</u> *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376</i> *
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	<u>694</u>	<u>350</u>	<u>242,878</u> *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

APPENDIX C-5
LAND USE BREAKDOWN BASED ON SF PLANNING DEPARTMENT DEMOGRAPHIC DATA
Moody's Total Forecast without Mission Bay, Rincon Hill and Visitation Valley Areas

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.09</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,671	3.500	477 *
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	286,921	3.10	92,563 *
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) and are based on the Land Use Allocation Study (2002). Data have been adjusted to 2006 numbers assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector. Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff. Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Appendix E:

Citywide Growth Forecast

CITY-WIDE DEVELOPMENT IMPACT FEE STUDY GROWTH FORECAST

PREPARED FOR THE
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA

JANUARY 7, 2008

CONSULTING SERVICES PROVIDED BY:

FCS GROUP

225 Bush Street, Suite 1825
San Francisco, California 94104
T: 415.445.8947 F: 415.398.1601
www.fcsgroup.com

The purpose of this report is to describe and document employment and population forecasts developed for the City-wide Development Impact Fee Study. Brion & Associates, working with other team members, the City Controller's Office, and the Planning Department prepared this forecast specifically for the City-wide Fee Study. The growth forecasts represent a moderate growth scenario that considers both historical growth in the City and future growth as forecast by an independent economic firm, Moody's Economy.com.

This report describes the moderate growth scenario used in each of the fee nexus studies, explains its major assumptions and sources of data, and provides the rationale for its use. The growth forecasts for employment, households, and population are derived from an employment forecast by Moody's Economy.com.

Employment Growth

Moody's Economy.com forecasts the City's employment base will grow at an average annual rate of 0.77% per year from 2006 to 2025. **Exhibit 1** summarizes this forecast, broken down by industries that use office, retail, warehouse, high tech space, and other space. This forecast is also broken down by total jobs. Historic employment growth figures are also shown from 1980 to 2005 in five year increments.

Historical growth from Moody's compares to the data provided by the San Francisco Controller's Office, which is from the California Economic Development Department. On an annual basis, from 1995 to 2005, there is less than a one percent difference in the two employment counts for any given year.

As shown in **Exhibit 1**, the City has a total of about 533,220 jobs as of 2006, which compares nicely to the City Planning Department's estimate of about 536,224 jobs for 2006. For this analysis, we are using the City's land use database by Traffic Analysis Zone and Neighborhood to estimate 2006 data for this new forecast.¹ Approximately 57% of the Moody's forecast is comprised of office related jobs, 22% retail and 15% high tech. Very little growth is forecast in warehouse related jobs (less than one percent), and the remaining 6% is "other" jobs.

As shown in **Exhibit 2**, the forecast applies the 0.77% average annual growth rate to existing 2006 employment for an estimated total of 620,031 total jobs at 2025 or a net increase of 83,807 new jobs over the 19-year period.

For job growth in the three special planning areas, the analysis assumes that employment uses in Mission Bay, Rincon Hill and Visitation Valley will reach build-out by 2025. Visitation Valley and Rincon Hill do not have a significant amount of planned new employment growth over the existing base. In contrast, Mission Bay includes a large amount of new non-residential development potential and is poised nicely to capture a significant amount of future employment growth in the City.

¹ The City's estimate of 2006 development is based on the Planning Department's Land Use Allocation Study – 2002, and extrapolates 2006 figures based on the average annual growth expected from 2000 to 2025.

Population Growth

The analysis considers population growth in relation to employment growth, given that population growth requires some job growth and *vice versa*. For the population forecast we have reviewed the relationship between jobs and population from the new *ABAG 2007 Projections*, which forecast approximately 2.0 jobs per each new resident between 2006 and 2025. However, population growth in San Francisco is not solely driven by employment growth. Thus, the analysis uses a jobs-per-population factor of 1.5, which presumes that some portion of population growth will not be employment-dependent. To estimate expected population growth dependant on new jobs, we have divided by 1.5 for an estimated increase in population of about 55,871 residents. This forecast of population is 62% of ABAG's new 2007 projection for population growth through 2025.

Growth in Housing Stock

For housing units, the new population forecast is divided by persons per household factors from Department of City Planning, which vary by project area and the city as a whole. Based on this approach, the City would add about 24,505 new housing units or about 1,290 units per year on average. Historical dwelling unit growth averaged about 2,052 units per year from 2001 to 2005. Thus, our forecast would be about 63% of that recent average annual growth rate in units and reflects the recent slow down in the residential market.

For the three project areas that will be exempt from the new impact fees, the analysis does not assume all of the residential uses will be developed in Mission Bay and Visitation Valley. Based on discussions with Planning Staff we have developed the following assumptions:

- ◆ Mission Bay: 100% employment uses and about 65% of residential uses achieve build-out by 2025.
- ◆ Rincon Hill: 100% of both employment and residential uses achieve build-out by 2025.
- ◆ Visitation Valley: 100% of employment and 90% of residential uses achieve build-out by 2025.

Growth of Non-Residential Space

Exhibit 3 summarizes the employment forecast by land use category, area and year, and then converts it into square feet of space by land use category. Shown first are 2006 estimates of existing jobs by land use category with and without Mission Bay, Rincon Hill and Visitation Valley. Net new jobs through 2025 are also shown by land use category. These jobs are converted into estimates of building space based on average square feet per employee assumptions in the second half of the table.

The net new building square feet is used to calculate the non-residential impact fee. As shown, the City is expected to add about 1.1 million square feet of space per year on average over the forecast period for a total of 21.6 million square feet of total non-residential space. Of this amount, office space is expected to total about 11.5 million square feet. Proposition M which controls and regulates how much office space can be developed per year in the City limits office space per year to 875,000 square feet per year.² Our average annual expected office growth would equal about 605,000 square feet per year or less than the Proposition M

² Per Sarah Dennis, San Francisco Planning Department, correspondence dated March 9, 2007.

limit. The three project areas of Mission Bay, Rincon Hill and Visitation Valley would add about 3.8 million square feet of this growth in space and this space would be exempt from the impact fees.

Comparison of the Moderate Growth Scenario to Other Growth Forecasts

Exhibit 4 presents the comparison of all the forecasts reviewed to date for this effort. These include:

- ◆ ABAG 2005 Projections
- ◆ ABAG 2007 Projections
- ◆ Planning Department's Land Use Study Forecast, 2000 to 2035
- ◆ Historical Forecast, based on Controller's Office data on historical growth in the City
- ◆ Moody's Forecast

As shown, the Moody's forecast jobs per population factor is less than ABAG's forecast but higher than the Historical forecast, and much lower than the Planning Department's forecast. This table also estimates the average annual growth rates implied in each forecast by demographic category.

Exhibit 5 presents a summary of historical growth from the California Department of Finance and Moody's employment data for the City and compares it to the future forecast proposed for the fee studies. Jobs per resident or population are shown by five year intervals, and for 2006 and 2025. As shown, the job per resident factors implied in the forecast and planning data are similar to historical figures for the City. The data for 2005 and 2006 are lower than other years, due to the impacts of the dot.com crash, where the City lost a significant amount of jobs relative to population.

Development by Land Use by Year and Area

Exhibits 6-10 present the forecast for the entire City, each of the three special planning areas (Mission Bay, Rincon Hill and Visitation Valley) and the entire city net of the three planning areas. In each table residential and non-residential development, and population, housing units and employment is shown by year. The analysis is presented for 2006, 2006 to 2025, and total at 2025.

Exhibit 1
Historical and Projected Employment
for San Francisco: 1980 to 2025
from Moody's Economy.com
San Francisco Citywide Development
Impact Fee Study

Employment Category	Historical Employment						Projected Employment					Net Change			
	1980	1985	1990	1995	2000	2005	2006	2010	2015	2020	2025	1980-2005		2006-2025	
	employment figures in 1,000s											Amount/P	Avg. Annual	Amount/Pe	Avg. Annual
												ercent	% Growth	ercent	% Growth
Office Employment	224.53	227.59	226.09	208.90	253.36	189.44	191.18	201.68	214.29	226.22	238.96	-35.08	-0.68%	47.78	1.18%
Net Growth		3.07	-1.51	-17.18	44.46	-63.92	1.73	10.50	12.61	11.93	12.74				
% Growth		1.4%	-0.7%	-7.6%	21.3%	-25.2%	0.9%	5.5%	6.3%	5.6%	5.6%	-15.6%		25.0%	
Retail Employment	94.13	95.97	99.70	95.71	118.36	106.22	107.88	111.68	115.40	121.00	126.61	12.09	0.48%	18.73	0.85%
Net Growth		1.84	3.73	-3.99	22.65	-12.14	1.66	3.80	3.72	5.60	5.61				
% Growth		2.0%	3.9%	-4.0%	23.7%	-10.3%	1.6%	3.5%	3.3%	4.8%	4.6%	12.8%		17.4%	
Warehouse Employment	40.44	35.53	31.24	23.13	22.90	19.99	20.42	20.82	20.90	20.82	20.45	-20.45	-2.78%	0.03	0.01%
Net Growth		-4.90	-4.30	-8.11	-0.23	-2.91	0.43	0.40	0.08	-0.08	-0.37				
% Growth		-12.1%	-12.1%	-26.0%	-1.0%	-12.7%	2.2%	2.0%	0.4%	-0.4%	-1.8%	-50.6%		0.2%	
High Tech Employment	21.69	22.33	19.32	20.21	41.48	22.34	22.39	25.07	28.59	31.68	34.53	0.65	0.12%	12.14	2.31%
Net Growth		0.64	-3.01	0.89	21.27	-19.14	0.05	2.68	3.52	3.09	2.86				
% Growth		3.0%	-13.5%	4.6%	105.3%	-46.1%	0.2%	12.0%	14.0%	10.8%	9.0%	3.0%		54.2%	
Other Employment	189.57	184.06	191.08	180.78	170.92	188.11	191.36	195.91	195.43	196.37	196.01	-1.46	-0.03%	4.65	0.13%
Net Growth		-5.51	7.02	-10.30	-9.86	17.19	3.25	4.55	-0.47	0.94	-0.36				
% Growth		-2.9%	3.8%	-5.4%	-5.5%	10.1%	1.7%	2.4%	-0.2%	0.5%	-0.2%	-0.8%		2.4%	
Total Employment (1)	570.36	565.49	567.41	528.72	607.02	526.10	533.22	555.16	574.62	596.09	616.56	-44.26	-0.32%	83.34	0.77%
Net Growth		-4.87	1.93	-38.69	78.30	-80.92	7.12	21.93	19.46	21.47	20.48				
% Growth		-0.9%	0.3%	-6.8%	14.8%	-13.3%	1.4%	4.1%	3.5%	3.7%	3.4%	-7.8%		15.6%	

(1) Includes total payroll employment, including non-BLS sectors.
From Moody's Economy.com for the City and County of San Francisco.

Sources: Moody's Economy.com; Brion & Associates.

Exhibit 2
Projected Growth in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item	Existing Conditions 2006	Projected Growth 2006-2025		Incremental Average Persons per Household	Total At 2025	Project Area Percent Buildout
		Amount (3)	Avg. Annual Growth Rate			
Total Population (1)	777,121	55,871	0.00%		832,992	na
Visitation Valley	11,501	1,242	-99.94%		12,743	90%
Mission Bay	2,112	3,711	5.48%		5,823	65%
Rincon Hill	<u>2,835</u>	<u>4,810</u>	5.36%		<u>7,645</u>	100%
Subtotal	16,448	9,763			26,211	
Total w/out MB/RH/V (2)	760,673	46,108	-0.02%		806,781	na
Total Housing Units (1)	341,052	24,505	0.52%	2.28	365,557	na
Visitation Valley	3,100	276	0.88%	4.80	3,376	91%
Mission Bay	1,200	1,983	5.27%	1.87	3,183	65%
Rincon Hill	<u>1,500</u>	<u>3,100</u>	-99.94%	1.55	<u>4,600</u>	100%
Subtotal	5,800	5,359			11,159	
Total w/out MB/RH/V (2)	335,252	19,146	0.51%	2.09	354,399	na
Total Employment (1)	536,224	83,807	0.00%		620,031	na
Visitation Valley	1,268	149	0.46%		1,417	100%
Mission Bay	8,901	15,118	0.74%		24,020	100%
Rincon Hill	<u>17,811</u>	<u>1,172</u>	0.38%		<u>18,983</u>	100%
Subtotal	27,981	16,440			44,420	
Total w/out MB/RH/V (2)	508,243	67,367	-0.03%		575,611	na

(1) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002.

(2) Mission Bay, Rincon Hill and Visitation Valley/Executive Park have separate agreements in terms of fees and have requirements to meet their child care impacts through project mitigation and are excluded from the fee analysis.

(3) The amount of growth shown in boxes would be subject to the Child Care Requirement and Linkage Fee, after additional adjustments in subsequent tables.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study

Land Use	Existing Conditions 2006 (1)			Future Jobs - 2006 to 2025 (2)			Total Jobs at 2025		
	Estimated Jobs - 2006	2006 Jobs in Mission Bay/Rincon Hill/Visitation Valley (4)	Net Jobs 2006 (w/out MB, RH, VV)	Total Projected New Jobs -2006- 2025	Mission Bay / Rincon Hill/Visitation Valley Growth (4)	Net New Jobs Subject to Fee - 2006-2025 (w/out MB, RH, VV)	Total Projected Jobs at 2025	Total Jobs in Mission Bay/Rincon Hill/Visitation Valley at 2025 (4)	Total Net Jobs at 2025 (w/out MB, RH, VV)
				<i>a</i>	<i>b</i>	<i>c</i>			
Non-Res. Development									
CIE	94,127	2,107	92,019	4,442	4,353	89	98,568	6,460	92,108
Hotel	18,761	16	18,745	2,347	0	2,347	21,107	16	21,091
Medical	36,772	52	36,720	3,855	6	3,849	40,627	58	40,569
Office	225,676	18,100	207,576	51,122	10,460	40,662	276,798	28,561	248,238
Retail	97,205	5,186	92,019	8,297	1,286	7,011	105,502	6,472	99,030
Industrial/PDR	63,684	2,519	61,165	13,744	335	13,409	77,429	2,854	74,575
TOTAL/AVG.	536,224	27,981	508,243	83,807	16,440	67,367	620,031	44,421	575,610
Avg. Per Yr - 2006 to 2025				4,411	865	3,546		(5)	(5)

(1) Land use categories and base data are from the San Francisco Department of City Planning (October 2006).

Data from 2006 is extrapolated from the 2000 to 2025 projections, based on average annual growth rates by land use category.

(2) New job growth is from Moody's Economy.com forecast for San Francisco, 2006 to 2025.

(3)

Based on typical new sqft per employee factors derived by reviewing proposed projects and actual projects in SF and other Silicon Valley cities by Brion & Associates.

The sqft per employee factors that exist currently are lower density factors than those used for the future analysis. It is assumed that in the future employees will use less sqft than they use currently.

(4) Visitation Valley, Rincon Hill and Mission Bay would not be subject to the new impact fee and the remaining square footage of development potential associated with these projects is removed for the analysis.

(5) The totals above are off by one job from the totals in Exhibit 1 due to rounding.

(6) This amount of expected office space development would be within the limits of that allowed by Proposition M, which restricts office development to 875,000 sqft per year. There is also an accumulation of 2.2 million sqft credit that can also be developed.

Sources: Moody's Economy.com; San Francisco Department of City Planning; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 3
Development Projections
for Non-Residential Uses
San Francisco Citywide
Development Impact Fee Study

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Land Use	Estimated Sqft in 2006 <i>d</i>	Future Average Sqft per Employee (3) <i>e</i>	Projected New Sqft-2006-2025 (2) <i>a * e = f</i>	Mission Bay / Rincon Hill/Visitation Valley Growth (3) <i>b * e = g</i>	Net Development Potential Subject to Fee - 2006- 2025 <i>f - g = h</i>	Total Sqft of Bldg. Space at 2025 <i>d + f = i</i>	Total at 2025 w/out MB,RH,VV
Non-Res. Development							
CIE	19,295,974	225	999,400	979,317	20,083	20,295,373	18,841,873
Hotel	7,279,093	400	938,640	-	938,640	8,217,733	8,211,333
Medical	10,810,895	225	867,404	1,368	866,036	11,678,298	11,665,248
Office	90,270,440	225	11,502,528	(6) 2,353,565	9,148,962	101,772,968	95,346,846
Retail	31,494,307	300	2,489,072	385,776	2,103,296	33,983,378	32,041,778
Industrial/PDR	30,186,311	350	4,810,529	117,259	4,693,270	34,996,840	33,998,001
TOTAL/AVG.	189,337,019		21,607,571	3,837,285	17,770,286	210,944,590	200,105,080
Avg. Per Yr - 2006 to 2025			1,137,241	201,962	935,278		

Exhibit 4
Comparison of Four Growth Projections
in San Francisco from 2006-2025
San Francisco Citywide Development Impact Fee Study

Item		Existing Conditions 2006	Projected Growth 2006-2025		Total At Buildout 2025	Average Annual Growth Rate
			Amount	% Change		
Population						
ABAG 2005	(1)	800,540	89,860	11.2%	890,400	0.56%
ABAG 2007	(2)	798,380	90,020	11.3%	888,400	0.56%
City Planning	(3)	777,221	57,327	7.4%	834,448	0.37%
Historical	(4)	777,221	57,327	7.4%	834,448	0.37%
Moody's	(5)	777,221	55,871	7.2%	832,992	0.37%
Households						
ABAG 2005	(1)	340,126	43,524	12.8%	383,650	0.64%
ABAG 2007	(2)	340,802	36,248	10.6%	377,050	0.53%
City Planning	(3)	341,052	25,159	7.4%	366,211	0.38%
Historical	(4)	341,052	25,159	7.4%	366,211	0.38%
Moody's	(5)	341,052	24,505	7.2%	365,557	0.37%
Employment (1)						
ABAG 2005	(1)	585,450	190,650	32.6%	776,100	1.49%
ABAG 2007	(2)	553,090	179,930	32.5%	733,020	1.49%
City Planning	(3)	536,225	224,712	41.9%	760,937	1.86%
Historical	(4)	525,466	20,310	3.9%	545,776	0.20%
Moody's	(5)	536,224	83,807	15.6%	620,031	0.77%
Jobs per Population						
ABAG 2005		0.73	2.12	290.1%	0.87	0.93%
ABAG 2007		0.69	2.00	288.5%	0.83	0.92%
City Planning		0.69	3.92	568.2%	0.91	1.48%
Historical		0.68	0.35	52.4%	0.65	-0.17%
Moody's		0.69	1.50	217.4%	0.74	0.40%

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

Note: City estimate of households is actually housing units and ABAG is households. The difference could be related to vacancies

(1) Based on ABAG Projections 2005.

(2) Based on the recently released ABAG Projections 2007.

(3) City data and projections are from SF Planning Department as provided by David Taussig & Associates, Inc. (July 2006).

Note: There is not a different population and household forecast for the City Planning and Historical forecasts.

(4) Based on historical average annual growth rate for employment of .2% and applied to existing employment; population and housing is the same as for Planning forecast.

(5) Based on employment forecast for 2006 to 2025 by Moody's Economy.com.

Population and households estimates are based on historical housing growth, and comparison of population to employment by Brion & Associates.

Sources: ABAG; San Francisco Planning Department; David Taussig & Associates, Inc.; Brion & Associates.

Exhibit 5**Historical Population Growth for San Francisco: 1990 to 2005****San Francisco Citywide Development Impact Fee Study**

	Historical Population & Employment (1)				Moderate Forecast (2)	
	1990	1995	2000	2005	2006	2025
Total Population	723,959	751,899	779,124	792,952	777,121	832,992
Net Growth		27,940	27,225	13,828	(15,831)	40,040
% Growth		3.9%	3.6%	1.8%	-2.0%	5.2%
Total Employment	567,415	528,721	607,023	526,101	536,224	620,031
Net Growth		(38,694)	78,303	(80,923)	10,123	93,930
% Growth		-7%	15%	-13%	1.9%	17.5%
Jobs per Resident	0.78	0.70	0.78	0.66	0.69	0.74
Net Growth		(0.08)	0.08	(0.12)	0.03	0.08
% Growth		-10%	11%	-15%	4.0%	11.7%

(1) Population is from the Department of Finance E-5 Report

Note that DOF's estimate of population is higher than the City's estimate for 2000 and 2005.

Planning data for population at 2000 is 756,967.

Employment is from Moody's Economy.com data for San Francisco.

(2) Employment forecast is from Moody's Economy.com; population forecast is based on

adjustments to the Planning Department's forecast based on Moody's employment forecast, as prepared by Brion & Associates.

Sources: California Department of Finance E-5 Summary Report; Moody's Economy.com; Brion & Associates.

Exhibit 6

**Projections Citywide by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	291,000	3.11	93,520 *
Sr/SRO	22,400	1.00	22,292 *
Multi-Family (0-1 BR)	274,721	2.03	135,152 *
Multi-Family (2 or > BR)	<u>189,000</u>	<u>2.10</u>	<u>90,089</u> *
<i>Subtotal</i>	777,121	2.28	341,052 *
Commercial (CIE)	94,127	205	19,295,974 *
Commercial (Motel/Hotel)	18,761	388	7,279,093 *
Commercial (Medical)	36,772	294	10,810,895 *
Commercial (Office)	225,676	400	90,270,440 *
Commercial (Retail)	97,205	324	31,494,307 *
Industrial	<u>63,684</u>	<u>474</u>	<u>30,186,311</u> *
<i>Subtotal</i>	536,224	353	189,337,019 *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	1,733	3.53	490 *
Sr/SRO	860	1.17	735 *
Multi-Family (0-1 BR)	30,464	2.18	13,968 *
Multi-Family (2 or > BR)	22,814	<u>2.45</u>	9,312 *
<i>Subtotal</i>	55,871	2.28	24,505 *
Commercial (CIE)	4,442	225	999,400 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,855	225	867,404 *
Commercial (Office)	51,122	225	11,502,528 *
Commercial (Retail)	8,297	300	2,489,072 *
Industrial	<u>13,744</u>	350	<u>4,810,529</u> *
<i>Subtotal</i>	83,807	258	21,607,571 *

III. Total at 2025

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	292,733	3.11	94,010
Sr/SRO	23,260	1.01	23,026
Multi-Family (0-1 BR)	305,185	2.05	149,119
Multi-Family (2 or > BR)	<u>211,814</u>	<u>2.13</u>	<u>99,402</u>
<i>Subtotal</i>	832,992	2.28	365,557
Commercial (CIE)	98,568	206	20,295,373 *
Commercial (Motel/Hotel)	21,107	389	8,217,733 *
Commercial (Medical)	40,627	287	11,678,298 *
Commercial (Office)	276,798	368	101,772,968 *
Commercial (Retail)	105,502	322	33,983,378 *
Industrial	<u>77,429</u>	<u>452</u>	<u>34,996,840</u> *
<i>Subtotal</i>	620,031	340	210,944,590 *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future Multi-Family units are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 7

**Projections Mission Bay by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	1,267	1.76	720 *
Multi-Family (2 or > BR)	<u>845</u>	<u>1.76</u>	<u>480</u> *
<i>Subtotal</i>	<i>2,112</i>	<i>1.76</i>	<i>1,200</i> *
Commercial (CIE)	1,425	225	320,733 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	34	225	7,749 *
Commercial (Office)	4,573	225	1,028,928 *
Commercial (Retail)	1,081	300	324,300 *
Industrial	<u>1,787</u>	<u>350</u>	<u>625,554</u> *
<i>Subtotal</i>	<i>8,901</i>	<i>259</i>	<i>2,307,265</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	2,227	1.87	1,190 *
Multi-Family (2 or > BR)	<u>1,485</u>	<u>1.87</u>	<u>793</u> *
<i>Subtotal</i>	<i>3,711</i>	<i>1.87</i>	<i>1,983</i> *
Commercial (CIE)	4,220	225	949,392 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	5	225	1,026 *
Commercial (Office)	9,598	225	2,159,598 *
Commercial (Retail)	1,026	300	307,800 *
Industrial	<u>270</u>	<u>350</u>	<u>94,539</u> *
<i>Subtotal</i>	<i>15,118</i>	<i>232</i>	<i>3,512,355</i> *
III. Total at 2025			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	3,494	1.83	1,910 *
Multi-Family (2 or > BR)	<u>2,329</u>	<u>1.83</u>	<u>1,273</u> *
<i>Subtotal</i>	<i>5,823</i>	<i>1.83</i>	<i>3,183</i> *
Commercial (CIE)	5,645	225	1,270,125 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	39	225	8,775 *
Commercial (Office)	14,171	225	3,188,527 *
Commercial (Retail)	2,107	300	632,100 *
Industrial	<u>2,057</u>	<u>350</u>	<u>720,093</u> *
<i>Subtotal</i>	<i>24,020</i>	<i>242</i>	<i>5,819,620</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 8
**Projections Rincon Hill by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**
I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	1,701	1.89	900 *
Multi-Family (2 or > BR)	<u>1,134</u>	<u>1.89</u>	<u>600</u> *
<i>Subtotal</i>	<i>2,835</i>	<i>1.89</i>	<i>1,500</i> *
Commercial (CIE)	309	225	69,498 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	15	225	3,483 *
Commercial (Office)	13,469	225	3,030,521 *
Commercial (Retail)	3,923	300	1,176,756 *
Industrial	<u>95</u>	<u>350</u>	<u>33,346</u> *
<i>Subtotal</i>	<i>17,811</i>	<i>242</i>	<i>4,313,604</i> *

