

File No. 161001

Committee Item No. _____

Board Item No. 35

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: November 15, 2016

Cmte Board

<input type="checkbox"/>	<input type="checkbox"/>	Motion
<input type="checkbox"/>	<input type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
<input type="checkbox"/>	<input type="checkbox"/>	Subcontract Budget
<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
<input type="checkbox"/>	<input type="checkbox"/>	Form 126 – Ethics Commission
<input type="checkbox"/>	<input type="checkbox"/>	Award Letter
<input type="checkbox"/>	<input type="checkbox"