II. Future Data (2)

Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	2,886	1.55	1,860 *
Multi-Family (2 or > BR)	<u>1,924</u>	<u>1.55</u>	<u>1,240</u> *
<i>Subtotal</i>	<i>4,810</i>	<i>1.55</i>	<i>3,100</i> *
Commercial (CIE)	123	225	27,702 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	2	225	342 *
Commercial (Office)	814	225	183,100 *
Commercial (Retail)	226	300	67,944 *
Industrial	<u>7</u>	<u>350</u>	<u>2,522</u> *
<i>Subtotal</i>	<i>1,172</i>	<i>240</i>	<i>281,610</i> *

III. Total at 2025 [5]

Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family			
Sr/SRO			
Multi-Family (0-1 BR)	4,587	1.66	2,760 *
Multi-Family (2 or > BR)	<u>3,058</u>	<u>1.66</u>	<u>1,840</u> *
<i>Subtotal</i>	<i>7,645</i>	<i>1.66</i>	<i>4,600</i> *
Commercial (CIE)	432	225	97,200 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	17	225	3,825 *
Commercial (Office)	14,283	225	3,213,621 *
Commercial (Retail)	4,149	300	1,244,700 *
Industrial	<u>102</u>	<u>350</u>	<u>35,868</u> *
<i>Subtotal</i>	<i>18,983</i>	<i>242</i>	<i>4,595,214</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 9
**Projections Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**

I. Existing Data (1)			
Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	5,751	4.01	1,434 *
Sr/SRO	230	1.50	153 *
Multi-Family (0-1 BR)	2,645	3.50	756 *
Multi-Family (2 or > BR)	<u>2,875</u>	<u>3.80</u>	<u>757</u> *
<i>Subtotal</i>	<i>11,501</i>	<i>3.71</i>	<i>3,100</i> *
Commercial (CIE)	373	225	83,952 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	58	225	13,107 *
Commercial (Retail)	183	300	54,768 *
Industrial	<u>636</u>	<u>350</u>	<u>222,679</u> *
<i>Subtotal</i>	<i>1,268</i>	<i>301</i>	<i>381,355</i> *
II. Future Data (2)			
Land Use Type	2006-2025 Number of Residents/Employees	2006-2025 Residents Per Unit/ Sqft per Employee	2006-2025 Number of Units/Non-Res SF
Single Family	62	4.80	13 *
Sr/SRO	25	1.80	14 *
Multi-Family (0-1 BR)	497	4.45	112 *
Multi-Family (2 or > BR)	<u>658</u>	<u>4.80</u>	<u>137</u> *
<i>Subtotal</i>	<i>1,242</i>	<i>4.51</i>	<i>276</i> *
Commercial (CIE)	10	225	2,223 *
Commercial (Motel/Hotel)	0	400	0 *
Commercial (Medical)	0	225	0 *
Commercial (Office)	48	225	10,867 *
Commercial (Retail)	33	300	10,032 *
Industrial	<u>58</u>	<u>350</u>	<u>20,199</u> *
<i>Subtotal</i>	<i>149</i>	<i>290</i>	<i>43,321</i> *
III. Total at 2025			
Land Use Type	2025 Number of Residents/Employees	2025 Residents Per Unit/ Sqft per Employee	2025 Number of Units/Non-Res SF
Single Family	5,813	4.02	1,447 *
Sr/SRO	255	1.52	167 *
Multi-Family (0-1 BR)	3,142	3.62	867 *
Multi-Family (2 or > BR)	<u>3,534</u>	<u>3.95</u>	<u>894</u> *
<i>Subtotal</i>	<i>12,743</i>	<i>3.78</i>	<i>3,376</i> *
Commercial (CIE)	383	225	86,175 *
Commercial (Motel/Hotel)	16	400	6,400 *
Commercial (Medical)	2	225	450 *
Commercial (Office)	107	225	23,974 *
Commercial (Retail)	216	300	64,800 *
Industrial	<u>694</u>	<u>350</u>	<u>242,878</u> *
<i>Subtotal</i>	<i>1,417</i>	<i>300</i>	<i>424,676</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.
Prepared by David Taussig Associates, Inc.; Brion & Associates.

Exhibit 10
**Projections Citywide without Mission Bay, Rincon Hill, & Visitation Valley by Land Use, Demographics and Year
San Francisco Citywide Development Impact Fee Study**
I. Existing Data (1)

Land Use Type	2006 Number of Residents/Employees	2006 Residents Per Unit/ Sqft per Employee	2006 Number of Units/Non-Res SF
Single Family	285,250	3.10	92,085 *
Sr/SRO	22,170	1.00	22,138 *
Multi-Family (0-1 BR)	269,108	2.03	132,776 *
Multi-Family (2 or > BR)	<u>184,146</u>	<u>2.02</u>	<u>88,253</u> *
<i>Subtotal</i>	<i>760,673</i>	<i>2.27</i>	<i>335,252</i> *
Commercial (CIE)	92,019	205	18,821,791 *
Commercial (Motel/Hotel)	18,745	388	7,272,693 *
Commercial (Medical)	36,720	294	10,799,213 *
Commercial (Office)	207,576	415	86,197,884 *
Commercial (Retail)	92,019	325	29,938,483 *
Industrial	<u>61,165</u>	<u>479</u>	<u>29,304,732</u> *
<i>Subtotal</i>	<i>508,243</i>	<i>359</i>	<i>182,334,794</i> *

II. Future Data (2)

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	1,671	3.500	477 *
Sr/SRO	836	1.159	721 *
Multi-Family (0-1 BR)	24,854	2.300	10,806 *
Multi-Family (2 or > BR)	18,748	<u>2.625</u>	<u>7,142</u> *
<i>Subtotal</i>	<i>46,108</i>	<i>2.408</i>	<i>19,146</i> *
Commercial (CIE)	89	225	20,083 *
Commercial (Motel/Hotel)	2,347	400	938,640 *
Commercial (Medical)	3,849	225	866,036 *
Commercial (Office)	40,662	225	9,148,962 *
Commercial (Retail)	7,011	300	2,103,296 *
Industrial	<u>13,409</u>	<u>350</u>	<u>4,693,270</u> *
<i>Subtotal</i>	<i>67,367</i>	<i>264</i>	<i>17,770,286</i> *

III. Total at 2025

Land Use Type	Number of Residents/Employees	Residents Per Unit/ Sqft per Employee	Number of Units/Non-Res SF
Single Family	286,921	3.10	92,563 *
Sr/SRO	23,005	1.01	22,859 *
Multi-Family (0-1 BR)	293,962	2.05	143,582 *
Multi-Family (2 or > BR)	<u>202,894</u>	<u>2.13</u>	<u>95,395</u> *
<i>Subtotal</i>	<i>806,781</i>	<i>2.28</i>	<i>354,399</i> *
Commercial (CIE)	92,108	205	18,841,873 *
Commercial (Motel/Hotel)	21,091	389	8,211,333 *
Commercial (Medical)	40,569	288	11,665,248 *
Commercial (Office)	248,238	384	95,346,846 *
Commercial (Retail)	99,030	324	32,041,778 *
Industrial	<u>74,575</u>	<u>456</u>	<u>33,998,001</u> *
<i>Subtotal</i>	<i>575,611</i>	<i>348</i>	<i>200,105,080</i> *

* Note may not add up due to rounding.

(1) Existing base data are from the San Francisco Planning Department (October, 2006) based on the Land Use Allocation Study - 2002 and has been adjusted to 2006 assuming average annual growth from 2000 to 2025.

(2) Employment Projections are from Moody's Economy.com for 2006 to 2025 by industry sector.

Residential (population and household) projections are adjusted to be in line with the employment projections by Economy.com; adjustments were prepared by Brion & Associates and reviewed by DTA and City Staff.

Residential data based on City of San Francisco Demographic Data provided by the Planning Department. Non-Residential data provided by Dun & Bradstreet. Also, please note that the total Multi-Family Residential Land Use Class figures were split assuming 60% of existing and future MF are/will be 0-1 BR and 40% are/will be 2 or more bedrooms.

Prepared by David Taussig Associates, Inc.; Brion & Associates.



MISSION AREA PLAN

MONITORING REPORT

2006-2010

Mission Area Plan Monitoring Report 2006-2010

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The **Mission Plan** calls for the following:

- A** preserving the diversity and vitality of the Mission;
- B** increasing the amount of affordable housing;
- C** preserving and enhancing existing PDR businesses;
- D** preserving and enhancing the unique character of the Mission's distinct commercial areas;
- E** promoting alternative means of transportation to reduce traffic and auto use;
- F** improving and developing additional community facilities and open space;
- G** minimizing the displacement of residents and businesses.

1. Introduction

The Eastern Neighborhoods community planning process was launched in 2001 to determine how much of San Francisco's remaining industrial lands to preserve and how much could be transitioned to other uses, especially residential. In 2008, four new area plans for the Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront neighborhoods were adopted. The resulting area plans contained holistic visions for affordable housing, transportation, parks and open space, urban design, and community facilities.

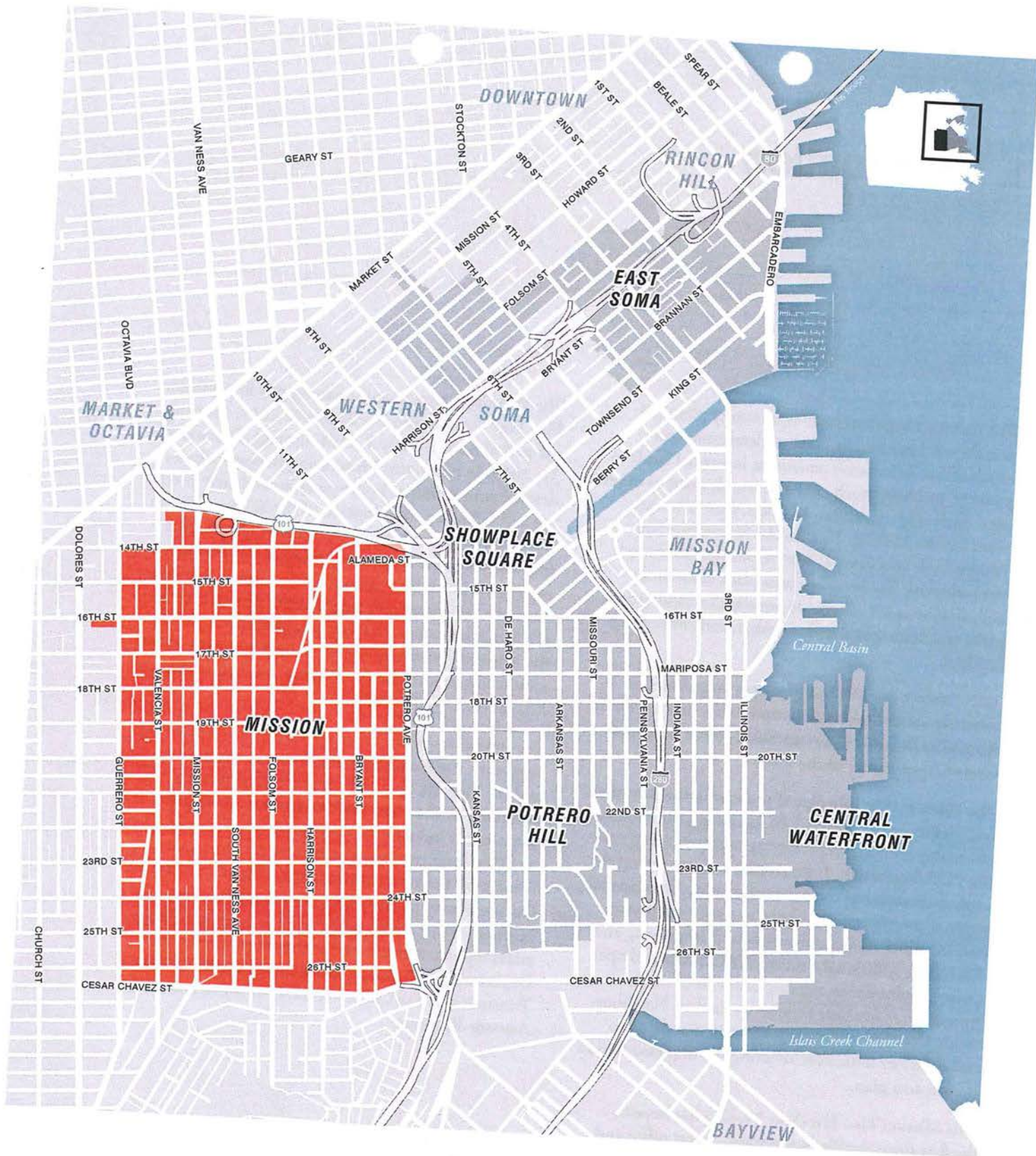
Map 1 shows the Mission Plan area boundaries as generally along Duboce/Division to the north, Potrero Avenue to the east, Guerrero Street to the west, and Cesar Chavez Street to the south.

The Mission Plan calls for: a) preserving the diversity and vitality of the Mission; b) increasing the amount of affordable housing; c) preserving and enhancing existing PDR businesses; d) preserving and enhancing the unique character of the Mission's distinct commercial areas; e) promoting alternative means of transportation to reduce traffic and auto use; f) improving and developing additional community facilities and open space; g) minimizing the displacement of residents and businesses. A five-year time series Eastern Neighborhoods Monitoring Program was also mandated to report on key indicators affecting the implementation of each area plan.

This Mission Plan Five-Year Monitoring Report, the first since the Plan's adoption, covers office and retail development and employment trends; housing production and conversion trends; affordable housing; and project entitlement requirements and fees. In addition, this report also describes existing and planned infrastructure and other public benefit improvements. The complete text of monitoring requirements can be found in *Appendix A*.

The Planning Department is issuing this first Mission Plan Five-Year Monitoring Report in 2011, covering the period from January 1, 2006 through December 31, 2010. In effect, this Monitoring Report includes development activities in the years immediately preceding and following the adoption of the Mission Plan in 2008. Because of these relatively recent actions, this first five-year time series monitoring report can only present limited information. This first report will best serve as a benchmark for subsequent reports as it will provide information on existing conditions at the time the Mission Plan was adopted. Subsequent time series monitoring reports for the Mission area will be released in years ending in 1 and 6.

The time series report relies primarily on the Housing Inventory, the Commerce and Industry Inventory, and the Pipeline Quarterly Report, all of which are published by the Planning Department. Additional data sources include: the California Employment and Development Department (EDD), the San Francisco Municipal Transportation Agency (SFMTA), Co-Star Realty information, Dun and Bradstreet business data, CBRE and NAI-BT Commercial real estate reports, and information gathered from the Department of Building Inspection, the offices of the Treasurer and Tax Collector, the Controller, and the Assessor-Recorder.



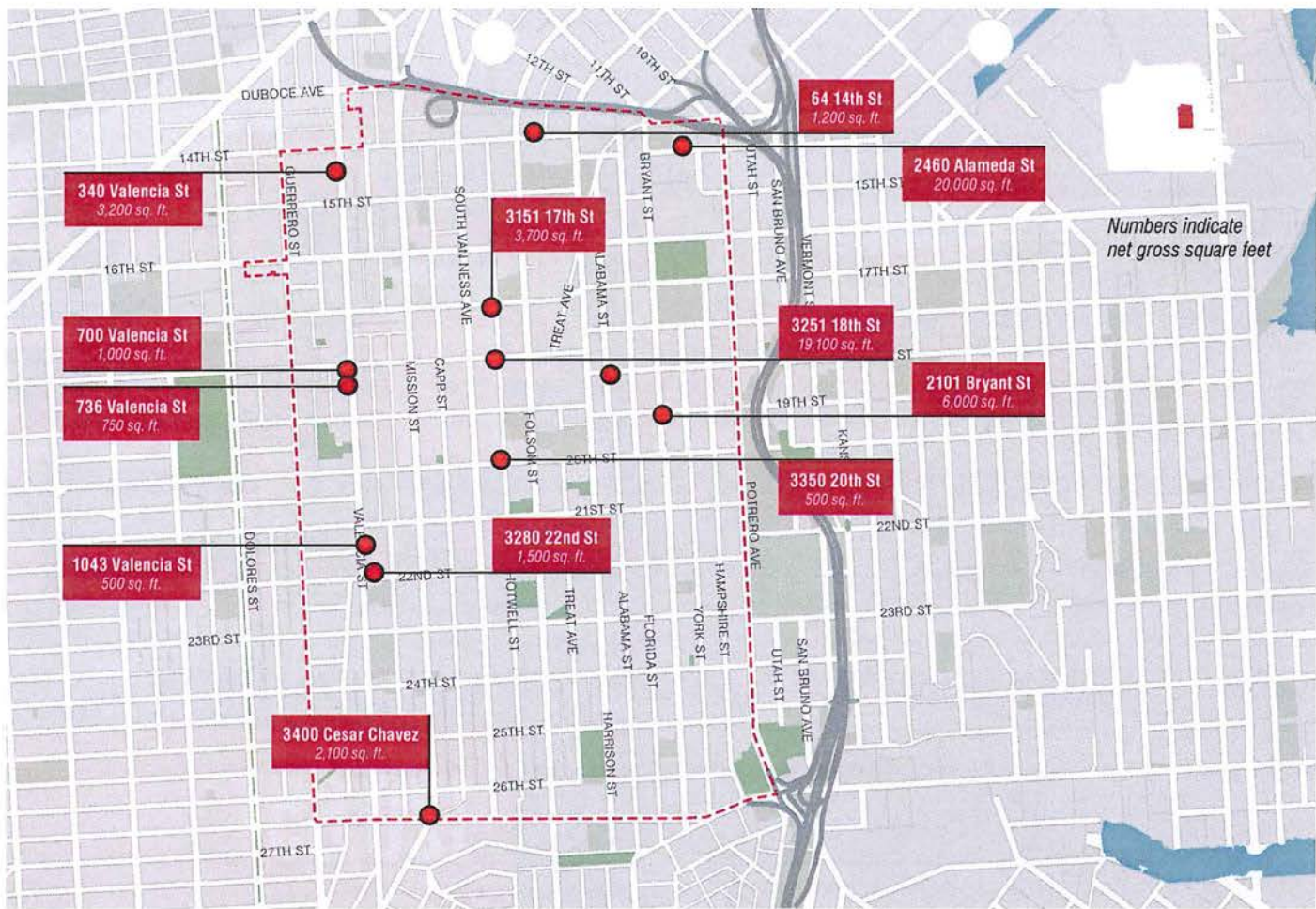
Map 1
Mission Area Plan Area



2. Commercial Space and Employment

Much of the Mission is mixed-use in character. Neighborhood commercial corridors along Mission, Valencia and 24th Streets support a variety of activities including shops and services, housing, small offices, and light industrial production, distribution and repair (PDR) businesses. Some residential areas contain small corner stores and other neighborhood-serving uses. The northeast corner of the Mission is home to a unique mixture of activities which includes many important and successful PDR businesses as well as offices, housing, retail and other uses. This mix of uses contributes to the overall vitality of the Mission.

Commercial land uses in the Mission take up far less space than other areas of the Eastern Neighborhoods. About half of the land area is solely residential, with another 9% classified as residential mixed with commercial uses. Commercial land uses take up 43% of the land area, with PDR uses being the single largest non-residential category, followed closely by schools and cultural/institutional uses. Retail and entertainment uses, which the Mission District is increasingly known for, comprise only 6% of the land area. (See Appendix B, Table BT-1 for land use distribution tables for the Mission and San Francisco).



Map 2
New Commercial and Other Non-Residential Development,
Mission, 2006-2010

2.1 Commercial Space Inventory

The Mission Plan supports small and moderate size retail establishments particularly in established neighborhood commercial areas on 24th, Mission, and Valencia Streets. The retention of PDR activities in the Northeast Mission is also strongly encouraged by controls that prohibit new residential development and limit new office and retail in areas where light industrial PDR have long been located. Similarly, areas of the Northeast Mission that are more mixed-use in character are to be retained with controls that mandate a diversity of uses.

Table 2.1.1 is an inventory of non-residential space in the Mission as of 2010. Half of commercial land use in the Mission is PDR (30%) and cultural, institutional and educational uses (CIE) (20%). Approximately 27% is a mix of uses where not one use predominates. The remainder is retail (11%), office (8%), and other uses. Corresponding proportions for the city overall is also provided.

Table 2.1.2 shows commercial and other non-residential development activity in the Mission Plan area between 2006 and 2010 while *Table 2.1.3* shows corresponding figures for San Francisco. Non-residential development in the Mission made up less than 2% of the Citywide total commercial projects completed in the last five years.

Commercial projects recently completed in the Mission include a 36,000 square foot warehouse for garment manufacturer Byer California and new, expanded facilities for the ODC Theater, a Mission institution that has since become a national center for contemporary dance and performance. *Map 2* shows the location of these non-residential developments. (See *List BL-1* in Appendix B for detailed information.)



2460 Alameda Street
Google Maps



3420 Cesar Chavez Street

Table 2.1.1 Commercial and Other Non-Residential Building Space, Mission and San Francisco, 2010

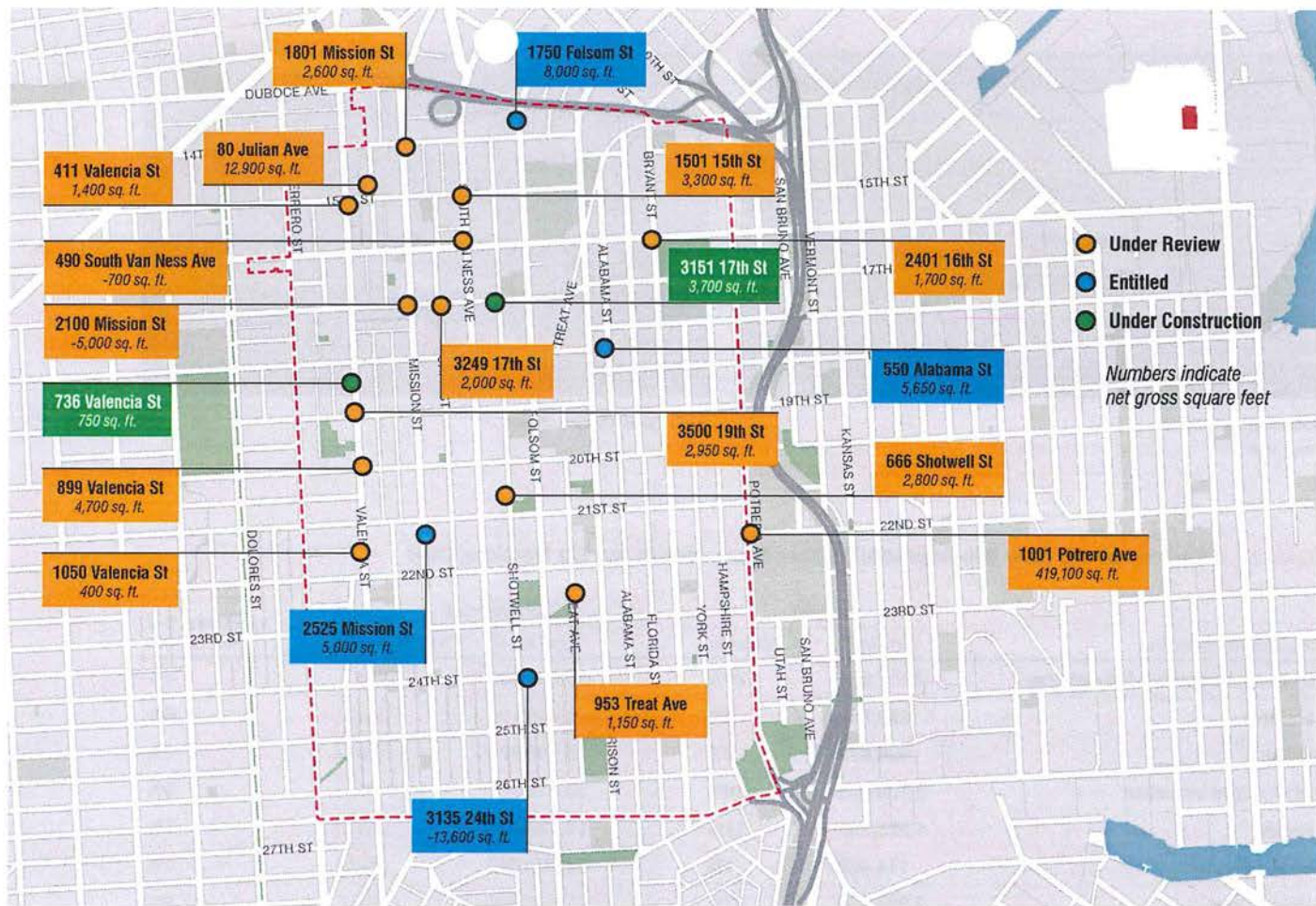
Non-Residential Land Use	MISSION		SAN FRANCISCO		Mission as % of San Francisco
	Area (Sq Ft)	% Distribution	Area (Sq Ft)	% Distribution	
Cultural, Institution, Educational	2,132,961	20%	50,746,480	20%	4%
Medical	250,652	2%	4,088,100	2%	6%
Office	896,673	8%	73,448,880	29%	1%
PDR / Light Industrial	3,193,426	30%	33,862,200	14%	9%
Retail	1,215,155	11%	19,734,160	8%	6%
Visitor / Lodging	114,455	1%	21,267,690	9%	1%
Mixed Uses	2,834,869	27%	46,528,800	19%	6%
Total	10,638,191	100%	249,676,310	100%	4%

Table 2.1.2 New Commercial and Other Non-Residential Development, Mission 2006-2010

Year	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Sq. Ft.
2006	-	-	-	-	-	-	-
2007	3,200	-	-	-	2,046	-	5,246
2008	14,321	-	4,774	-	500	-	19,595
2009	-	-	11,475	48,000	4,200	-	63,675
2010	15,391	-	-	-	16,750	-	32,141
Total	32,912	-	16,249	48,000	23,496	-	120,657

Table 2.1.3 New Commercial and Other Non-Residential Development, San Francisco 2006-2010

Year	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Sq. Ft.
2006	74,558	-	328,477	-	469,576	25,447	898,058
2007	18,432	17,438	771,227	8,837	132,673	49,258	997,865
2008	160,549	-	1,283,774	1,350	192,430	433,000	2,075,103
2009	167,607	4,120	1,155,580	128,450	478,528	-	1,934,286
2010	60,752	16,196	30,000	70,000	194,989	-	371,937
Total	481,898	37,754	3,569,058	208,637	1,468,196	507,705	6,277,249



Map 3
Commercial and Other Non-Residential Development Pipeline, Mission, Q4 2010

2.2 Commercial Development Pipeline

The commercial development pipeline in the Mission overall shows that, if completed as proposed, there would be an overall net loss of commercial space (*Table 2.2.1*). This loss is mostly due to conversion of industrial PDR space from commercial to residential uses. There are, however, project proposals that would be creating new commercial space (about 52,400 square feet).

The biggest change in the inventory of commercial space in the Mission is the decline in PDR space. This net loss of 111,000 PDR square feet will primarily be due to residential conversion. About 31,800 square feet of retail space have received entitlement and/or have building permits issued; however, other projects in early stages of review would convert about 33,000

square feet of retail space into residential use, resulting in a net loss of 1,200 square feet of retail space. There will be a net increase of 9,700 square feet of Cultural, Educational and Institutional space if proposed projects in the pipeline are completed. About 5,000 square feet of office space are in projects that have received building permit approvals and are ready for construction.

Table 2.2.2 shows the commercial development pipeline for San Francisco for comparison. The development pipeline in the Mission represents less than 1% of the citywide pipeline; the loss of PDR space in the Mission represents about 17% of the loss citywide. *Map 3* shows the locations of the proposed commercial developments in the plan area. (See *List BL-2* in Appendix B for detailed information.)



ODC Theater at 3151 17th Street

Photo by Tim Griffiths Photography Michael David Rose Photography Margo Moritz



Proposed development at 899 Valencia Street

Table 2.2.1
Commercial and Other Non-Residential Development Pipeline, Mission, Q4 2010

Development Status	CIE*	Medical Office	Office	Retail	PDR** / Light Industrial	Visitor / Lodging	Total Commercial Sq Ft
Planning Entitled							
Under Construction	(5,940)	-	-	-	(920)	-	(6,860)
Planning Approved	-	-	-	-	(6,100)	-	(6,100)
Building Permit Filed	12,900	-	-	8,581	(1,620)	-	19,861
Building Permit Approved / Issued / Reinstated	-	-	4,999	23,189	(86,672)	-	(58,484)
Under Review							
Planning Filed	2,757	-	-	(3,056)	-	-	(299)
Building Permit Filed	-	-	-	(29,899)	(15,289)	-	(45,188)
Total	9,717	-	4,999	(1,185)	(110,601)	-	(97,070)

Table 2.2.2
Commercial and Other Non-Residential Development Pipeline, San Francisco, Q4 2010

Development Status	CIE*	Medical Office	Office	PDR** / Light Industrial	Retail	Visitor / Lodging	Total Sq. Ft.
Planning Entitled							
Under Construction	437,559	-	58,918	(25,230)	8,423	-	479,670
Planning Approved	175,980	(33,117)	5,167,450	(88,557)	1,324,246	308,570	6,854,572
Building Permit Filed	19,180	-	916,830	(221,550)	87,080	-	801,540
Building Permit Approved / Issued / Reinstated	(22,095)	-	826,123	(85,371)	50,972	24,606	794,235
Under Review							
Building Permit Filed	25,553	-	564,742	(6,149)	18,082	-	602,228
Planning Filed	1,001,797	-	3,238,464	(67,760)	1,640,697	97,347	5,910,545
Total	1,637,974	(33,117)	10,772,527	(494,617)	3,129,500	430,523	15,442,790

* CIE = Cultural, Institutional & Educational
** PDR = Production, Distribution, Repair

2.3 Employment

2.3.1 Office Jobs

San Francisco is a regional employment hub, with the largest concentration of office jobs in the Bay Area including financial, legal, and other specialized business services. According to the state Employment Development Department (EDD), there were about 225,900 office jobs in San Francisco at the end of September 2010 (Q3). Of these jobs, about 3,800 (or less than 2% of the citywide total) were in the Mission Plan area. There were approximately 400 establishments (less than 3% of San Francisco establishments) with office employment (see [Table 2.3.1](#)).

2.3.2 Retail Jobs

San Francisco is also a regional shopping destination and 20% of all city jobs are in retail/entertainment (see [Table 2.3.1](#)). There were about 7,100 retail jobs in the Mission Plan area, about 40% of total jobs in the area; this represents almost 7% of all citywide retail jobs.

2.3.3 PDR Jobs

Although no longer a center for industry, 14% of San Francisco jobs are in production, distribution, or repair (PDR) related businesses. These light industrial businesses contribute to the city's economy by providing

stable and relatively well-paying jobs for the many San Franciscans without a four-year college degree and by supporting various sectors of the City's economy. There were almost 3,500 PDR jobs in the Mission Plan area, about 20% of total jobs in the area; this also represented just under 5% of all citywide PDR jobs.

2.3.3 PDR Jobs

2.3.4 Estimated New Jobs in Retail and Office Pipeline

As discussed in the previous section, approximately 52,400 square feet of retail, CIE and office space are in the commercial development pipeline. Assuming an average employee density of 350 square feet, these new commercial spaces can accommodate around 150 jobs when completed. This does not account for potential job losses however, associated with the conversion and demolition of PDR space.

2.3.5 Job Loss

Proposed projects in the development pipeline will convert or demolish some 110,600 square feet of PDR space. Assuming an average employee density of 550 square feet, this space could accommodate just over 200 PDR jobs.

Table 2.3.1
Employment, Mission and San Francisco, Q3 2010

Land Use	MISSION				SAN FRANCISCO			
	No. of Establishments	% of Total Establishments	No. of Jobs	% of Total Jobs	No. of Establishments	% of Total Establishments	No. of Jobs	% of Total Jobs
Cultural, Institutional & Educational	86	3%	1,453	8%	1,659	3%	67,735	12%
Medical	64	2%	888	5%	858	2%	34,449	6%
Office	406	15%	3,756	21%	13,480	25%	225,853	41%
PDR / Light Industrial	321	12%	3,480	20%	5,231	10%	76,821	14%
Retail	508	19%	7,106	40%	7,466	14%	107,422	20%
Visitor / Lodging	11	0%	50	0%	299	1%	17,751	3%
Other	1,324	49%	1,022	6%	24,317	46%	19,825	4%
Total	2,720	100%	17,755	100.0%	53,310	100%	549,856	100%

Source: California Employment Development Department

819

net new housing
units added last
5 years

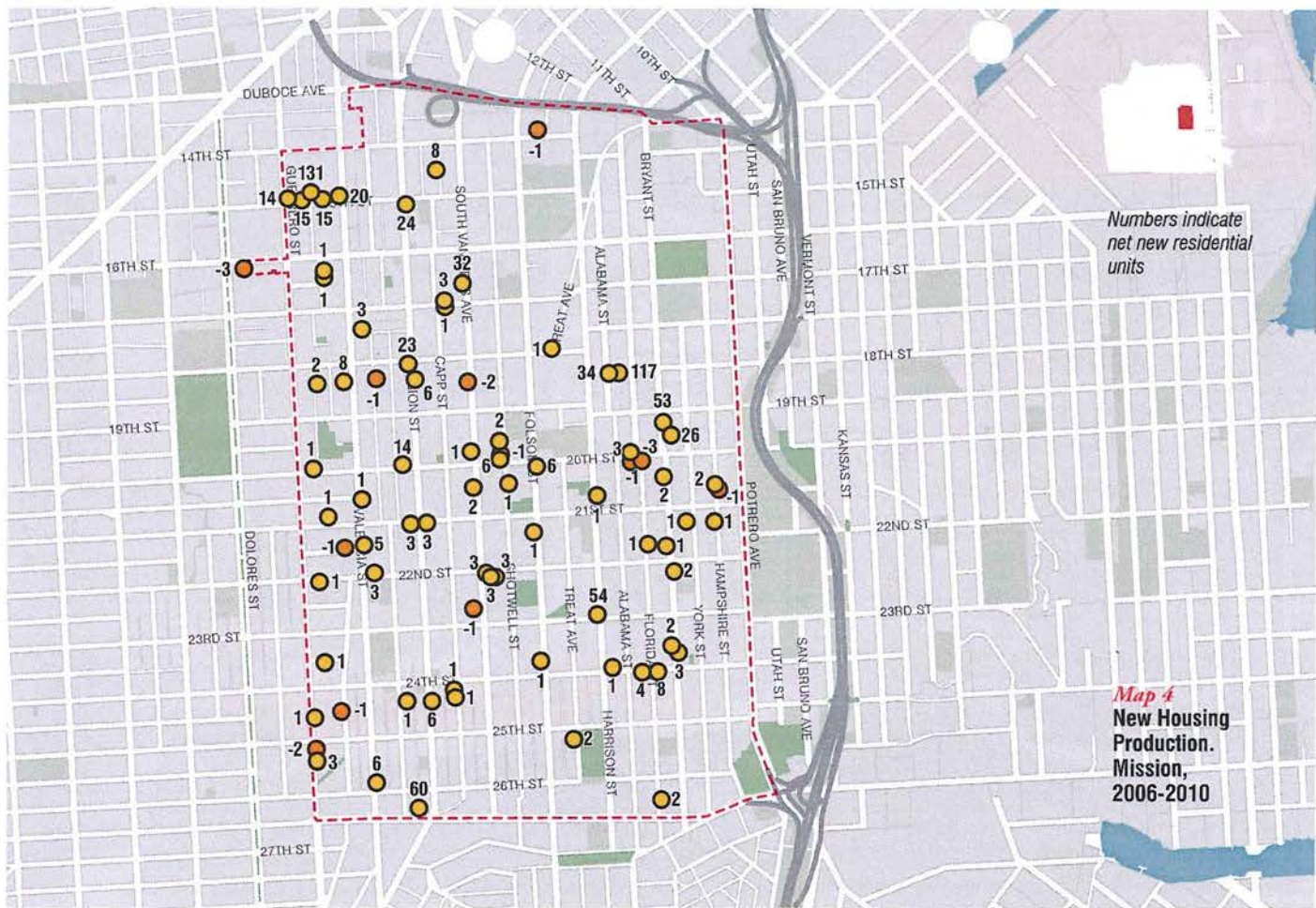


Mosaica Family and Senior Apartments
Urban Land Institute

3. Housing

Housing and the provision of adequate shelter, especially for those with low to moderate incomes, continues to be a chronic issue in San Francisco. One of the main goals of the Mission Plan is to increase the production of housing affordable to a wide-range of incomes. The plan envisioned that as many as 1,100 additional units can be accommodated within the plan boundaries.

The Mission Plan also recognizes the value of sound, existing housing stock and call for its preservation. Dwelling unit mergers are strongly discouraged and housing demolitions are allowed only on condition of adequate unit replacement.



3.1 Housing Inventory and New Housing Production

According to the 2010 Census, there were almost 18,400 units in the Mission Plan boundaries in April 2010; this represents 5% of the citywide total.

Table 3.1.1 shows that approximately 820 new units were built in the past five years in the Mission; of these, 69 were conversions from commercial uses.

Table 3.1.2 shows the citywide figures for comparison. Almost 7% of the net increase in the City's housing stock in the last five years was in the Mission area. *Map 4* shows the location of recent housing construction. Additional details about these new development projects can be found in *Appendix B, List BL-3*.

Table 3.1.1 New Housing Production, Mission, 2006-2010

Year	Units Completed from New Construction	Units Demolished	Net Units Gained or Lost from Alterations	Net Change in Number of Units
2006	328	4	(1)	323
2007	91	1	8	98
2008	30	0	8	38
2009	234	2	27	259
2010	74	0	27	101
Total	757	7	69	819

Table 3.1.2 New Housing Production, San Francisco, 2006-2010

Year	Units Completed from New Construction	Units Demolished	Net Units Gained or Lost from Alterations	Net Change in Number of Units
2006	1,675	41	280	1,914
2007	2,197	81	451	2,567
2008	3,019	29	273	3,263
2009	3,366	29	117	3,454
2010	1,082	170	318	1,230
Total	11,339	350	1,439	12,428

3.2 Housing Development Pipeline

By year's end in 2010, there were about 585 units in 53 projects in the housing development pipeline for the Mission (see [Table 3.2.1](#)). [Map 5](#) shows the location of these proposed housing projects by development status. [List BL-4](#) in Appendix B provides a detailed list of these housing pipeline projects.

Table 3.2.1 shows that about only 9 units - or less than 2% - are under construction and will likely be completed within the next two years. Approximately 430 units - about 74% - have received Planning Department entitlements and could see completion within the next two to seven years.

About 27% of the units in the residential development pipeline are in the early stages of the process and are expected to be completed in the next five to ten years. In comparison, about 40% of the units in the housing pipeline citywide are under construction while the remainder have been entitled and have filed for or have received building permits. Some 48% of proposed units Citywide - nearly 21,100 units -- are under review and have yet to receive entitlements.

3.3 Affordable Housing in the Mission

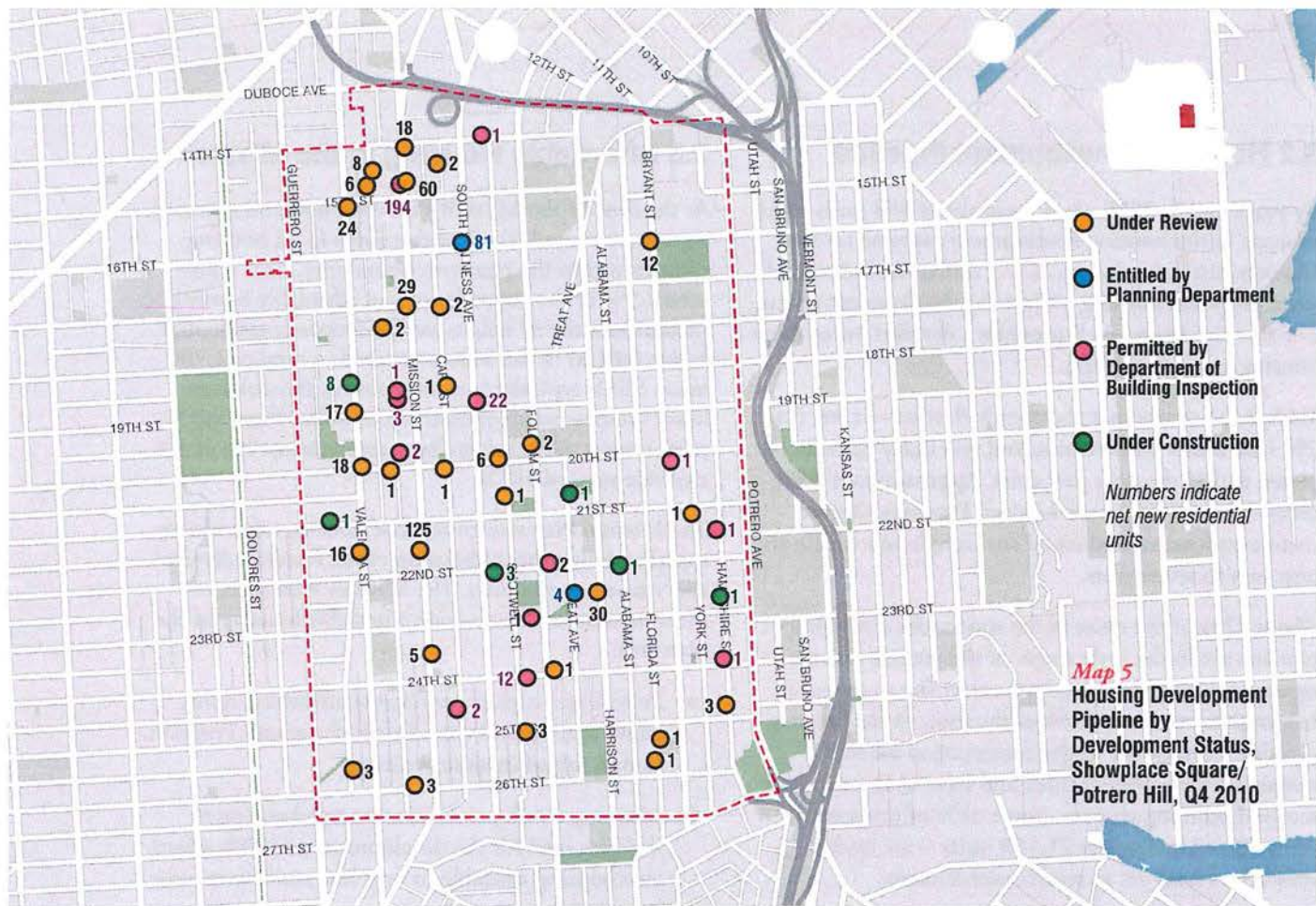
At the time of the Mission Plan adoption and approval, there were some 800 affordable units in 12 housing projects within the plan area boundaries. This represented 5% of the citywide total of affordable housing. In addition, the 47 single-room occupancy residential hotels (SROs) in the Mission provide a total of 1,700 units. SROs typically provide housing affordable to lower income, single-person households. These SROs units within the Mission Plan area make up 9% of the citywide total of SROs.

The Mission Plan recognizes that housing affordability, together with a mix of housing types, fosters a diverse and vibrant community. The Mission Plan relies on three mechanisms to provide affordable housing in the plan area:

- Providing a high percentage of affordable units, above and beyond the City's Inclusionary Program, in new mixed income projects;
- Allowing developers of market-rate housing to dedicate land for the development of 100% affordable housing available to very low and low-income households;
- Encouraging the provision of moderate affordable units on-site, as housing available to middle income households (those making below 150% of the median income).

Table 3.2.1
Housing Development Pipeline, Mission and San Francisco, Q4 2010

Development Status	MISSION		SAN FRANCISCO	
	No. of Projects	No. of Units	No. of Projects	No. of Units
Planning Entitled				
Under Construction	7	9	117	1,728
Planning Approved	3	38	91	16,903
Building Permit Filed	7	128	69	1,916
Building Permit Approved / Issued / Reinstated	15	256	174	2,480
Under Review				
Planning Filed	6	47	84	19,532
Building Permit Filed	15	107	190	1,487
Total	53	585	727	44,050



3.4 New Affordable Housing Production, 2006-2010

Affordable housing was a high community priority during the Eastern Neighborhood planning process. The Eastern Neighborhood Plans aim to provide new housing to meet the needs of low, moderate and middle income households. Higher percentages of affordable inclusionary units are required of market-rate developments larger than five units.

The completion of the 151-unit 601 Alabama project (2009) boosted the area's affordable housing stock while the new 260-unit mixed-income Valencia Gardens project (2006) replaced the 246 units demolished in the publicly subsidized housing project of the same name two years earlier. In addition, 35 inclusionary units were built in the Mission between 2006 and 2010, representing less than 8% of all housing produced in the area (see [Table 3.4.1](#)).

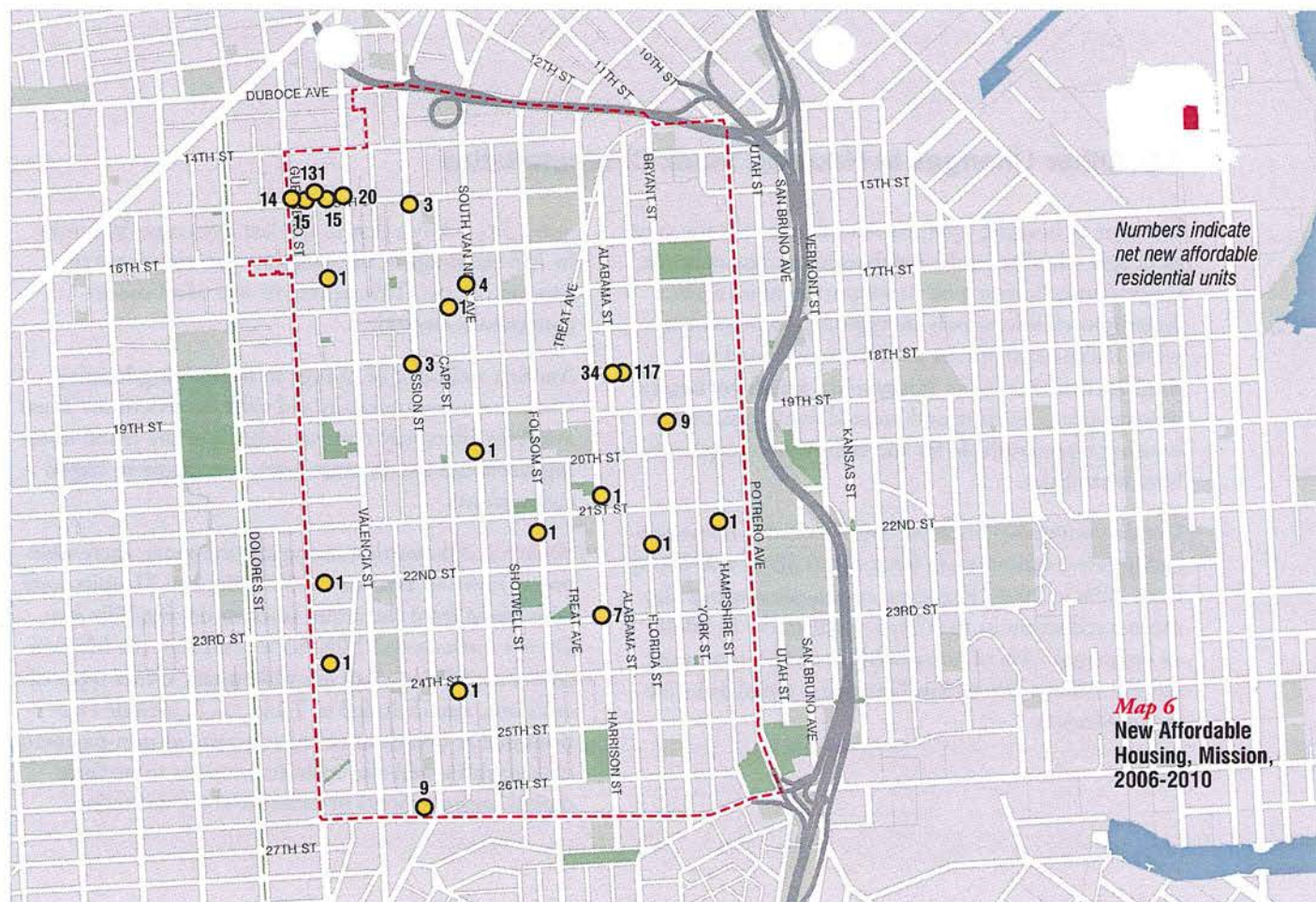
By comparison, the citywide share of new affordable housing construction was 27%, or over 3,300 units (see [Table 3.4.2 Affordable Housing Production, San Francisco, 2006-2010](#)). Additional details about these affordable housing projects can be found in [Appendix B, List BL-5](#).

Table 3.4.1
Affordable Housing Production, Mission, 2006-2010

Year	Public Subsidy	Inclusionary	Total
2006	260	7	267
2007	0	7	7
2008	0	0	0
2009	151	12	163
2010	0	9	9
Total	411	35	446

Table 3.4.2
Affordable Housing Production, San Francisco, 2006-2010

Year	Public Subsidy	Inclusionary	Total
2006	265	189	454
2007	517	167	684
2008	385	379	764
2009	832	44	876
2010	508	40	548
Total	2,507	819	3,326



3.5. Housing Stock Preservation

The Mission Plan supports the preservation of the area's existing housing stock and prohibits the residential demolition unless these would result in sufficient replacement of housing units. Demolitions are also restricted to ensure the preservation of affordable housing and historic resources.

In the reporting period, 15 units were demolished or lost through alteration in the Mission (see [Table 3.5.1](#)) or less than 3% of units demolished citywide.

[Table 3.5.2](#) shows San Francisco figures for comparison. Illegal units removed also result in loss of housing; corrections to official records, on the other hand, are adjustments to the housing count.

Table 3.5.1 Units Lost, Mission 2006-2010

Year	UNITS LOST THROUGH ALTERATIONS BY TYPE OF LOSS					Units Demolished	Total Units Lost
	Illegal Units Removed	Units Merged into Larger Units	Correction to Official Records	Units Converted	Total Alterations		
2006	0	1	0	0	1	4	5
2007	1	0	0	0	1	1	2
2008	4	0	0	0	4	0	4
2009	0	0	0	0	0	2	2
2010	0	0	1	1	2	0	2
Total	5	1	1	1	8	7	15

Table 3.5.2 Units Lost, San Francisco, 2006-2010

Year	UNITS LOST THROUGH ALTERATIONS BY TYPE OF LOSS					Units Demolished	Total Units Lost
	Illegal Units Removed	Units Merged into Larger Units	Correction to Official Records	Units Converted	Total Alterations		
2006	12	21	0	7	40	41	81
2007	10	16	4	5	35	81	116
2008	19	28	0	1	48	29	77
2009	2	42	5	12	61	29	90
2010	5	22	1	10	38	170	208
Total	48	129	10	35	222	350	572

3.6. Other Changes in Housing Stock Characteristics

The type of housing opportunities determines the type of people who live in the neighborhood. For example, single-family homes tend to support families and/or larger households, which are typically homeowners, while flats or apartments tend to be occupied by a single-person or smaller households, which are largely renters; group housing and assisted living quarter are housing types available for the elderly and people who have disabilities.

Condo conversions increase San Francisco's homeownership rate – estimated to be at about 38% in 2009, up from 35% in 2000. However, condo conversions also mean a reduction in the City's rental stock. In 2009, an estimated 74% of households in the Mission were renters. Almost 8% of San Francisco's rental units are in the Mission.

Table 3.6.1 shows that in the last five years, 307 units in 133 buildings in the Mission were converted to condominiums. This represents 8% of all condo conversions citywide.

Another indicator of change in the existing housing stock, are owner move-in and Ellis Act evictions. These evictions effectively remove units from the rental housing stock and are, in most cases, precursors to condo conversions.

Table 3.6.2 shows that in the last five years, there were owner move-in evictions in 73 units and 71 units were withdrawn from the rental stock under the Ellis Act. Owner move-in and Ellis Act evictions in the Mission constituted 9% each of citywide totals. Other types of evictions, also included in Table 3.6.2, include evictions due to breach of rental contracts or non-payment of rent; this could also include evictions to perform capital improvements or substantial rehabilitation.

Table 3.6.1
Condo Conversion, Mission, 2006-2010

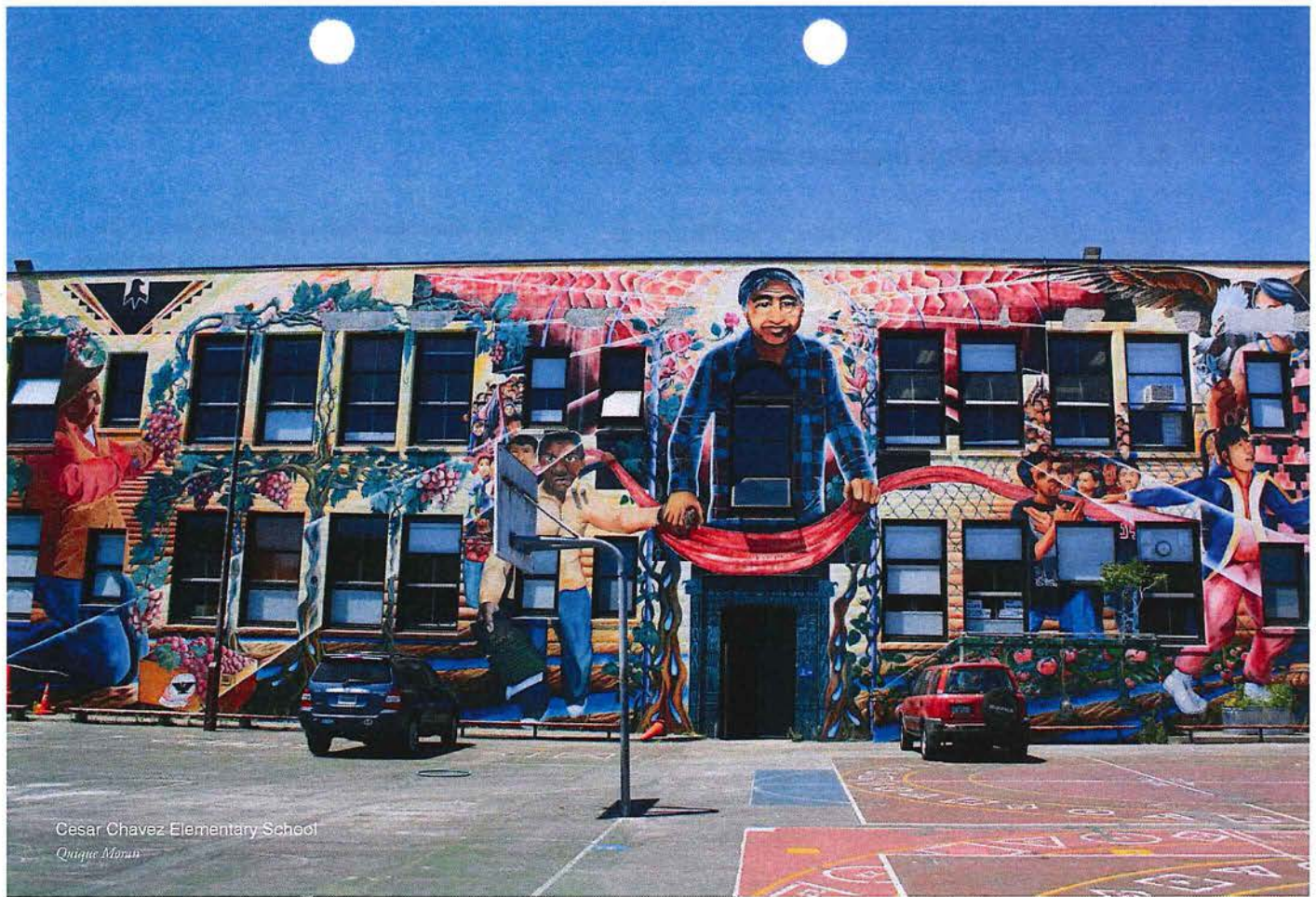
Year	MISSION		Mission as % of Citywide Total	
	No. of Bldgs	No. of Units	No. of Bldgs	No. of Units
2006	30	66	10.0%	9.0%
2007	24	57	7.0%	7.0%
2008	27	57	7.0%	7.0%
2009	38	93	11.0%	12.0%
2010	14	34	6.0%	6.0%
Total	133	307	8.0%	8.0%

Source: DPW Bureau of Street Use and Mapping

Table 3.6.2
Evictions by Type, Mission, 2006-2010

Year	MISSION			Mission as % of Citywide Total		
	Owner Move-In	Ellis Act Withdrawal	Other Eviction	Owner Move-In	Ellis Act Withdrawal	Other Eviction
2006	25	34	181	11%	13%	9%
2007	14	25	182	8%	11%	11%
2008	16	3	171	10%	2%	11%
2009	7	2	110	6%	4%	8%
2010	11	7	129	9%	10%	8%
Total	73	71	773	9%	9%	9%

Source: SF Rent Board



Cesar Chavez Elementary School
Quique Moran

4. Public Benefits

The Eastern Neighborhoods Plans call for up to 10,000 units of transit-oriented housing (market-rate and affordable) and 13,000 new jobs over 20 years. To support the growing population in these areas, the Area Plans also call for needed public amenities including parks, community facilities, and transportation.

The Eastern Neighborhoods Area Plans identify at a high level the types of infrastructure improvements necessary to enhance livability, enable development intensity, and serve these changing neighborhoods. Specifically, the Mission Plan seeks to improve the transportation system for all modes, especially pedestrians and transit. The Plan also calls for the provision of new open space and the creation of “Green Connector” streets, with wider sidewalks and improved landscaping.

4.1 Transportation Improvements (EN TRIPS)



The Eastern Neighborhoods Transportation Implementation Planning Study (EN

TRIPS) is the transportation implementation plan for all four Plan Areas of the Eastern Neighborhoods. EN TRIPS has completed its existing and future conditions technical analyses to understand current transportation opportunities and constraints in all four neighborhoods. Findings and identified strategies were presented at a community meeting held in February 2011.

These strategies include: Smart Parking Management, Congestion Pricing, Transportation Demand Management, and expanded efforts at shuttle coordination. Each of these strategies is already under study, implementation or development, but potential exists to expand their application. In addition to these policy strategies, other investments identified include:

- Transit Priority Street treatments – including 3rd street, 4th street, Division, and 16th Street.
- New bicycle facilities – including the prioritization of certain bicycle lanes, or the creation of dedicated rights-of-way.
- Further developing comfortable pedestrian spaces to facilitate walking - including wider sidewalks, curb bulb outs, medians, and additional landscaping.

The 16th Street corridor is the only arterial that runs in the east-west direction and connects the North Mission, Showplace Square, and Mission Bay; it is also the focus of a number of competing demands. The corridor will see increased vehicular volumes and the 22-Fillmore, which is planned to be re-routed so that it travels all the way to Mission Bay, may face traffic delays unless transit priority treatments are completed. In addition, an extension of the 16th Street bicycle lane is planned through Mission Bay. At the same time, transit on Potrero Avenue is expected to become an increasingly high-demand corridor. With two BART stations and several high-volume bus lines in the Mission, transit use is the predominant mode of travel to work for employed residents of the area (see [Table 4.1.1](#)).

Compared to City figures, Mission commuters travelled by alternative modes rather than by car. The 2005-2009 American Community Survey estimated that 43% of Mission residents used transit to work while 30% commuted by car; 11% walked to work and 8% reported biking to work. The number of people working from home was estimated at 6%. Citywide, 47% of commuters travel by car and 32% by transit; 10% walked to work, 3% biked, and 2% commuted by other means; 7% however worked from home

Table 4.1.1
Commute Mode Split, Mission and San Francisco, 2006-2010

Transport Mode	MISSION		SAN FRANCISCO		Mission as % of San Francisco
	No. of Commuters	%	No. of Commuters	%	
Car	9,805	30%	202,707	47%	5%
Drove Alone	7,646	24%	168,639	39%	5%
Carpooled	2,159	7%	34,068	8%	6%
Transit	13,756	43%	140,571	32%	10%
Bike	2,508	8%	11,367	3%	22%
Walk	3,696	11%	41,593	10%	9%
Other	601	2%	8,142	2%	7%
Worked at Home	1,812	6%	28,952	7%	6%
Total	32,178	100.0%	433,332	100.0%	7%

Source: 2005-2009 American Community Survey

4.2 Streetscape Improvements

The Mission Plan calls for the creation of a network of “Green Connector” streets with wider sidewalks and landscaping improvements that connects open spaces and improves area walkability. The Plan proposes improvements in the vicinity of 16th Street, in the center of the Mission around 20th Street and through the southern part of the Mission including Cesar Chavez Street. Additionally north-south connections are suggested for Potrero Avenue and Folsom Streets. Numerous pedestrian improvements have also been proposed in the Mission Public Realm Plan.

The goal of the Mission Streetscape Plan is to create a system of neighborhood streets with safe and green sidewalks; well-marked crosswalks; widened sidewalks at corners; creative on-street parking arrangements; bike paths and routes; improved transit integration; and roadways that accommodate automobile traffic but encourage appropriate speeds.

Highlights of the plan include:

- A new flexible parking strategy for gathering and outdoor seating uses;
- New gateway plazas at key intersections and destinations;
- Traffic calming on residential streets;
- On-street designs for sustainable storm water management;
- Greening and traffic calming at major corridors;
- Pedestrian improvements on alleys and small streets.



The Mission Streetscape Plan provides a design framework for street improvement, policies to guide those improvements, and designs for 28 specific projects to be built over time as funding allows. Building on the Mission Area Plan, the Mission Streetscape Plan also includes a strategy for how to build and maintain improvements over time.

In December 2010, San Francisco also adopted the Better Streets Plan that contains design guidelines for pedestrian and streetscape improvements and describes streetscape requirements for new development. Major themes and ideas include:

- **Distinctive, unified streetscape design:** Street trees as defining the streetscape rhythm; integrated site furnishings; regular pedestrian-oriented lighting; minimizing cluttering elements.
- **Space for public life:** Safe, useable public seating for neighborhood gathering; generous curb extensions for seating and landscaping; reclaiming of excess street space for public use; space for outdoor café and restaurant seating and merchant displays.
- **Enhanced pedestrian safety:** Safe, convenient pedestrian crossings; curb radii and curb extensions that slow traffic, shorten crossing distance, and enhance visibility; pedestrian countdown signals and other pedestrian priority signals (head-start, pedestrian scramble).
- **Improved street ecology:** On-site storm water management to reduce combined sewer overflows; resource-efficient elements and materials; streets as green corridors and habitat connectors.



- **Universal design and accessibility:** Generous, unobstructed sidewalks, curb ramps for all users, accessible pedestrian signals.
- **Integrating pedestrians with transit:** Transit rider amenities at key stops; safe, convenient pedestrian routes to transit; mutual features that benefit pedestrian safety and comfort and transit operations, such as bus bulb-outs and boarding islands.
- **Creative use of parking lanes:** Permanent curb extensions with seating and landscaping; landscape planters in the parking lane; flexible, temporary use of the parking lane for restaurant seating or other uses.

- **Traffic calming to reduce speeding and enhance pedestrian safety:** Raised crossings and speed tables; landscaped traffic circles; chicanes.
- **Pedestrian-priority designs:** Shared public ways; temporary or permanent street closures to vehicles; sidewalk and median pocket parks.
- **Extensive greening:** Healthy, well-maintained urban forest; expanded sidewalk plantings; efficient utility location to provide more potential planting locations.

The Better Streets Plan only describes a vision for ideal streets and seeks to balance the needs of all street users and street types. Detailed implementation strategies will be developed in the future.



Sidewalk Landscaping on Shotwell Street



Mission Playground



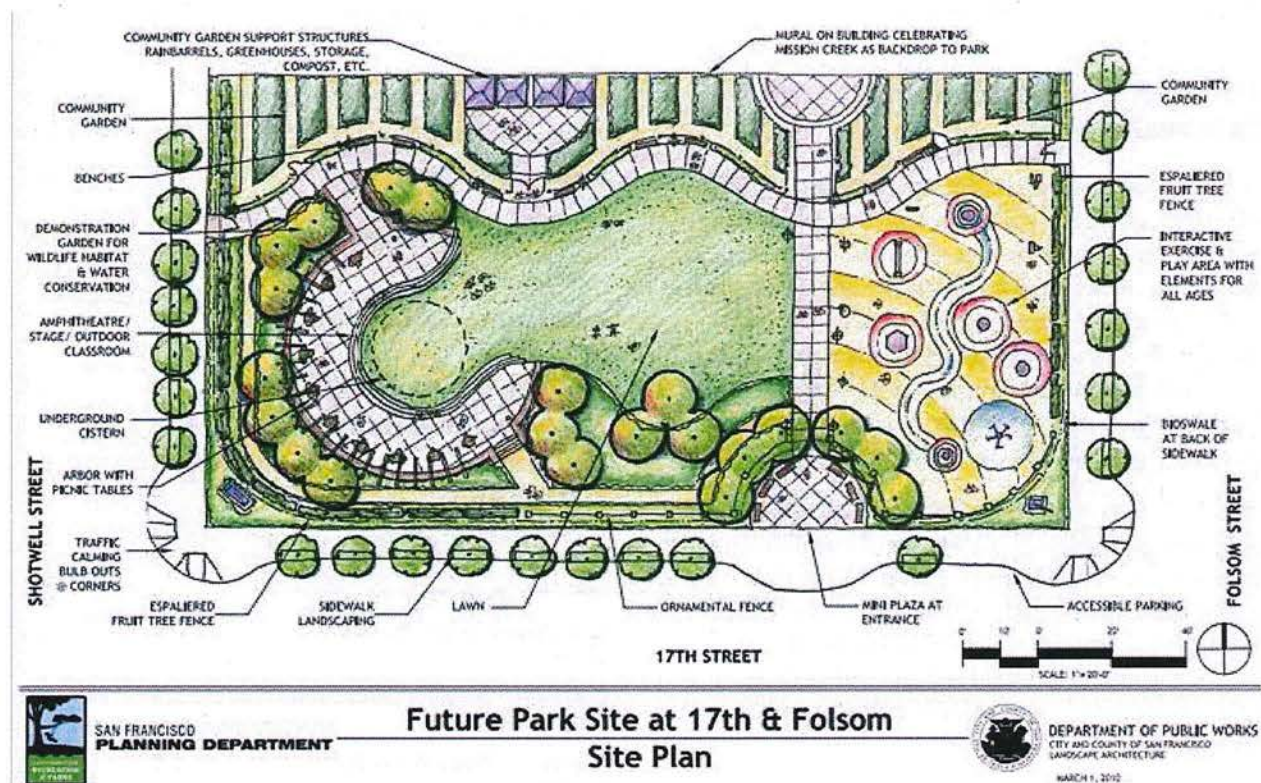
24th Street Mini Park

4.3 Recreation and Open Space

The provision of new, and maintenance of existing, recreation and park facilities are also called for by the Mission Plan. Some portions of the Mission historically have been predominantly industrial, and not within walking distance of an existing park and many areas lack adequate places to recreate and relax. Moreover, the Mission has a concentration of family households with children (27% of Mission households), which is higher than most neighborhoods in the city. Specifically, the Plan identifies a need for 4.3 acres of new open space to serve both existing and new residents, workers and visitors. The Plan proposes to provide this new open space by creating at least one substantial new park in the Mission.

A site has been identified for a new park in an under-served area of the Mission at 17th and Folsom Streets, currently owned by the San Francisco Public Utilities Commission. After a series of community meetings in 2010, three design alternatives have been merged into one design. This is the first draft of the design which will be finalized in the coming months.

Significant funding is needed however, to develop new open space and maintain existing open space at a higher level. Impact fees from new development can partially fund these spaces, as can open space bonds issued by the Port and the Recreation and Park Department. Additional funding sources however, are being identified to implement these open space improvements.



4.4 Community Facilities

As a significant amount of new housing development is expected in the Mission, new residents will increase the need to add new community facilities and to maintain and expand existing ones. Community facilities can include any type of service needed to meet the day-to-day needs of residents. These facilities include libraries, parks and open space, schools and child care. Community based organizations also provide many services to area residents including health, human services, and cultural centers.

Map 7 shows existing community facilities in the Mission. Community based organizations currently provide a wide range of services at over 50 sites throughout the Mission, ranging from clinics and legal aid, to job and language skills training centers and immigration assistance. Cultural and arts centers are also prominent in the Mission.

4.5 Neighborhood Serving Establishments

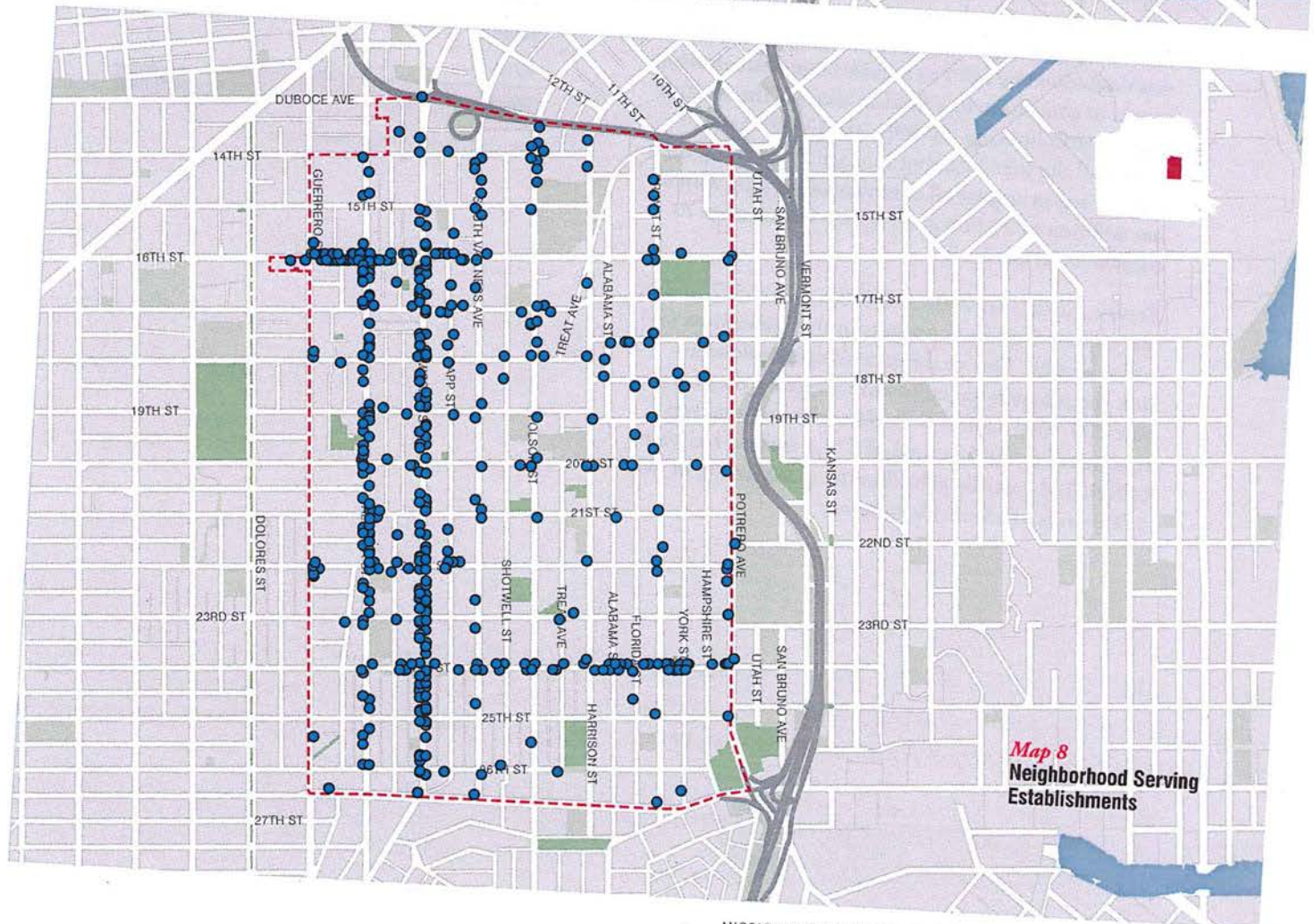
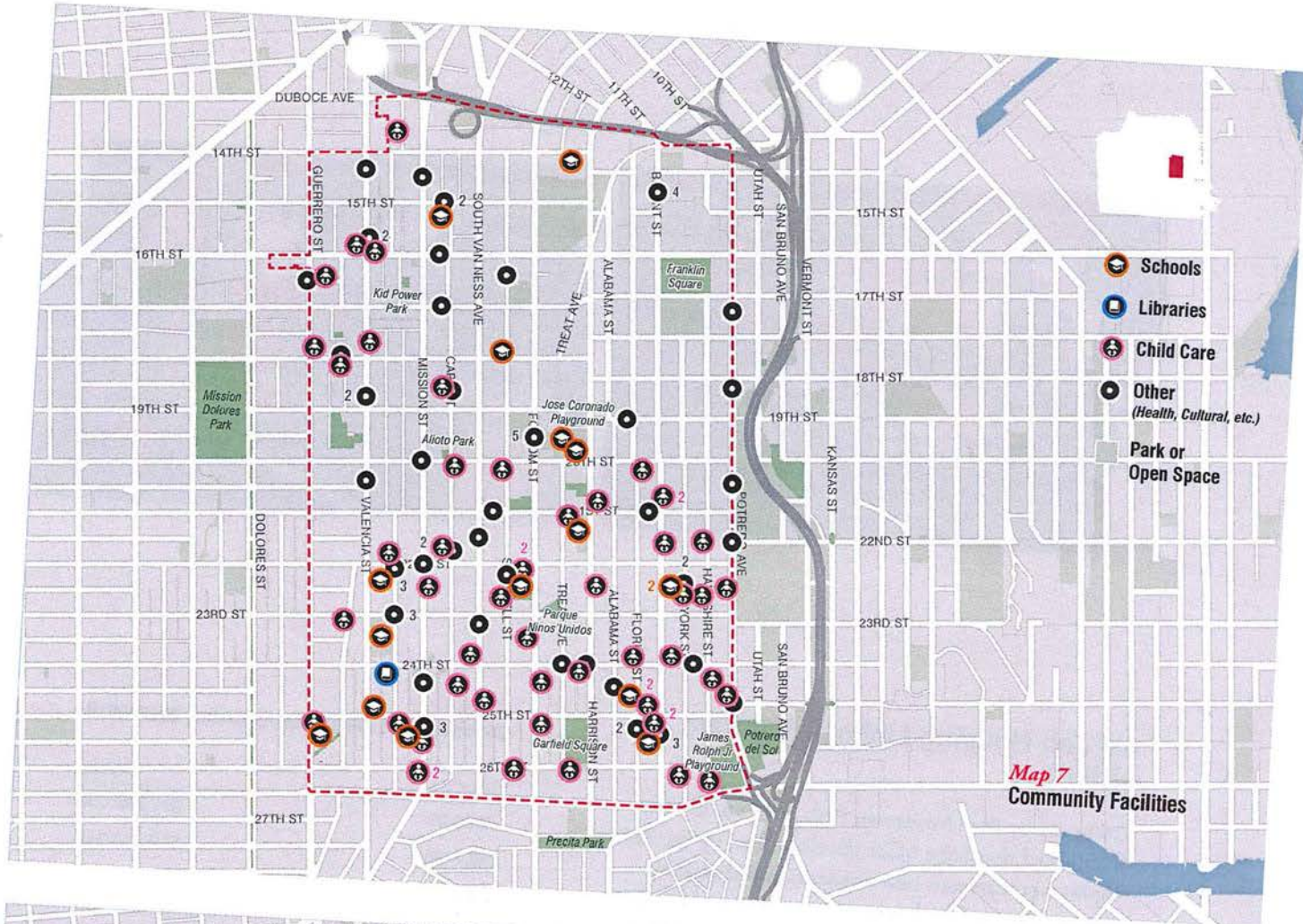
Neighborhood serving businesses represent a diversity of activities beyond typical land use categories such as retail. This section defines neighborhood serving as those activities of an everyday nature associated with a high “purchase” frequency (see *Appendix D* for a list of business categories used). Grocery stores, auto shops and gasoline stations, banks and schools which frequently host other activities, among many other uses, can be considered “neighborhood serving.”

By this definition, the Mission is home to almost 500 neighborhood serving businesses and establishments employing over 6,600 people. Over 130 of these businesses are estimated to have been established since 2006. Although these tend to be smaller businesses frequented by local residents and workers, some also serve a larger market (such as popular restaurants).

As shown in *Table 4.5.1* on opposite page, the top 10 neighborhood serving establishments in the Mission include restaurants, grocery stores and bars, as well as bakeries and pharmacies. These businesses are typically along the Mission, Valencia, and 24th Street neighborhood commercial districts (see *Map 8*).

Table 4.5.1
Neighborhood Serving Establishments, Mission

Type	Establishments	Employment
Full-Service Restaurants	125	2,692
Limited-Service Restaurants	57	695
Supermarkets and Other Grocery (except Convenience) Stores	29	507
Drinking Places (Alcoholic Beverages)	26	208
General Automotive Repair	22	87
Snack and Nonalcoholic Beverage Bars	20	307
Retail Bakeries	12	99
Child Day Care Services	12	77
Pharmacies and Drug Stores	11	108
Sporting Goods Stores	10	108
Used Merchandise Stores	10	128
Civic and Social Organizations	9	55
Meat Markets	8	37
Shoe Stores	7	52
Commercial Banking	7	143
Elementary and Secondary Schools	7	220
Women's Clothing Stores	7	46
Family Clothing Stores	7	57
Coin-Operated Laundries and Dry Cleaners	5	8
Beer, Wine, and Liquor Stores	5	22
All Other General Merchandise Stores	5	35
Beauty Salons	5	21
Dry Cleaning and Laundry Services (except coin-operated)	5	32
Religious Organizations	5	34
Office Supplies and Stationery Stores	5	61
Cosmetics, Beauty Supplies, and Perfume Stores	5	50
Fitness and Recreational Sports Centers	5	51
Gasoline Stations with Convenience Stores	5	144
All Other Specialty Food Stores	4	52
Savings Institutions	4	44
Nail Salons	4	13
Other	47	475
Total	495	6,668





4.6 Job Housing Linkage Program (JHLP)

Prompted by the Downtown Plan in 1985, the City determined that large office development, by increasing employment, attracts new residents and therefore increases demand for housing. In response, the Office Affordable Housing Production Program (OAHPP) was established in 1985 to require large office developments to contribute to a fund to increase the amount of affordable housing. In 2001, the OAHPP was re-named the Jobs-Housing Linkage Program (JHLP) and revised to require all commercial projects with a net addition of 25,000 gross square feet or more to contribute to the fund.

Between fiscal year 2006 and 2010, nearly \$22 million was collected, all from projects in the Downtown C-3 zoned district. Due to the current economic recession the program has collected no money after fiscal year 2007 (see [Table 4.6.1](#)). Since the program was established in 1985, a total of \$72.3 million has been collected to partially subsidize the construction of over 1,000 units of affordable housing.

Table 4.6.1

Jobs Housing Linkage Fees Collected, 2006-2010

<i>Fiscal Year</i>	<i>Revenue</i>
2006-07	\$11,880,503
2007-08	\$10,213,342
2008-09	-
2009-10	-
2010-11	-
Total	\$22,093,845

Source: Department of Building Inspection as of 6/1/11

5. Implementation of Proposed Programming

5.1 Eastern Neighborhood Citizens Advisory Committee

The Eastern Neighborhoods Citizens Advisory Committee (EN CAC) is the central community advisory body charged with providing input to City agencies and decision makers with regard to all activities related to implementation of the Eastern Neighborhoods Area Plans. It was established for the purposes of providing input on the prioritization of Public Benefits, updating the Public Benefits program, relaying information to community members in each of the four neighborhoods regarding the status of development proposals in the Eastern Neighborhoods, and providing input to plan area monitoring efforts as appropriate. The EN CAC is composed of 15 voting members – nine appointed by the Board of Supervisors, and six appointed by the Mayor. In addition, there are four non-voting members representing Western SoMa, two appointed by the Board of Supervisors, and two by the Mayor. These non-voting members with attain voting status upon the adoption and integration of the Western SoMa Impact Fees into the Eastern Neighborhoods Public Benefits Fund.

To date, the ENCAC has supported the allocation of \$2.42 million for the development of a new park at 17th and Folsom Street in the Mission District. As of the writing of this report, just over \$750,000 has been collected.

The EN CAC has held monthly public meetings since October, 2009. For more information on the EN CAC, go to <http://encac.sfplanning.org>.

Table 5.2.1 Eastern Neighborhoods Fees Collected

Area	Revenue	Projects
SoMa	\$540,908	2
Central Waterfront	\$119,901	1
Mission	\$90,454	7
Showplace/Potrero	\$0	0
Total	\$751,263	10

5.2 Fees Programs and Collection

The Eastern Neighborhoods Public Benefit Fee was established to fund community improvements throughout the Eastern Neighborhoods, including the Mission Plan Area.

Impact fees will be used to fund capital improvements, including open space and recreational facilities, transit and transportation improvements, and community facilities such as child care and public library needs. The fee may also be used to fund housing needs, such as housing construction and preservation. Fee revenue are periodically updated and currently range from \$8 to \$24 per square foot (effective 5/11). Fee revenues will be allocated as follows:

- For **residential development**: open space and recreational facilities = 50%, transit streetscape and public realm improvements = 42%, community facilities = 8%.
- For **commercial development**: open space and recreational facilities = 7%, transit streetscape and public realm improvements = 90%, community facilities = 3%

In areas designated for housing including Mixed Use Residential zones and the Mission NCT, portions of the impact fee resulting from up-zoning will be directed towards affordable housing construction and preservation. In these areas, the increased fee revenue above the base \$8 collected for residential development may be used to further mitigate impacts on affordable housing, including acquisition and rehabilitation programs to support existing residents.

Analysis based on development projections for the overall Eastern Neighborhoods, estimates that the fee could generate from \$77-130 million over the life of the plan.

As shown in *Table 5.2.1*, approximately \$751,000 from 10 projects has been collected since the fee was established in January 2009. Over \$90,400 in fees were collected from seven projects in the Mission Plan area.

5.3 Historic Preservation

Since the adoption of the Mission Plan, the Inner Mission North survey has been completed and adopted by the Historic Preservation Commission. The Inner Mission North Survey includes documentation and assessment of more than 2,000 individual buildings and several historic districts that are located within the area that is bounded approximately by Duboce Avenue and Market Street to the north, 20th Street to the south, Folsom Street to the east, and Dolores Street to the west.

The South Mission Survey has also been completed and adopted by the Historic Preservation Commission. The South Mission Survey resulted in documentation and assessment of approximately 3,800 individual buildings, including nearly 1,000 individual historic properties and contributors to 13 historic districts. The South Mission Survey included the area that is bounded approximately by 20th Street to the north, Cesar Chavez Street to the south, Potrero Avenue to the east, and Guerrero Street to the west.

These surveys only identify potential historic resources in the area. Recommendations to establish new historic districts and designate individual structures of merit will follow.



Flickr, Thomas Hawk

5.4 First Source Hiring

The First Source Hiring Program was first adopted in 1998 and modified in 2006. The intent of First Source is to connect low-income San Francisco residents with entry-level jobs that are generated by the City's investment in contracts or public works; or by business activity that requires approval by the City's Planning Department or permits by the Department of Building Inspection.

Projects that qualify under First Source include:

- any activity that requires discretionary action by the City Planning Commission related to a commercial activity over 25,000 square feet including conditional use authorization;
- any building permit applications for a residential project over 10 units;
- City issued public construction contracts in excess of \$350,000;
- City contracts for goods and services in excess of \$50,000;
- leases of City property;
- grants and loans issued by City departments in excess of \$50,000.

The First Source Hiring program is managed by the Office of Economic and Workforce Development (OEWD). Between fiscal years 2005-06 and 2010-11, the OEWD reported that 2,492 residents were placed into entry-level jobs including 1,752 in public projects, and 740 in private projects.

Eastern Neighborhoods Monitoring Requirements Ordinance

(5) **Development Activity.** The report shall detail all development activity in the Plan Area over the Monitoring Period, including additions and deletions of residential and commercial space, and shall include unit size and bedroom count of units constructed, retail space and employment generated, conversions and other development statistics. The monitoring program shall include the following categories of information:

(A) **Office Space.** Amount of office space constructed in preceding years and related employment.

(B) **Visitor and Hotel Space.** Amount of hotel rooms constructed in preceding years and related employment.

(C) **Retail Space.** Amount of retail space constructed in preceding years and related employment.

(D) **Business Formation and Relocation.** An estimate of the rate of the establishment of new businesses and business and employment relocation trends and patterns within the City and the Bay Area.

(E) **Housing.** An estimate of the number of housing units newly constructed, demolished, or converted to other uses.

(6) **Public Benefit.** The report shall detail the construction of any improvements or infrastructure as described in the Eastern Neighborhoods Public Benefits Program, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 081155 and is incorporated herein by reference. The report shall include the following categories of information:

(A) **Inclusionary Housing Program.** A summary of the number and income mix of units constructed or assisted through this program, an analysis of units constructed within each alternative, including new alternatives established for the Eastern Neighborhoods UMU districts.

(B) **Jobs/Housing Linkage Program.** A summary of the operation of the Jobs/Housing Linkage Program (formerly the Office Affordable Housing Production Program) and the Housing Affordability Fund, identifying the number and income mix of units constructed or assisted with these monies.

(C) **Streetscape, Transportation, and Public Realm.** A detailed description of any transportation serving infrastructure completed in the preceding five years, including transit, pedestrian, bike, traffic and other modes of transportation.

(D) **Open Space and Recreational Facilities.** A summary of new parks, trails, public rights-of-way, recreational facilities or activity space completed to serve the purposes of recreation in the preceding five years, as well as any improvements to parks or recreational facilities.

(E) **Community Facilities.** An assessment of the existing service capacity of community services and facilities, and of any new services or facilities joining the neighborhood in the past five years. This shall include a review of child care, library services and any other categories deemed relevant, such as health care centers, human services, and cultural centers.

(F) **Neighborhood Serving Businesses.** An assessment of neighborhood serving businesses in the area, including their establishment, displacement, and economic health.

(7) **Fees and Revenues.** The report shall monitor expenditure of all implemented fees, including the Eastern Neighborhoods Impact Fee and all Citywide fees, and tax revenue, as listed below. It shall report on studies and implementation strategies for additional fees and programming.

(A) **Impact Fee.** A summary of the collected funds from the Eastern Neighborhoods Impact Fee collected from development, and a detailed accounting of its expenditure over that same period.

(B) **Fiscal Revenues.** An estimate of the net increment of revenues by type (property tax, business taxes, hotel and sales taxes) from all uses.

(C) **Fee Adjustments.**

(i) The Planning Department shall review the amount of the Eastern Neighborhoods fee against any increases in construction costs, according to changes published in the Construction Cost Index published by Engineering News Record, or according to another similar cost index should there be improvements to be funded through the Eastern Neighborhoods Impact Fee as listed in the Eastern Neighborhoods Program.

(ii) The Planning Department shall review the level of the Eastern Neighborhoods housing requirements and fees to ensure they are not so high as to prevent needed housing or commercial development.

(8) **Agency Responsibilities.** All implementing agencies identified in the Eastern Neighborhoods Implementation Matrix shall be responsible for:

(A) Reporting to the Planning Department, for incorporation into the Monitoring report, on action undertaken in the previous reporting period to complete the implementation actions under their jurisdiction, as referenced in the Eastern Neighborhoods Implementation Matrix.

(B) Providing an analysis of the actions to be completed in the next reporting period, for incorporation into the Monitoring report, including a description of the integrated approach that will be used to complete those tasks.

(i) To the extent the Agencies identified in the Implementation Matrix are outside the jurisdiction of this Board, this Board hereby urges such Agencies to participate in this process.

(9) **Budget Implications.** In cooperation with the Annual Progress reports required by Administrative Code Chapter 36.4, and prior to the annual budget process, the Board shall receive a presentation by the Interagency Planning and Implementation Committee and its member agencies to describe how each agency's proposed annual budget advances the Plans' objectives, including specific projects called for by this section. The Board of Supervisors shall give particular consideration to proposed agency budgets that meet the implementation responsibilities as assigned by the City's General Plan, including the Eastern Neighborhoods Implementation Matrix. Budget proposals that do not include items to meet these implementation responsibilities shall respond to Board inquiries as to why inclusion was not possible.

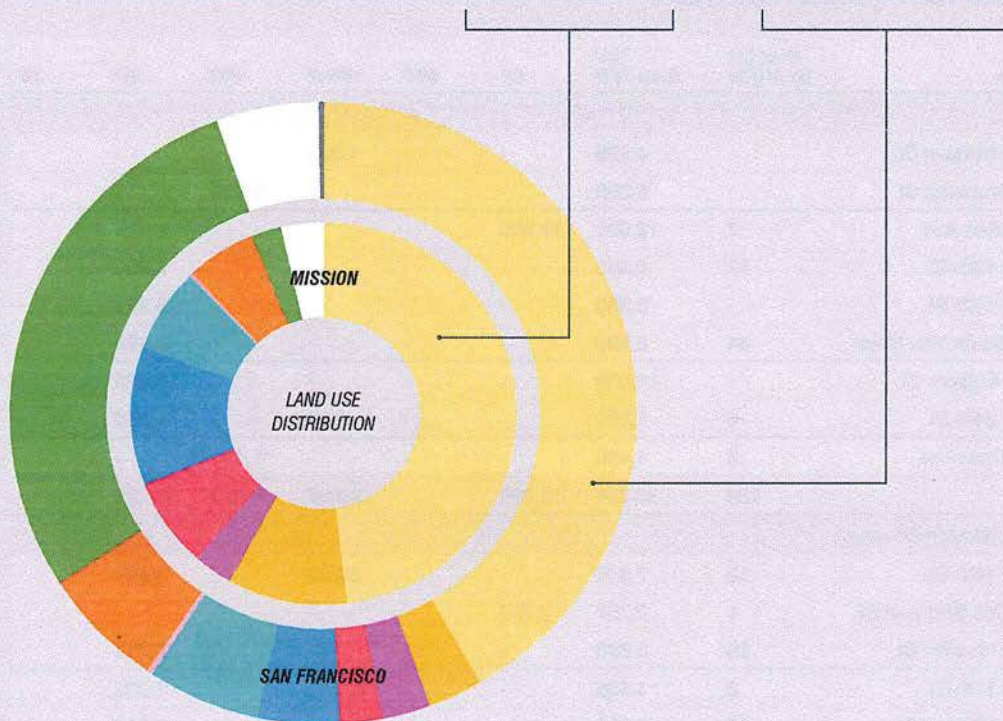
APPENDIX B

Lists and Tables

Table BT-1

Land Use Distribution, Mission and San Francisco, 2009

Land Use	MISSION		SAN FRANCISCO		Mission as % of San Francisco
	Area Sq Ft (000s)	% Distribution	Area Sq Ft (000s)	% Distribution	
Residential	11,694,847	48%	420,058,589	42%	3%
Mixed Residential	2,377,784	10%	28,985,223	3%	8%
Office	792,325	3%	25,576,575	3%	3%
Retail / Entertainment	1,867,257	8%	21,579,948	2%	9%
PDR / Light Industrial	2,803,526	12%	41,935,022	4%	7%
Cultural, Institutional & Educational	1,769,105	7%	59,215,798	6%	3%
Hotel / Lodging	20,970	0%	3,484,054	0%	1%
Mixed Use	1,411,072	6%	65,079,287	6%	2%
Public / Open Space	637,645	3%	288,199,531	29%	0%
Vacant Lot	824,169	3%	53,020,516	5%	2%
Right-of-Way	-	0%	942,007	0%	0%
Total	24,198,701	100%	1,008,076,550	100%	2%



List BL-1 Commercial Development Projects Completed, Mission, 2006-2010

Address	Mixed Use No. of Units	Total Gross Sq Ft	CIE	MED	OFFICE	PDR	RET	VIS
736 Valencia St.	8	750	-	-	-	-	750	-
3280 22nd St.	3	1,546	-	-	-	-	1,546	-
1043 Valencia St.	5	500	-	-	-	-	500	-
340 Valencia St.	260	3,200	3,200	-	-	-	-	-
3251 18th St.	-	19,095	14,321	-	4,774	-	-	-
3350 20th St.	6	500	-	-	-	-	500	-
2460 Alameda St.	-	36,000	-	-	-	36,000	-	-
601 Alabama St.	151	12,000	-	-	-	12,000	-	-
2101 Bryant St.	77	6,000	-	-	6,000	-	-	-
700 Valencia St.	9	1,600	-	-	-	-	1,600	-
3151 17th St.	-	15,391	15,391	-	-	-	-	-
1491 Valencia St.	8	1,400	-	-	-	-	1,400	-
2837 Mission St.	6	5,475	-	-	5,475	-	-	-
3400 Cesar Chavez St.	60	16,000	-	-	-	-	16,000	-
64 14th St.	1	1,200	-	-	-	-	1,200	-
Total	594	120,657	32,912	-	16,249	48,000	23,496	-

List BL-2 Commercial Development Pipeline, Mission, Q4 2010

Entitlement Status	Address	Mixed Use No. of Units	Total Gross Sq Ft	CIE	MED	OFFICE	PDR	RET	VIS
Entitled Projects									
<i>Building Permit Issued</i>	2525 Mission St.	-	4,999	-	-	4,999	-	-	-
	550 Alabama St.	-	5,650	-	-	-	5,650	-	-
<i>Building Permit Filed</i>	80 Julian Ave.	7	12,900	12,900	-	-	-	-	-
	3500 19th St.	17	2,950	-	-	-	-	2,950	-
	1501 15th St.	-	3,300	-	-	-	-	3,300	-
	490 South Van Ness	84	2,529	-	-	-	-	2,529	-
<i>Building Permit Approved</i>	1750 Folsom St.	-	16,000	-	-	-	-	16,000	-
	3135 24th St.	9	1,360	-	-	-	-	1,360	-
<i>Planning Approved</i>	953 Treat Ave.	5	1,150	-	-	-	1,150	-	-
Sub-Total		122	50,838	12,900	-	4,999	6,800	26,139	-
Projects Not Yet Entitled / Under Review									
<i>Under Planning Review</i>	2401 16th St.	12	7,347	-	-	3,750	-	3,597	-
	658-666 Shotwell St.	1	2,757	2,757	-	-	-	-	-
	2100 Mission St.	29	2,643	-	-	-	-	2,643	-
<i>Building Permit Filed</i>	3249 17th St.	3	1,996	-	-	-	-	1,996	-
	1875 Mission St.	23	2,800	-	-	-	-	2,800	-
	1801 Mission St.	18	2,600	-	-	-	-	2,600	-
	411 Valencia St.	16	1,400	-	-	-	-	1,400	-
	1050 Valencia St.	15	2,000	-	-	-	-	2,000	-
Sub-Total		117	23,543	2,757	-	3,750	-	17,036	-
Total		239	74,381	15,657	-	8,749	6,800	43,175	-

List BL-3**Major Residential Development Completed, Mission, 2006-2010**

Year	Street Address / Project Name	Total Units	Affordable Units	Unit Mix	Tenure Type	Initial Sales Price or Rental Price
2006	3000 23rd St.	54	7	n/a	Owner/Rental	-
2007	566 South Van Ness Ave.	32	4	8 One Bedroom	Ownership	\$495,000
				24 Two Bedroom		
	1905 Mission St. / 1587 15th St.	14	0	-	-	-
2008	3520 20th St.	14	0	-	Ownership	-
2009	Union South 2125 Bryant St.	53	9	5 One Bedroom	Ownership	-
				28 Two Bedroom		
				20 Three Bedroom		
	2200 Mission St.	23	3	-	Ownership	\$ 449,000
2010	555 Bartlett St.	60	9	2 Studios	Ownership	-
				29 One Bedroom		
				26 Two Bedroom		
				3 Three Bedroom		
	Union North 2101 Bryant St.	26	IL	12 One Bedroom	Ownership	-
				7 Two Bedroom		
				7 Three Bedroom		
	736 Valencia St.	8	-	8 Two Bedroom	Ownership	-

Abbreviations on the previous page:
 CIE = Cultural, Institutional & Educational
 MED = Medical Office
 PDR = Production, Distribution, Repair
 RET = Retail / Entertainment
 VIS = Visitor / Lodging

List BL-4
Residential Development
Pipeline, Mission,
Q4 2010

<i>Entitlement Status</i>	<i>Address</i>	<i>Units</i>	<i>Mixed Use</i>
Entitled Projects			
<i>Under Construction</i>	2857 22nd Street	2	
	19 Capp Street	2	
	1076 Hampshire Street	2	
	721 York Street	2	
	769 Treat Avenue	3	
	3120 23rd Street	3	
	439 Guerrero Street	3	
<i>Building Permit Issued</i>	179 San Carlos Street	3	
	2374 Folsom Street	4	
	948 Hampshire Street	2	
	160 14th Street	1	
	161 San Carlos Street	3	
	1196 Hampshire Street	2	
	2219 Bryant Street	2	
<i>Building Permit Approved</i>	1280 Hampshire Street	3	
	793 South Van Ness Avenue	29	MU
	1376 Florida Street	2	
	3360 20th Street	6	
	3135 24th Street	9	
	277 San Carlos Street	2	
	1880 Mission Street	194	
	2986 22nd Street	3	
<i>Building Permit Filed</i>	355 Capp Street	3	
	1340 Natoma Street	3	
	80 Julian Avenue	7	MU
	3500 19th Street	17	MU
	3547 20th Street	2	
	490 South Van Ness Avenue	84	
<i>Planning Approved</i>	953 Treat Avenue	5	MU
	2830 24th Street	4	

continued on next page

List BL-4
Residential Development
Pipeline, Mission,
Q4 2010

(cont'd)

Entitlement Status	Address	Units	Mixed Use
Projects Not Yet Entitled / Under Review			
<i>Building Permit Filed</i>	1875 Mission Street	23	
	1801 Mission Street	18	MU
	141 Albion Street	3	
	411 Valencia Street	16	MU
	857 Alabama Street	2	
	1050 Valencia Street	15	MU
	1331 Florida Street	2	
	2751 Mission Street	5	
	3143 24th Street	3	
	3086 24th Street	2	
	2660 Harrison Street	3	
	3249 17th Street	3	MU
	3241 25th Street	3	
	1731 15th Street	52	
	50 Sycamore Street	3	
<i>Under Planning Review</i>	353 San Jose Avenue	4	
	658-666 Shotwell Street	1	MU
	500 Capp Street	2	
	2652 Harrison Street	30	
	2401 16th Street	12	MU
	2100 Mission Street	29	
Total		638	

List BL-5

List of Affordable Housing, Household Income Target and Funding Source, Mission, 2006-2010

Year Built	Address	No. of Affordable Units	Household Income Target	Funding Source or Program
2006	Valencia Gardens	260	Extremely Low	SF Housing Authority
	3000 23rd Street	7	Moderate	Inclusionary
2007	566 South Van Ness Avenue	4	Moderate	Inclusionary
	1905 Mission Street	3	Moderate	Inclusionary
	1587 15th Street			
2009	Union South	9	Moderate	Inclusionary
	2125 Bryant Street			
	2200 Mission Street	3	Moderate	Inclusionary
	Mosaica 601 Alabama Street 2949 18th Street	151	Low Income	Mayor's Office of Housing
2010	555 Bartlett Street	9	Moderate	Inclusionary
Total		446		

APPENDIX C

Eastern Neighborhoods Priority Capital Projects

EN PRIORITY PROJECTS

List of projects to be considered (in order of priority)

1

Townsend Street, Pedestrian Improvements.

Townsend Street provides a direct route to the Caltrain Station (4th & King Streets). The project includes the introduction of a parking lane buffer to accommodate pedestrian traffic where no sidewalks exist along Townsend Street from 4th to 8th Streets, using funding secured by MTA to install "wheel blocks" and paint stripes to establish a clear, safe walkway to the Caltrain station. Future improvements, not included as part of this project, may include long-term improvements implemented as a part of the Transbay Joint Powers Authority (TJP A) Transit Center project phase II downtown rail extension.

Total Cost:

TBD, depending on scope of improvements.

Funding available:

\$10,000 (SFMTA)

Need: TBD.

No matching funds required; SFMTA/DPW to commence construction as soon as possible.

2

Victoria Manalo, Pedestrian Improvements.

Pedestrian improvements include a mid-block crosswalk, bulb outs and traffic/pedestrian signal to connect pedestrians between the Soma Eugene Friend Recreation Center, Bessie Carmichael School and the park. These improvements should be coordinated with DPW's Folsom Street resurfacing project.

Total Cost: \$611,000.

Note: cost is an estimate only, pending further capital cost estimates.

Funding available: \$0

Need: \$611,000

3

Folsom Street, Streetscape Improvements.

The Eastern Neighborhoods Plans call for redesigning Folsom Street as a "civic boulevard" to serve as a major neighborhood commercial street in the South of Market. The improvements should be coordinated with DPW's Folsom Street resurfacing project. Streetscape improvements may include all or some of the following: street tree plantings, tree grates, curb bulb-outs, special paving, pedestrian lighting, widened sidewalks, street restriping and transit shelters.

Total Cost: \$11,000,000.

Note: cost is an estimate only, pending further capital cost estimates.

Funding available: \$0

Need: \$11,000,000

4

16th Street, Streetscape Improvements.

In recognition of 16th Street's role as a major transit corridor in the Eastern Neighborhoods an accompanying streetscape plan will be developed. Streetscape improvements should be directed towards improving pedestrian and transit connections, and may include all or some of the following: cross-walk improvements, street tree plantings, tree grates, curb bulb-outs, pedestrian lighting, and transit shelters.

Total Cost: \$8,500,000.

Note: cost is an estimate only, pending further capital cost estimates.

Funding available: \$0

Need: \$8,500,000

SFMTA PROJECT

16th Street, Transit Improvements.

The project involves an extension of the Muni Route 22-Filmore along 16th Street east of Kansas Street to a terminal on Third Street in Mission Bay. The proposed extension will provide a transit link between the 16th Street BART station, Mission District, Showplace Square, Mission Bay and the Third Street Light Rail. Capital costs include the installation of new overhead trolley wires along 16th Street from Kansas Street to Third Street.

Total Cost: \$12,000,000. Note: cost is an estimate only, pending further capital cost estimates.

Funding available: \$4,500,000 (Prop K)

Need: \$7,500,000

PLANNING DEPT. PROJECT

Showplace Square Open Space (including implementation of one open space).

The Showplace Square neighborhood has been determined to be deficient in open space. An open space and streetscape plan will be developed to identify opportunities where excess street right-of-way can be used to create new public plazas and open spaces. This project will include the design and construction of one new public open space

Total Cost: \$2,600,000. Note: cost is an estimate only, pending further capital cost estimates.

Funding available: \$0

Need: \$2,600,000

RECREATION AND PARKS DEPT. PROJECT

New 17th and Folsom Park.

The project seeks the planning, design and construction of a new park in the Mission. Specifically, this project entails the creation of a new park atop approximately 60% of the existing PUC-owned surface parking lot on 1st & Folsom Streets.

Total Cost: Cost is **pending** further capital cost estimates.

Funding available: \$0

Need: TBD

MAYOR'S OFFICE OF HOUSING PROJECTS

(in order of priority)

New Affordable Housing Units.

The acquisition of appropriate land for the construction of 150 below market rate affordable units (BMRs), at a minimum, within the EN Plan Areas within five years following the adoption of the EN Plan. MOH shall further dedicate approximately seventy-five percent (75%) of all new EN Development Impact Fees collected within the Mission NCT and South of Market Youth and Family Zone ("YFZ").

Eastern Neighborhoods Acquisition and Rehabilitation Programs.

Using \$10M of affordable housing fees generated from the Eastern Neighborhoods Impact Fees, MOH shall acquire and rehabilitate existing housing projects in the Mission and South of Market Sub-Areas of the EN Plan.

APPENDIX D

List of Neighborhood Serving Business Codes

NAICS	Label
311811	Retail Bakeries
445110	Supermarkets and Other Grocery (except Convenience) Stores
445120	Convenience Stores
445210	Meat Markets
445220	Fish and Seafood Markets
445230	Fruit and Vegetable Markets
445291	Baked Goods Stores
445299	All Other Specialty Food Stores
445310	Beer, Wine, and Liquor Stores
446110	Pharmacies and Drug Stores
446120	Cosmetics, Beauty Supplies, and Perfume Stores
446191	Food (Health) Supplement Stores
447110	Gasoline Stations with Convenience Stores
447190	Other Gasoline Stations
448110	Men's Clothing Stores
448120	Women's Clothing Stores
448130	Children's and Infants' Clothing Stores
448140	Family Clothing Stores
448150	Clothing Accessories Stores
448190	Other Clothing Stores
448210	Shoe Stores
451110	Sporting Goods Stores
451120	Hobby, Toy, and Game Stores
451130	Sewing, Needlework, and Piece Goods Stores
451211	Book Stores
451212	News Dealers and Newsstands
451220	Prerecorded Tape, Compact Disc, and Record Stores
452112	Discount Department Stores
452990	All Other General Merchandise Stores
453110	Florists
453210	Office Supplies and Stationery Stores
453310	Used Merchandise Stores

NAICS	Label
453910	Pet and Pet Supplies Stores
519120	Libraries and Archives
522110	Commercial Banking
522120	Savings Institutions
532230	Video Tape and Disc Rental
611110	Elementary and Secondary Schools
611210	Junior Colleges
624410	Child Day Care Services
713940	Fitness and Recreational Sports Centers
722110	Full-Service Restaurants
722211	Limited-Service Restaurants
722212	Cafeterias, Grill Buffets, and Buffets
722213	Snack and Nonalcoholic Beverage Bars
722410	Drinking Places (Alcoholic Beverages)
811111	General Automotive Repair
811112	Automotive Exhaust System Repair
811113	Automotive Transmission Repair
811118	Other Automotive Mechanical and Electrical Repair and Maintenance
811192	Car Washes
811430	Footwear and Leather Goods Repair
811490	Other Personal and Household Goods Repair and Maintenance
812111	Barber Shops
812112	Beauty Salons
812113	Nail Salons
812310	Coin-Operated Laundries and Drycleaners
812320	Drycleaning and Laundry Services (except Coin-Operated)
812910	Pet Care (except Veterinary) Services
812922	One-Hour Photofinishing
813110	Religious Organizations
813410	Civic and Social Organizations

Acknowledgements



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Edwin M. Lee

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Housing Balance Projections 2015

Council of Community Housing Organizations, December 2014

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The Quarterly "Development Pipeline" list published by the SF Planning Department is a good gauge of where we are going as a city in terms of achieving an affordable housing balance. The Planning Department publishes a list of every project that has received Planning Approval or is under construction, including affordable housing developments, and the Mayor's Office of Housing publishes a similar list of all inclusionary units. Combining these two lists, we are able to assess the outlook for the next few years toward achieving the voter-mandated 33% Housing Balance that San Franciscans passed as Proposition K last November, for the city as a whole, and for several of the city's areas.

	Total Units	% Total	Nonprofit Units	Inclusionary Units	Total Affordable	Total Market	Housing Balance
CITYWIDE (does not include Candlestick, Treasure Island, Park Merced)	16,174	100%	1,181	1,479	2,660	13,514	16.4%
CIVIC CENTER (incl. Financial District, Downtown, Civic Center, Tenderloin)	2,003	12.4%	601	185	786	1,217	39.2%
SOMA (including Transbay, Rincon Hill, East SOMA, West SOMA)	4,714	29.1%	44	744	788	3,926	26.7%
MISSION	478	3%	0	34	34	444	7.1%
POTRERO (incl Showplace Square, Potrero Hill, Central Waterfront, Dogpatch)	2,467	15.3%	0	45	45	2,422	1.8%
BAYVIEW (includes Bayview, Visitacion Valley, NOT Candlestick Redev)	837	5.2%	61	42	103	734	12.3%
MARKET-OCTAVIA	1,994	12.3%	160	104	264	1,730	13.2%
NORTH WEST (Western Addition, Haight/Buena Vista, Richmond, NOT M-O)	597	3.7%	181	23	204	393	34.2%
NORTH EAST (incl Chinatown, Russian Hill, Nob Hill, North Beach, NE Waterfront)	685	4.2%	61	5	66	619	9.6%
SOUTH CENTRAL (incl Excelsior, Outer Mission, Balboa Park, Crocker, OMI)	1,087	6.7%	71	29	100	987	9.2%

Notes:

1. Entitled market-rate and nonprofit unit Calculations based on Planning 2014 Q2 Pipeline Report, available online at: <http://sf-planning.org/index.aspx?page=1691>
2. Inclusionary Calculations based on MOH 2014 Q1 Inclusionary report, available online at: <http://sf-moh.org/index.aspx?page=295>
3. Nonprofit units are typically priced for 0-50% of median income, or a household of 4 jointly earning up to \$50,000.
4. Inclusionary units built within market-rate projects are typically priced for 55-90% of median income, or a household of 4 jointly earning up to \$90,000.
5. Rents or sales prices for market-rate units vary by building type and neighborhood. A new construction unit in 2014 in the Mission District, for example, rents for \$5,000 for a 2BR or \$7,500 for a 3BR.
6. We did not count units within "entitled" Master Plans for Hunters Point / Candlestick, Treasure Island, and Park Merced, which do not have individual site permits yet.



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2007 to 2014 Q3

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

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) that the Housing Element must address. The need is the minimum number of housing units that a region must plan for in each RHNA period.

This table represents completed units and development projects in the current residential pipeline to the second quarter of 2014 (Q3). 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.

2014 QUARTER 3	RHNA Allocation 2007 - 2014	Units Built 2007 - 2014 Q3	Units Entitled in 2014 Q3 Pipeline*	Percent Built and Entitled
Total Units	31,193	19,267	14,448	108.1%
Above Moderate (> 120% AMI)	12,315	12,726	12,178	202.2%
Moderate Income (80 - 120% AMI)	6,754	1,213	839	30.4%
Low Income (< 80% AMI)	12,124	5,328	1,431	55.7%

*These totals do not include three entitled major development projects with a total of 23,714 net new units: Hunters Point, Treasure Island and ParkMerced. While entitled, these projects are not expected to be completed during the 2007-2014 RHNA reporting period.

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Memo

Overcrowding and Frequent Moves Undermine Children's Health

Children need stability in their lives—whether it is in their daily routines, the adults that care for them, or their housing. Recent economic conditions are putting families at risk, not just of outright homelessness but of being housing insecure (frequent moves, overcrowding, or doubling up with another family for economic reasons).¹ While the negative impact of homelessness on children is well established, there has been much less research on this more prevalent but less apparent condition of family housing insecurity. In older children, multiple moves have been associated with poor school performance, mental health issues and behavioral concerns.^{2,3,4} The impact on infants and toddlers, however, has remained largely undocumented. Now, recent research by Children's HealthWatch shows that housing insecurity is associated with poor health outcomes in even the youngest children under age three.

> Housing Insecurity and Health

In our sample of over 22,000 low-income families with children under age three, Children's HealthWatch found that forty-one percent of the families had been doubled up with another family or crowded in the last year, while 5 percent had moved two or more times in the last 12 months. Two percent of children in our overall dataset were homeless at the time their families were interviewed.⁵

Housing Insecurity (also called "housing instability") occurs when families move frequently (two or more times in the last 12 months), are crowded (more than two people per bedroom), or double up with another family for financial reasons.

Food Insecurity occurs when families lack access to sufficient healthful food for all family members to enjoy active, healthy lives. Food insecure children are more likely to be hospitalized, have developmental delays, iron-deficiency anemia and/or be in fair or poor health.⁶

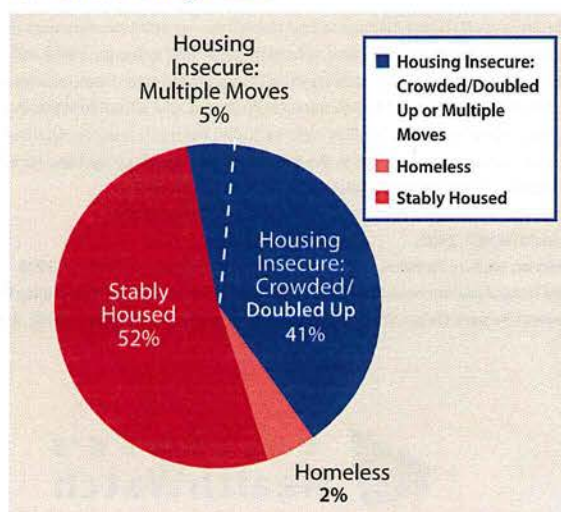
Child Food Insecurity (the most severe level of food insecurity) occurs when children experience reductions in the quality and/or quantity of meals because caregivers can no longer buffer them from inadequate household food resources.

When we compared young children making frequent moves with those in stable housing we found that young children in households that had moved two or more times in the past year were more likely to be:⁷

- food insecure
- in fair or poor health
- at risk for developmental delays
- seriously underweight

even after accounting for other possible factors, such as maternal education.

Figure 1: Nearly half of Children's HealthWatch families are housing insecure



Summary of Findings

1. Young children in families that are overcrowded or living with another family for economic reasons are more likely to be food insecure.
2. Young children who have moved two or more times in the past twelve months are not only at greater risk for food insecurity, but also have a greater likelihood of poor health and developmental delays, and are more likely to be underweight.

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CHILDREN'S HealthWatch

www.childrenshealthwatch.org

A non-partisan pediatric research center that monitors the impact of public policies and economic conditions on the health of young children.

Housing insecurity also appears to be closely related to families' struggle to remain food secure. We have found that young children in crowded or doubled up families were at increased risk of food insecurity. As shown in Figure 2, securely-housed families have the lowest rate of food insecurity and child food insecurity among the sample of families interviewed by Children's HealthWatch.⁷

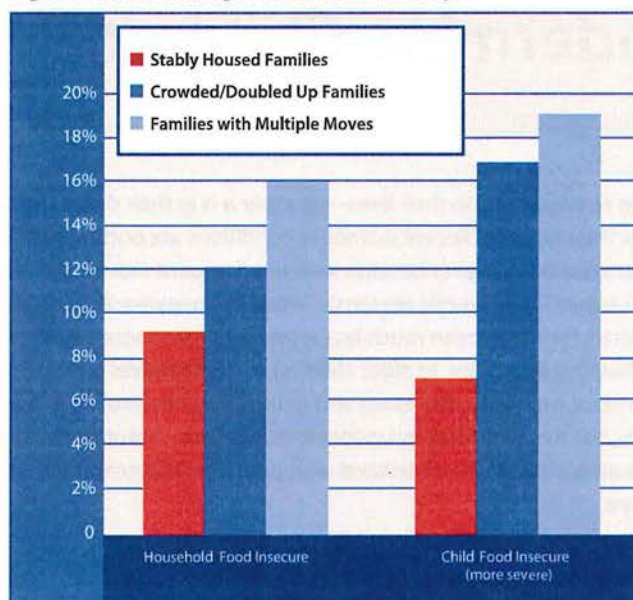
> Subsidized housing reduces housing insecurity

Subsidized housing has been shown to be effective in reducing housing insecurity and thus protecting children's health, growth, and preventing food insecurity.^{8,9} We have shown that:

- A housing subsidy, such as Section 8 or public housing, is the most effective single form of assistance for reducing housing insecurity. However, a housing subsidy in combination with WIC or SNAP (formerly food stamps) is even more effective.
- Children living in subsidized housing are less likely to be seriously underweight and more likely to be food secure and classified as "well" on a composite measure of child well-being.

Other research has shown that families receiving housing subsidies move less frequently and live in less crowded conditions than families without subsidies.¹⁰ Unfortunately, families can spend years on the wait list for a housing subsidy; only one out of four eligible U.S. households receives housing assistance due to limited public funding.¹¹ The future of these limited subsidies is uncertain, as federal funding cuts are being considered by Congress.¹²

Figure 2: Stable Housing Reduces Food Insecurity



Conclusion

The health of far too many children is compromised by the double danger of housing insecurity and food insecurity. Evidence shows a serious strategy of investment in affordable and subsidized housing would not only reduce housing insecurity and food insecurity but would improve the health and potential for school success of our nation's youngest children.

This Policy Action Brief was prepared by Kathryn Bailey, AB, Research and Policy Fellow, Elizabeth L. March, MCP, Executive Director, Stephanie Ettinger de Cuba, MPH, Research and Policy Director, Diana Becker Cutts, MD, Co-Principal Investigator Minneapolis, John T. Cook, PhD, Co-Principal Investigator, Sharon Coleman, MS, MPH, Statistical Analyst, and Deborah A. Frank, MD, Founder and Principal Investigator.

¹ Sermons, MW, Witte, P. State of Homelessness in America. National Alliance to End Homelessness and Homelessness Research Institute. 2011

² Wood D, et al. Impact of family relocation on children's growth, development, school function and behavior. JAMA. 1993.

³ Gilman SE, et al. Socio-economic status, family disruption and residential stability in childhood: relation to onset, recurrence and remission of major depression. Psychol Med. 2003.

⁴ Simpson GA, Fowler MG. Geographic mobility and children's emotional/behavioral adjustment and school functioning. Pediatrics. 1994.

⁵ The sample for the housing insecurity analysis was 22069; homeless families were excluded from this analysis. Our overall sample size from the same period was 29856.

⁶ Cook, JT and Frank DA. Food Security, Poverty, and Human Development in the United States. Annals of the New York Acad of Sciences, 2008.

⁷ Cutts, DB et al. U.S. Housing Insecurity and the Health of Very Young Children. Am J of Pub Health. 2011.

⁸ Sandel, M, et al. Home Recipe: How Food and Housing Subsidies Affect Housing Insecurity. In preparation.

⁹ Rx for Hunger: Affordable Housing. Children's HealthWatch, 2009.

¹⁰ Abt Associates, et al. Effects of Housing Vouchers on Welfare Families. U.S. Dept of Housing and Urban Develop. 2006.

¹¹ Rice D, Sard B. Decade of neglect has weakened federal low-income housing programs. Center on Budget and Policy Priorities, 2009.

¹² Memo to Members: The Weekly Newsletter. Federal Budget: Debt Deal Stipulates Appropriations Next Steps. NLIHC, August 5, 2011.



ISSUE
BRIEF
#5

EXPLORING THE SOCIAL DETERMINANTS OF HEALTH

This issue brief, published in April 2011, is one in a series of 12 issue briefs on the social determinants of health. The series began as a product of the Robert Wood Johnson Foundation Commission to Build a Healthier America.

Education and Health



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1. Introduction

Everyone knows that without a good education, prospects for a good job with good earnings are slim. Few people think of education as a crucial path to health, however. Yet a large body of evidence strongly—and, with very rare exceptions, consistently—links education with health, even when other factors like income are taken into account.¹⁻⁶ By “education” we mean educational attainment, or the years or level of overall schooling a person has, rather than instruction on specific health topics like hygiene, diet or exercise; while the quality of education also is important for health outcomes, this information is more difficult to measure and thus typically unavailable. People with more education are likely to live longer, to experience better health outcomes (Figures 1 & 2), and to practice health-promoting behaviors such as exercising regularly, refraining from smoking, and obtaining timely health care check-ups and screenings.^{4, 7-9} Educational attainment among adults is linked with children’s health as well, beginning early in life: babies of more-educated mothers are less likely to die before their first birthdays, and children of more-educated parents experience better health (Figures 3 & 4).

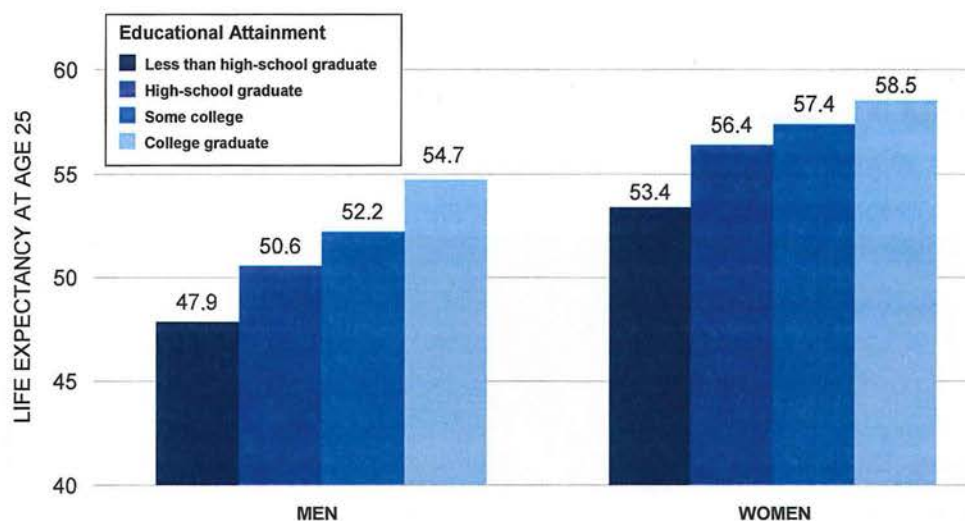
Education can influence health in many ways. This issue brief examines three major interrelated pathways through which educational attainment is linked with health: health knowledge and behaviors; employment and income; and social and psychological factors, including sense of control, social standing and social networks. In addition, this brief explores how educational attainment affects health across

A large body of evidence links education with health, even when other factors like income are taken into account.





generations, examining the links between parents' education—and the social and economic advantages it represents—and their children's health and social advantages, including opportunities for educational attainment.

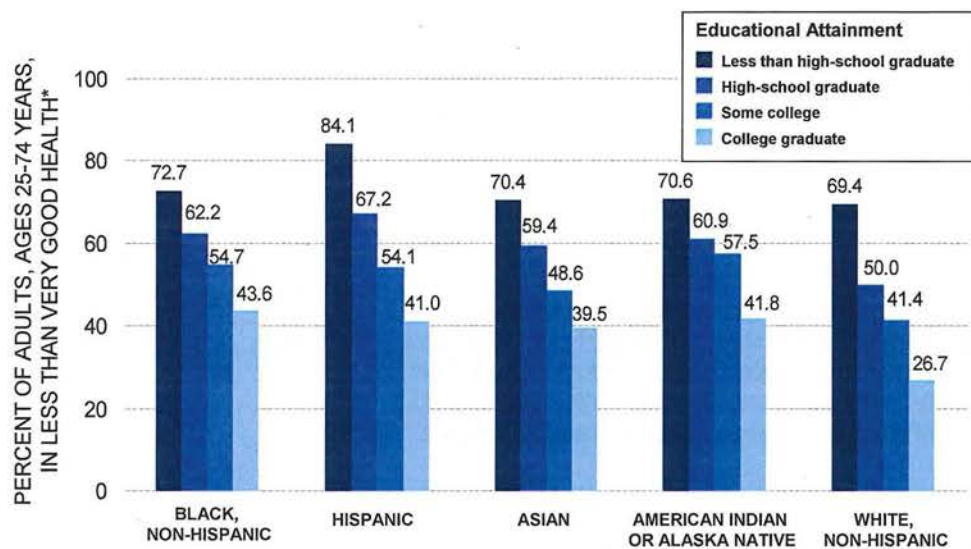


*Figure 1. For both men and women, more education typically means longer life. * College graduates can expect to live at least 5 years longer than individuals who have not finished high school.*

Source: National Longitudinal Mortality Study, 1988-1998.

† This chart describes the number of years that adults in different education groups can expect to live beyond age 25. For example, a 25-year-old man with only a high-school diploma can expect to live 50.6 more years and reach an age of 75.6 years.

People with more education are likely to live longer and experience better health outcomes.



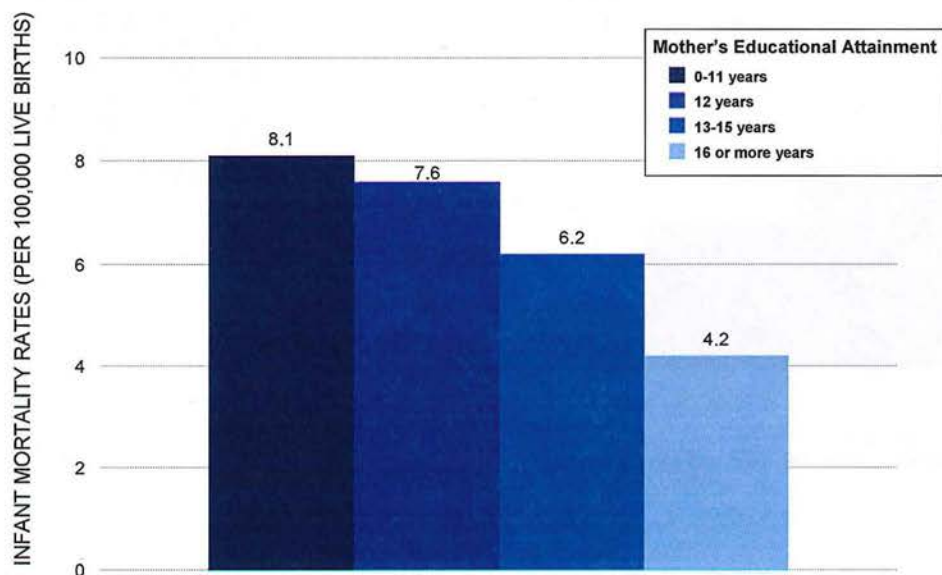
*Figure 2. Less education is linked with worse health. * Across racial or ethnic groups, adults with greater educational attainment are less likely to rate their health as less than very good.*

Source: Behavioral Risk Factor Surveillance System Survey Data, 2005-2007.

† Based on self-report and measured as poor, fair, good, very good or excellent.

* Age-adjusted.





Source: Matthews TJ, MacDorman MF. *Infant Mortality Statistics from the 2004 Period Linked Birth/Infant Death Dataset*. National Vital Statistics Reports, vol 55 no 15. Hyattsville, MD: National Center for Health Statistics, 2007.

Figure 3. Infant mortality rates vary by mother's education. Babies born to mothers who have not finished high school are nearly twice as likely to die before their first birthdays as babies born to college graduates.

Adults' educational attainment is linked with their children's health, beginning early in life.

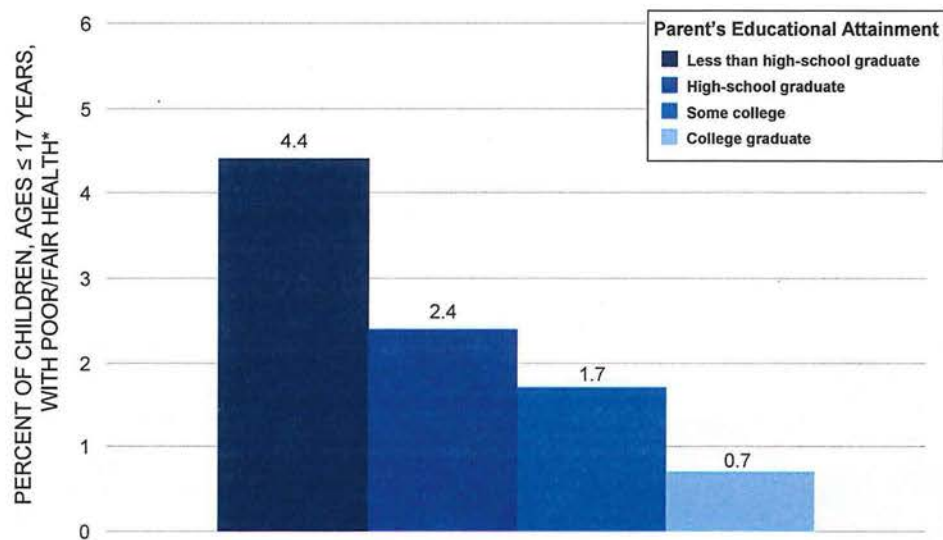


Figure 4. Parents' education is linked with children's health. * Children whose parents have not finished high school are more than six times as likely to be in poor or fair health as children of college graduates.

Source: National Health Interview Survey, 2001-2005.

† Based on parental assessment and measured as poor, fair, good, very good or excellent.

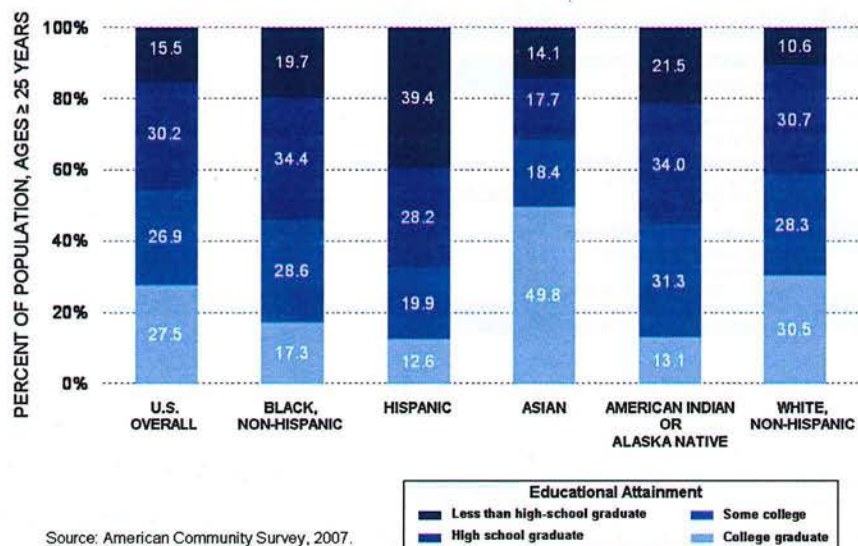
* Age-adjusted.



LOW EDUCATIONAL ATTAINMENT IS A MAJOR PROBLEM IN THIS COUNTRY

In the United States overall, nearly 16 percent of adults ages 25 years and older have not completed high school, 30 percent have no schooling beyond high school, 27 percent have attended but not completed college, and 28 percent are college graduates (Figure 5). These overall percentages mask dramatic differences across racial or ethnic groups, however: for example, 50 percent of Asian and 31 percent of non-Hispanic white adults are college graduates, compared with 17 percent of non-Hispanic black and 13 percent of Hispanic and American Indian or Alaska Native adults.

Figure 5. Educational attainment among adults varies by racial or ethnic group.



The United States is the only industrialized nation where young people currently are less likely than members of their parents' generation to be high-school graduates.

Approximately 30 percent of high-school freshmen in this country—and nearly half of all freshmen in school systems in the 50 largest U.S. cities—fail to graduate within four years.¹⁰ The likelihood of dropping out increases with decreasing income. In 2007, for example, 17 percent of 16- to 24-year-olds from families in the lowest income quartile were not enrolled in high school and had not received a high-school credential, compared with 3 percent of those from families in the highest income quartile.¹¹ At the same time, college has become increasingly unaffordable for low- and middle-income families. For the 2007-2008 school year, net college costs for a family in the lowest income quintile represented 55 percent of median family income, compared with 33 percent, 25 percent, 16 percent and 9 percent, respectively, for families in successively higher income quintiles.¹² In response to budget constraints, at least 28 states cut funding for public colleges and universities and/or substantially increased college tuitions in their 2009 fiscal year budgets.¹³

The United States is the only industrialized nation where young people currently are less likely than members of their parents' generation to be high-school graduates.¹⁴ Given the changing demography of the country and the escalating costs of college, bold action will be needed to meet President Obama's goal of having the highest proportion of college graduates in the world by 2020.





2. How does education influence health?

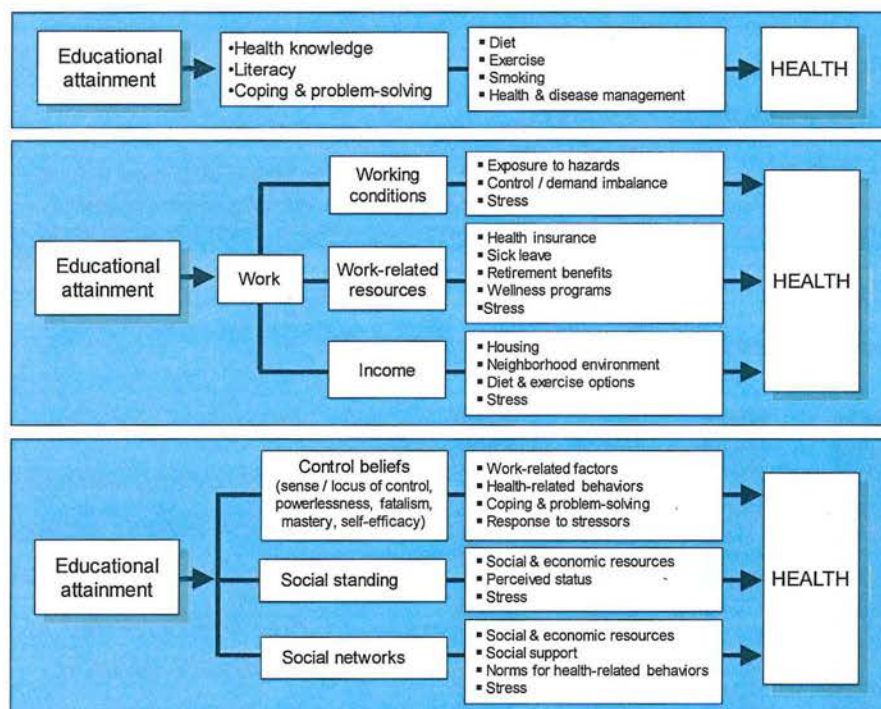


Figure 6. Education could affect health through many different pathways.

Researchers have found supporting evidence for each of the following interrelated pathways (Figure 6):

A. EDUCATION CAN LEAD TO IMPROVED HEALTH BY INCREASING HEALTH KNOWLEDGE AND HEALTHY BEHAVIORS

This is the pathway that many people think of first to explain the strong links between education and health. Education can increase people's knowledge, problem-solving, and coping skills, enabling them to make better-informed choices among the health-related options available for themselves and their families, including those related to obtaining and managing medical care.^{4, 15-20} Greater educational attainment has been associated with health-promoting behaviors including increasing consumption of fruits and vegetables and other aspects of healthy eating, engaging in regular physical activity and refraining from smoking (Figure 7).²¹⁻²⁵ In addition, changes in health-related behaviors in response to new evidence, health advice and public health campaigns (about the risks of smoking, for example) tend to occur earlier among more-educated people.^{4, 26}

As discussed in the section below on employment, more education is typically linked with higher-paying jobs providing the necessary income to live in neighborhoods that are less stressful, have stores with affordable healthy foods, and provide access to recreational facilities. In other words, people with more education are more likely to live in health-promoting environments that encourage and enable them to adopt and maintain healthy behaviors.

Education is linked with health through three major interrelated pathways: health knowledge and behaviors, employment and income, and social and psychological factors.



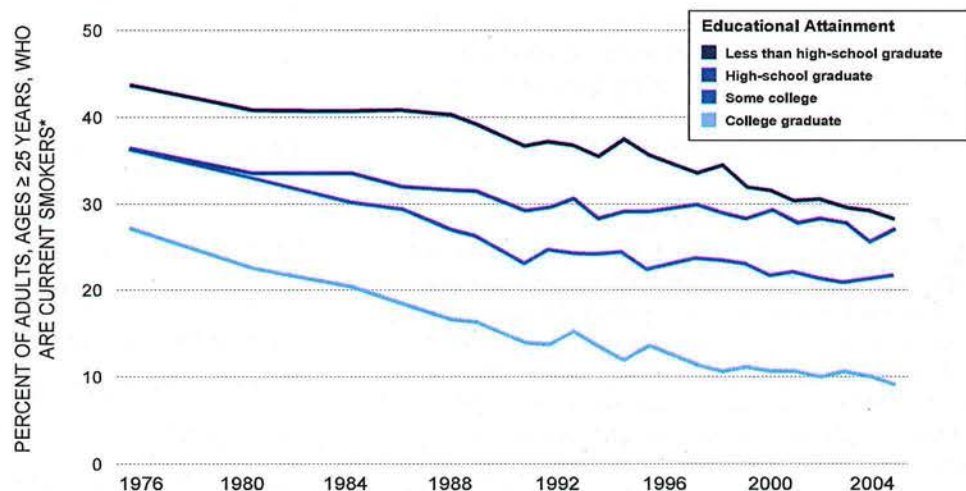


Figure 7. Persistent education gaps in smoking. Education disparities in cigarette smoking have persisted over decades. While rates of smoking have declined in every education group, the gaps between college graduates and those with less education appear to have widened.

Source: National Center on Health Statistics. *Health, United States, 2006 with Chartbook on Trends in the Health of Americans*. Hyattsville, MD.
*Age-adjusted.

The links between education and health through health knowledge and behaviors are likely to be explained at least in part by literacy.^{27, 28} Low literacy is common in the United States (a 2003 survey found that 30 million or 14 percent of U.S. adults had literacy levels below the level needed to perform “simple and everyday” literacy activities), with higher prevalence among people with fewer years of education.²⁹ More specifically, average *health* literacy (i.e., the degree to which individuals have the capacity to obtain, process and understand basic health information and services needed to make appropriate health decisions and adhere to sometimes complex disease management protocols) increases with educational attainment. The proportion of American adults with “below basic” health literacy, for example, ranges from 3 percent of college graduates to 15 percent of high-school graduates and 49 percent of adults who have not completed high school.²⁹ Levels of health literacy in turn have been associated with self-reported overall health, which correlates strongly with objective clinical assessments:^{30, 31} compared with adults who have adequate functional health literacy, adults with inadequate functional health literacy are more likely to rate their health as poor.³²

B. GREATER EDUCATIONAL ATTAINMENT LEADS TO BETTER EMPLOYMENT OPPORTUNITIES AND HIGHER INCOME, WHICH ARE LINKED WITH BETTER HEALTH.

Education provides the knowledge and skills necessary for employment, which can shape health in many ways. More education generally means a greater likelihood of being employed at all, and of having a job with healthier working conditions, better employment-based benefits and higher wages (see the “Work and Health” issue brief in this series).

- *Education, unemployment, financial instability and health.* Americans with lower educational attainment are more likely to be affected by fluctuations in the economy. While current unemployment rates are higher now than in more than a quarter-century, increases in unemployment rates over the past year have been greatest for adults who have not completed high school—6.9 percentage points, compared with 2.2 percentage points for college graduates.³³ In June 2009,

More education generally means a greater likelihood of being employed at all, and of having a job with healthier working conditions, better employment-based benefits and higher wages.





unemployment rates were 15.5 percent for adults who had not graduated from high school, 9.8 percent for high-school graduates, 8.0 percent for those who had attended but not completed college, and 4.7 percent for college graduates.³³ These differences have major health implications; compared with their employed counterparts, people who are unemployed experience poorer health and higher mortality rates.³⁴⁻³⁷

- *Education, working conditions and health.* Workers with less formal education and training are more likely to hold lower-paying jobs with more occupational hazards, including environmental and chemical exposures (e.g., pesticides, asbestos) and poor working conditions (e.g., shift work with few breaks, potentially harmful tools) that put them at higher risk of injury and fatality.³⁸ Less-educated workers are also likely to experience more psychosocial stress at work³⁹⁻⁴¹—for example, to have jobs that make high demands yet offer few opportunities for control and skill utilization. Such psychosocial aspects of work—including perceived balance between a worker's efforts and rewards, perceived justice and discrimination in the workplace, and social support among co-workers—have been shown to have both short- and longer-term impacts on health, particularly through pathways related to stress.
- *Education, work-related benefits and health.* Less-educated workers in lower-wage jobs also are less likely to have health-related benefits including paid sick and personal leave, workplace wellness programs, child and elder care resources, and retirement benefits, in addition to employer-sponsored health insurance. Although most Americans receive their health insurance through their jobs, not all workers have access to this benefit. Employers with lower-wage workers offer health insurance less frequently, and, even if employment-sponsored benefits are available, low-wage workers may be unable to afford the premiums, copayments or deductibles.^{42, 43}
- *Education, income and health.* For the vast majority of Americans, employment is the sole or main source of income—a work-related resource that affects health through multiple well-documented direct and indirect pathways.⁷ With limited exceptions, greater educational attainment generally corresponds with higher-paying employment. A recent study estimated that on average each additional year of schooling represents an 11 percent increase in income;⁴⁴ median yearly earnings in 2007 were \$32,862 for a full-time year-round worker with only a high-school degree, \$40,769 for a worker with some college, and \$56,118 for a worker with a bachelor's degree.⁴⁵ These differences are particularly dramatic when compounded over a person's lifetime: lifetime earnings (in 1999 dollars, and based on a 40-year full-time work life) for adults who have graduated from high school but not attended college have been estimated at \$1.2 million, compared with \$2.1 million for those with bachelor's degrees and \$4.4 million for those with post-baccalaureate professional degrees.⁴⁶

Higher-paying jobs offer greater economic security and increased ability to accumulate wealth, enabling individuals to obtain health care when needed, to provide themselves and their families with more nutritious foods, and to live in safer and healthier homes and neighborhoods with supermarkets, parks and places to exercise^{47, 48}—all of which can promote good health by making it easier to adopt and maintain healthy behaviors. Work-related income may also affect health through pathways involving stress. Lower-paid workers experience greater stress because they have fewer financial resources to cope both with everyday challenges, including child care and other family responsibilities, and with unexpected challenges such as illness.⁷

More education can lead to higher-paying jobs, which enable people to obtain health care when needed, provide themselves and their families with more nutritious foods, and live in safer and healthier homes and neighborhoods with supermarkets, parks and places to exercise—all of which can promote good health by making it easier to adopt and maintain healthy behaviors.





STRESS AND HEALTH

Much has been learned recently about physiologic pathways that help explain the links between education and health. Coping with the constant challenges of daily living—balancing the demands of work and family, for example—can be particularly stressful for people whose financial and social opportunities and resources have been limited by low educational attainment. Stressful experiences have been linked repeatedly with many adverse health outcomes across the life course, through physiological mechanisms including neuroendocrine, immune and vascular responses to stressors. Stress can trigger the body to release hormones and other substances that over time can damage immune defenses and vital organs. The physiologic chain of events can accelerate aging and lead to serious chronic illnesses including cardiovascular disease.⁴⁹

C. EDUCATION IS LINKED WITH SOCIAL AND PSYCHOLOGICAL FACTORS THAT AFFECT HEALTH

Education is linked with social and psychological factors, including sense of control, social standing and social support. These factors can improve health through reducing stress, influencing health-related behaviors and providing practical and emotional support.

- *Control beliefs.* Education may influence health by shaping people's sense of personal control—their perceptions of the extent to which they can influence their life circumstances. Several studies have concluded that more education confers a greater sense of personal control (or the related notions of mastery, self-efficacy and internal locus of control), which perhaps is not surprising given the influence of education on prospects for jobs and income. Higher levels of education have been observed to foster skills, habits and attitudes—such as problem-solving, purposefulness, self-directedness, perseverance and confidence—that contribute to people's expectations that their own actions and behaviors shape what happens to them. Lower levels of education, on the other hand, may lead to experiences that produce fatalism, a sense of powerlessness, or the belief that one's own efforts are less important than the influence of chance or powerful others when it comes to health or life outcomes.⁵⁰⁻⁵³ Positive beliefs about personal control have been linked with health outcomes including higher levels of self-rated health, lower levels of physical impairment and decreased risk of chronic conditions; they also have been associated with health-related behaviors including smoking, alcohol consumption, physical activity and diet.^{50, 51, 53-55} Sense of control may also influence health through job-related pathways, by affecting a person's job seeking and performance, for example.⁵⁶⁻⁵⁸ It is important to note that an individual with a greater sense of control may also be more likely to achieve higher educational attainment, making it difficult to separate out the effects of sense of control and education on health.
- *Social standing.* Many experts believe that social standing is another important factor linking education with health. Along with income and occupation, educational attainment is an important determinant of where individuals rank within social hierarchies that reflect status and influence in societies. Greater educational attainment typically is associated with higher social standing, which in turn has been linked with better health status.⁵⁹ An individual's perception of where she or he ranks in a social hierarchy has been referred to as *subjective social status* and has been shown to powerfully predict health status even after controlling for conventional measures of socioeconomic status such as occupation, income and education.⁶⁰⁻⁶² While the pathways linking it to health are not well understood,

Social and psychological factors linked with education can influence health through pathways related to stress, health-related behaviors, and practical and emotional support.





subjective social status may be a more comprehensive reflection of social and economic resources.⁶²

- **Social networks.** Education may also be linked to health through its influence on social networks, which can be a source of both emotional support (having someone to turn to for comfort or advice) or practical support (having someone to turn to for practical or material help). Higher educational attainment, income and occupational status all have been associated with higher levels of social support.⁶³⁻⁶⁵ Higher educational attainment increases a person's likelihood of having close friends on whom to rely and of experiencing greater family stability, including a stable and supportive marriage.³ Formal educational settings may encourage the development of friendships and interpersonal skills; people with more education and related social advantages may also have more time and resources to maintain relationships and support friends emotionally and financially.^{63, 66}

Higher levels of social support have been linked with better physical and mental health outcomes.⁶⁷⁻⁷⁰ People with more social contacts have lower mortality rates across multiple age groups and in both sexes, and disruptions in family stability have been linked with worse health among adults and poorer health behaviors and well-being among children.^{3, 71-75} Social support can buffer the health-damaging effects of stress by reducing negative emotional and behavioral responses to stressful situations.^{76, 77} Social relationships may also have beneficial health effects unrelated to stress:^{70, 78} larger social networks can provide access to employment, housing and other opportunities and resources that influence health,⁷⁹⁻⁸¹ and behavior norms within social groups can influence health-related behaviors such as smoking, exercise and alcohol consumption.⁶⁹

Parents' educational attainment is linked to their children's health and their children's educational attainment—both of which influence their children's health as adults.

3. Parents' education influences children's prospects for health during childhood and beyond

Parents' educational attainment is linked to their children's health and their children's educational attainment—both of which influence their children's health as adults.

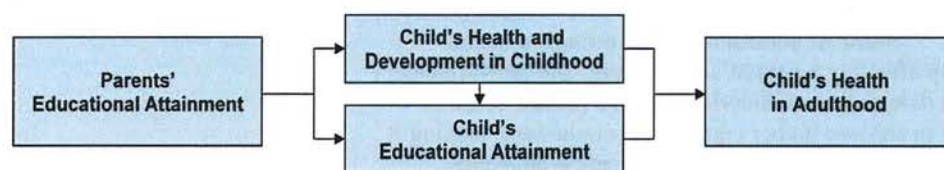


Figure 8. The impact of education on health crosses generations.

As illustrated in Figures 3 and 4, parents' education is strongly linked to their children's health and development.⁸²⁻⁸⁵ Parents with lower educational attainment typically face greater obstacles—including lack of knowledge, skills, time, money and other resources—to creating healthy home environments and modeling healthy behaviors for their children. The quality of children's health and development in turn influences health later in life, through both direct and indirect pathways. A large body of research has consistently linked adverse effects on brain, cognitive and behavioral development early in life with important health outcomes later in life, including cardiovascular disease and stroke, hypertension, diabetes, obesity, smoking, drug use and depression—conditions that account for a major portion of preventable morbidity and premature





mortality in the United States. Healthy development in childhood can also affect health later in life through its association with greater academic achievement and educational attainment⁸⁶ (see the “Early Childhood Experiences and Health” issue brief in this series).

Parents’ educational attainment can also shape children’s prospects for healthy lives through links to children’s educational attainment. Children’s academic achievement is associated with parental education and related social and economic advantage; children with less-educated parents and lower-income families face greater obstacles to success in school and are less likely to go on to receive college educations (Figure 9).^{44, 87-92} Parents’ education levels can affect their children’s education prospects both directly, through the kinds of support and resources parents are able to provide at home, and indirectly, through the quality of schools their children are likely to attend. Less-educated parents are less likely to have high educational expectations and to create stimulating and nurturing environments for their children;⁹³ in addition, they are more likely to live in lower-income neighborhoods in which schools may have insufficient resources. The level of educational attainment children eventually achieve affects their health as adults, through the same pathways experienced by their parents, and it also affects the health of their own children in turn—perpetuating a vicious intergenerational cycle of low educational attainment and poorer health.

The level of educational attainment children eventually achieve also affects the health of their own children—perpetuating a vicious intergenerational cycle of low educational attainment and poorer health.

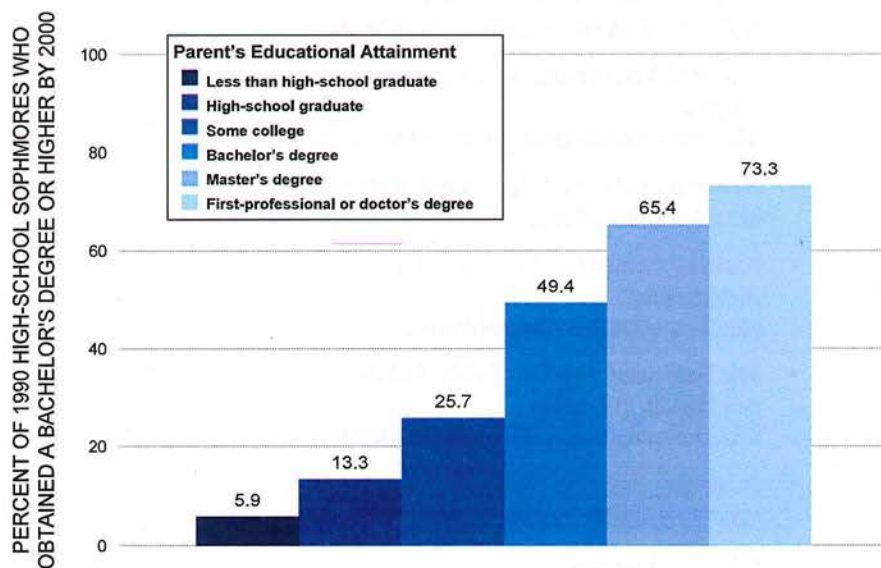


Figure 9. Children with less educated parents are less likely to succeed in school.

Source : Snyder TD, Dillow SA, Hoffman CM. *Digest of Education Statistics, 2006*. National Center for Education Statistics, Institute of Education Sciences, US Department of Education, Washington, DC: US Government Printing Office, 2007.





4. Improving health through education policies and programs

By providing the knowledge and skills necessary to fully participate in the labor force, education can be key in promoting social mobility and in breaking the cycle of intergenerational disadvantage and related health disparities.^{44, 92} Investments to promote and increase educational attainment could have both human and economic benefits; for example, a recent analysis estimated that, if adult Americans who have not completed college experienced the lower death rates and better health of college graduates, the resulting improvements in health status and life expectancy would translate into potential gains estimated at more than \$1 trillion annually.⁷

Current knowledge described in this brief indicates that one of the most effective strategies for reducing health disparities in this country could be to take steps to close the gaps in educational attainment. Reviewing specific policies and programs to increase educational attainment was beyond the scope of this brief, but more information can be obtained from the resources listed below.

By providing the knowledge and skills necessary to fully participate in the labor force, education can be key in promoting social mobility and in breaking the cycle of intergenerational disadvantage and related health disparities.

RESOURCES

- Achieve
www.achieve.org
- Alliance for Excellent Education
<http://www.all4ed.org/>
- The Annie E. Casey Foundation
<http://www.aecf.org/OurWork/Education.aspx>
- Bill and Melinda Gates Foundation United States Program
<http://www.gatesfoundation.org/united-states/Pages/united-states-education-strategy.aspx>
- Brown Center on Education Policy at Brookings
<http://www.brookings.edu/brown.aspx>
- Center for Research on Education, Diversity and Excellence
<http://crede.berkeley.edu/>
- Education Commission of the States
<http://www.ecs.org/>
- The Education Trust
<http://www2.edtrust.org/edtrust/default>
- Future of Children
www.futureofchildren.org
- Lumina Foundation
<http://www.luminafoundation.org/>
- Mathematica Policy Research, Inc.
<http://www.mathematica-mpr.com/education/>
- National Assessment of Educational Progress
<http://www.nces.ed.gov/nationsreportcard/>
- National Center for Education Statistics
<http://www.nces.ed.gov/>
- National Center for Post-Secondary Improvement
<http://www.stanford.edu/group/ncpi/>
- The National Center for Public Policy and Higher Education
<http://www.highereducation.org/index.shtml>
- Promising Practices Network
<http://www.promisingpractices.net/>
- RAND Education
<http://www.rand.org/education/>
- U.S. Department of Education
<http://www.ed.gov/index.jhtml>





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The Robert Wood Johnson Foundation focuses on the pressing health and health care issues facing our country. As the nation's largest philanthropy devoted exclusively to improving the health and health care of all Americans, the Foundation works with a diverse group of organizations and individuals to identify solutions and achieve comprehensive, meaningful and timely change. For 40 years, the Foundation has brought experience, commitment, and a rigorous, balanced approach to the problems that affect the health and health care of those it serves. When it comes to helping Americans lead healthier lives and get the care they need, the Foundation expects to make a difference in your lifetime.

ABOUT THE COMMISSION TO BUILD A HEALTHIER AMERICA

The Robert Wood Johnson Foundation Commission to Build a Healthier America was a national, independent, non-partisan group of leaders that released 10 recommendations to dramatically improve the health for all Americans. www.commissiononhealth.org

ABOUT THIS ISSUE BRIEF SERIES

This issue brief is one in a series of twelve on the social determinants of health. The series began as a product of the Robert Wood Johnson Foundation Commission to Build a Healthier America.

CREDITS: LEAD AUTHORS

University of California, San Francisco
Center on Disparities in Health
Susan Egerter, Ph.D.
Paula Braveman, M.D., M.P.H.
Tabashir Sadegh-Nobari, M.P.H.
Rebecca Grossman-Kahn
Mercedes Dekker, M.P.H.

PHOTOGRAPHY

Elisabeth Fall, pg. 1
Robert Wood Johnson Foundation, pg. 12





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Unaffordable Housing: the Costs to Public Health

**Research Report
June 2004**

City and County of San Francisco
San Francisco Department of Public Health
Occupational and Environmental Health
Program on Health, Equity, and Sustainability
www.dph.sf.ca.us/ehs

Introduction



In its broadest sense, environmental health comprises those aspects of human health, disease, and injury that are determined or influenced by factors in the environment. This includes not only the study of the direct pathological effects of various chemical, physical, and biological agents, but also the effects of health of the broad physical and social environment, which includes housing, urban development, land use, and transportation, industry, and agriculture.

—World Health Organization

California suffers a longstanding affordable housing crisis. In San Francisco, families need annual incomes of \$86,100 to afford the typical rent for a two-bedroom apartment. Only seven percent of households earn enough income to afford to buy a house. Even individuals earning modest wages, such as public service employees and those in the construction trades, cannot afford to live where they work. For those faced with low wages and high housing costs, subsidized housing programs have not met demand. In California, over two-thirds of qualifying households remain on waiting lists for housing assistance.

Unmet housing needs result in significant public health costs. People unable to afford housing often work extra hours or at multiple jobs at the expense of personal well-being and family relationships. Spending more money on housing can mean doing without necessities, such as food and clothing. Inadequate or unaffordable housing often forces San Francisco residents into crowded or substandard conditions. Unaffordable housing may also require people to relocate, compromising access to jobs, public services, or quality education.



Unaffordable housing has indirect environmental and economic consequences as well. High housing costs are disincentives for business development or expansion, which means reduced economic opportunities for residents. High cost housing in regional job centers such as San Francisco is one factor that drives development of lower cost housing on the urban fringe, contributing to traffic congestion and air pollution, as well as the loss of regional farmland and open space.

This research report examines the consequences of declining affordability on the health of the residents of San Francisco and lists some of the actions the Department of Public Health is taking to support housing affordability.



Housing and Human Needs: A Comprehensive Framework

The World Health Organization defines housing as a home (a shelter), a house (a group of people living under the same roof), a neighborhood (an immediate environment), and a community (people living in the same area). Adequate housing is affordable, physically safe, stable, spacious, and located in a setting that allows for meaningful work and community participation. Adequate housing also provides opportunities for freedom and expression. The following figure illustrates the multiple dimensions of housing and their relationships to health and well-being.

A Shelter

- /// Protection from weather and noise
- /// A source of heat and water
- /// A place to cook, eat, bathe and sleep



A setting for social relationships

- /// Nurturing children's development
- /// Strengthening family ties
- /// Providing interpersonal support
- /// Building trust, reciprocity, and collective-efficacy



A route to livelihood

- /// Access to transportation
- /// Proximity to employment and education
- /// Proximity to public services
- /// Access to consumer goods
- /// Proximity to parks and recreation



A requirement of dignity

- /// A stable space for privacy and control
- /// A source of pride and self-esteem
- /// A place for growth and identity



The Health Consequences of Declining Affordability



Poverty

Unaffordable housing is both a dimension of poverty and a contributor to poverty. Households with incomes several times the full-time minimum wage can pay more than half of their incomes for housing. Nationally, households with incomes in the bottom fifth of the income distribution and over fifty percent of their incomes spent on housing have an average of \$417 to cover all non-housing monthly expenses. When housing is unaffordable, people often sacrifice other material needs including food, clothing, and health care services.



There is little doubt that poverty leads to poor health. Numerous research studies in diverse countries show that poverty contributes to a poorer subjective sense of health, higher mortality, less emotional stability, more chronic disease, and poorer physical functioning. The poorest Americans live almost six fewer years than those with the highest incomes. Children living in poverty are four times more likely to become pregnant when they become teenagers.

The lack of affordable housing has also been directly linked to inadequate nutrition, especially among children. A recent survey of American cities found that low paying jobs and high housing costs are the most frequently cited reasons for hunger. Further evidence for the relationship between unaffordable housing and hunger comes from a study demonstrating increased child growth among low-income children receiving housing subsidies compared with children whose families were on a subsidy waiting list.

Over 12 million children live in poverty in the United States.
More than 4 million poor children are under age six.



www.soc.sbs.ohio-state.edu/cdb/childtrends_files/usakids.jp

Stress

Insecure housing creates stress. For example, people struggling to pay rent may work extra hours at multiple jobs. They may sacrifice time for personal leisure. If unaffordable housing means moving further from jobs or schools, longer commutes may worsen time pressures. Scientific studies have demonstrated health consequences of psychosocial stress. A randomized study of healthy human volunteers demonstrated that chronic stress doubled the rate at which inoculation with a common cold virus led to a clinical infection. Other studies have linked the experience of stress with chronic diseases including heart disease, hypertension, and diabetes. Among pregnant women, stress has also been associated with a greater likelihood for pre-term delivery and low birth weight birth – both factors that potentially lead to developmental delays and increased infant morbidity and mortality.



Most of the time homelessness begins after an eviction. The first step may be an impossible rent increase. Or the boss may put off a paycheck. Then comes the eviction notice. There's no money for lawyers and no time for hearings. After the judgment, what's left of the money goes to hotel rooms putting off the inevitable. Later, even if I can find a place and can put together the first and last, no one rents to you because of the eviction.

---Story of an Evicted San Francisco Tenant



Housing Safety

Over half of San Francisco's housing was built more than fifty years ago and requires significant rehabilitation, with ninety four percent of the housing stock built before 1978. Most of the city's pre-1950 dilapidated housing stock is located in low-income neighborhoods. Older and low-income units both tend to have a greater likelihood of deferred maintenance. A number of environmental conditions in older and poorly maintained housing affect health. Inadequate heating can lead to overexposure to cold. Poorly maintained paint results in lead poisoning. Other unsafe conditions include exposed heating sources, unprotected windows and slippery surfaces that increase risks for injuries.

Eviction, moving, displacement, and departure is like death, no matter how much you talk about it, plan for it, or think about it, it still devastates, it still tears you apart and is still filled with misery.

---Displaced San Francisco Tenant



Overcrowding

Families frequently double up to cope with the lack of affordable housing. In San Francisco, over 30% of renter households are overcrowded. Similarly, displaced residents often find temporary lodging with families or friends. Overcrowding results in respiratory infections in adults and ear infection in children. Overcrowding also means the lack of quiet space for children to do homework, negatively impacting their development, education, and future life opportunities. Crowding also contributes to familial stress and conflict, potentially resulting in domestic violence, separation and divorce.



Ways that Inadequate Housing Can Harm Child Health

- /// Lead Poisoning
- /// Asthma
- /// Accidents
- /// Aggressive Behavior
- /// Poor School Performance
- /// Poor Physical Development

Indoor Air Quality

Conditions that promote exposures to irritants and allergens, such as second hand smoke, house dust mites, cockroach antigens, and mold spores, are frequently found in low-income housing. These irritants and allergens cause or aggravate diseases like asthma. Old carpeting acts as a reservoir for allergens. Kitchens and baths, particularly in older housing stock, often lack adequate ventilation, increasing the problems associated with moisture and mold. While public agencies may enforce laws to ensure the safety and habitability of housing, inspectors and tenants may be reluctant to initiate enforcement actions because of fears of landlord reprisal or eviction.

To feel depressed, bitter, cheated, vulnerable, frightened, angry, worried about debts or job or housing insecurity; to feel devalued, useless, helpless, uncared for, hopeless, isolated, anxious, and a failure: these feeling can dominate people's whole experience of life, coloring their experience of everything else. It is the chronic stress from feeling like these that does the damage [to health].

*-Richard
Wilkinson*

Freedom and Control

Home is much more than a shelter. A home is a place of refuge which contributes to a sense of belonging and stability. It allows people a measure of control over their actions and relationships with other people. A home supports self-expression, creativity, and self-identity—states that we associate with substantial freedom. For many, inadequate housing can mean a loss of freedom or the sense of control.



Child Development

Stresses created from inadequate housing may reduce a parent's capacity for supportive parenting. Time-pressured parents may choose either more punitive or low-effort strategies to resolve conflict with children. Studies have shown that economic strains, such as being unable to pay the bills, cause depression in mothers and harsh parenting styles. Protected outdoor play spaces are also important for healthy childhood development and successful child-parent attachment. Frequent family relocation leads to children's grade repetitions, school suspensions, and emotional and behavioral problems. Living in resource-poor neighborhoods, living in substandard housing, and changing schools frequently each may contribute to poor child development and school performance.

**Unaffordable Housing Means:
Overwork, Eviction, Displacement,
Poverty, Overcrowding, & Stigma.**

Social Support

Families in inadequate or unaffordable housing move often, resulting in the loss of supportive family and community relationships. If displaced residents are forced to relocate outside of their neighborhood, valuable supportive family and community relationships can be lost both for those leaving, as well as for those remaining behind. Strong social relationships are protective of health in multiple ways. Neighbors, friends, and family can provide material, as well as emotional, support. Such support can help buffer stressful situations, prevent damaging feelings of isolation, and contribute to a sense of self-esteem and value. The effect of social support on health is substantial as illustrated by several long term studies in the United States. For example, in the Alameda County Study, those with fewer social contacts (e.g., marriage, family, friends, and group membership) had twice the risk of early death, even after accounting for income, race, smoking, obesity, and exercise.

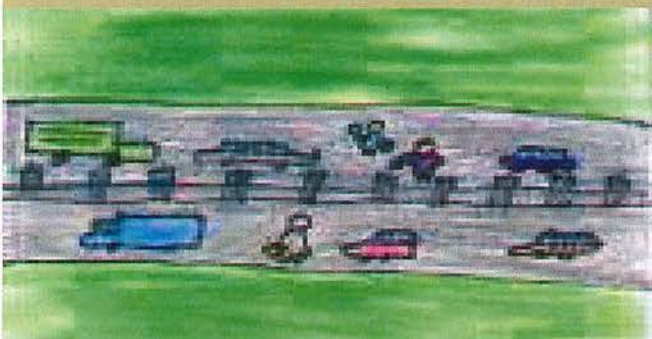
Maria, one of my clients, is a desperate single mother of a one-year- baby that has bad asthma. She's practically homeless, but has a one-room unit in a window-less garage. Her son has gone to the ER four times in the past six months and his asthma symptoms are almost constant. The child's tiny unit has no closet, no space to put things away and the only window in the room was closed. There is no place for the child to play on the floor, except the bed. Maria has been on a waiting list for Section 8 housing for a couple of years. Recently, Section 8 offered her a house at either Sunnyvale or Potrero, both very unsafe places. Maria did not accept the offer. She'll have to wait 2 more years for Section 8.

--San Francisco Health Educator



Social Cohesion

Increases in housing costs may precipitate gentrification and eviction. One of the most significant effects of residential displacement is the erosion of social capital and social cohesion—factors associated with health, education, and neighborhood safety. Where social cohesion exists, residents invest in maintaining the built environment and the community, contributing to community cohesion and youth development. In contrast, where residents feel less invested in communities, one may find dilapidated environmental conditions, such as broken windows, illegal disposal of hazardous substances, loitering, and higher crime rates.



Homelessness

Twenty-three major U.S. cities have reported that the lack of affordable housing is the leading cause of homelessness. Hunger and homelessness are on the rise in major American cities. Over 350,000 Californians are estimated to be homeless. A particularly disturbing trend is the rise of family homelessness. It is estimated that between 80,000 and 95,000 homeless children exist in California. Temporary housing for the homeless may be a source of respiratory infections, such as tuberculosis. Housing for the homeless often lacks safe drinking water and hot water for washing; often has ineffective waste disposal and intrusion by disease vectors (e.g., insects and rats); and often has inadequate food storage. A 1994 study of children living in homeless shelters in the Los Angeles area found that the vast majority (78%) of homeless children interviewed suffered from depression, a behavioral problem, or severe academic delay. Among sheltered homeless men and women, age-adjusted death rates are several fold higher than in the general population.

Segregation

Because low-income housing is concentrated in low-income neighborhoods, further loss of affordable housing and increased residential displacement may contribute to residential segregation. A study that examined expiring HUD Section 8 agreements with private owners in California found that, on average, families relocated to relatively more racially-segregated communities. Racially-segregated neighborhoods tend to have less neighborhood amenities, such as schools, libraries and public transportation, due to economic, political, and linguistic isolation and racism. Many studies have shown, for example, a strong association between segregation and homicide rates. Besides an excess in mortality, studies have also demonstrated a relationship between residential segregation and teenage childbearing, tuberculosis, cardiovascular disease, availability of food establishments serving healthy fare and exposure to toxic air pollutants. Recent evidence from the HUD Moving to Opportunity demonstration programs suggests that poor families relocating to private rental housing in non-poverty neighborhoods experience improved mental health and reduced obesity.

Sprawl

New affordable housing is often built far from job centers and often on the urban fringe. An imbalance between where jobs are located and where housing is affordable can result in significant environmental costs due to the building of highways, the production and consumption of fossil fuels and energy, and the destruction of habitats.

Affordable Housing for All of Us... Taking Action

***If there is no
struggle,
there is no
progress.***

***Those who
profess to
favor
freedom, and
yet deprecate
agitation, are
men who
want crops
without
plowing up
the ground.
They want
rain without
thunder and
lightning.***

***They want the
ocean without
the awful roar
of its many
waters.***

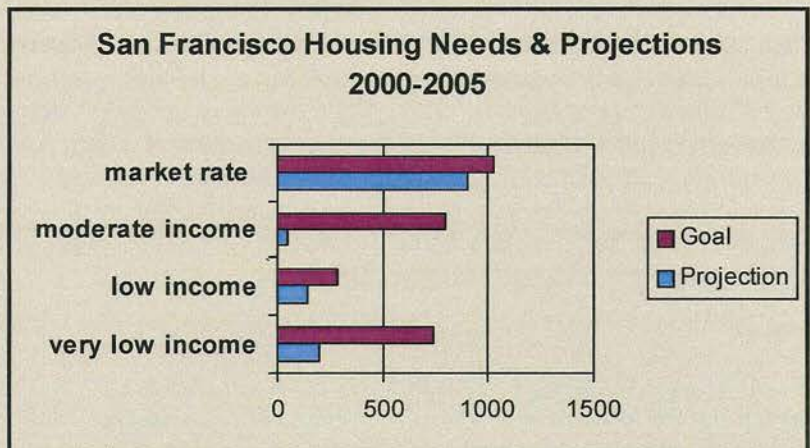
***Frederick
Douglass***

According to State Treasurer Phil Angelides, our State is becoming "...two Californias: one of opportunity and wealth, and one of struggle that is outside the mainstream of economic hope." While San Francisco has a long history of diversity, increasingly it is a city where few can afford to live. Moreover, among urban areas, San Francisco has one of the most unequal distributions of income. We all pay the social and health costs of unaffordable housing, and we all would benefit from a diverse city where families can afford to raise their children.

Affordable housing is necessary as well for an environmentally sustainable San Francisco. Applying smart growth principles, such as mixed uses, increased density, and transit-oriented development, can decrease automobile dependence and strengthen local and neighborhood economies only if we assure housing affordability. Smart growth without adequate guarantees of affordability means displacement for many, thereby negating the environmental benefits of smart growth.

Sufficient affordable housing in San Francisco faces challenges related to economics, land availability, and public and political will. This goal requires developing citywide consensus on several fronts, including: preserving neighborhood character, protecting the environment, promoting economic development, and ensuring social justice. The Department of Public Health contributes to solutions to housing affordability challenges through the following actions:

- Creating more supportive housing options for homeless individuals with long-term health needs;
- Ensuring that housing constructed on previously contaminated property is safe;
- Enforcing city health and safety laws for housing;
- Providing training to property owners and managers on housing maintenance;
- Educating housing policy makers on the health impacts of affordability, density, and social integration;
- Researching the adverse health effects of inadequate housing and displacement; and
- Developing tools for housing impacts assessment for environmental impact review under CEQA.



Summary

Unaffordable Housing: A Slippery Slope for Health

Working longer hours and multiple jobs

- Lack of sleep, leisure, and exercise
- Missed doctor's appointments
- No time for family and friends
- Limits on civic involvement

Accepting inadequate housing

- Overcrowding
- Unsafe housing conditions
- No place for play or homework

Doing without other needs

- Skipped meals
- Children do without new clothing
- No outings or vacations

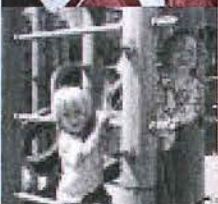
Moving away

- No support from family and friends
- Loss of culture & traditions
- School change
- Long commutes
- Unfamiliar public services

Becoming homeless

- Loss of self-esteem
- Hopelessness and despair
- Addiction and abuse

Sources of Information



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Introduction Form

By a Member of the Board of Supervisors or the Mayor

RCVD
IN BOARD
5-19
JC

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- ☐ 2. Request for next printed agenda without reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning "Supervisor inquires"
- ☐ 5. City Attorney request.
- ☐ 6. Call File No. from Committee.
- ☐ 7. Budget Analyst request (attach written motion).
- ☒ 8. Substitute Legislation File No.
- ☐ 9. Request for Closed Session (attach written motion).
- ☐ 10. Board to Sit as A Committee of the Whole.
- ☐ 11. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission
☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Subject:

The text is listed below or attached:

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: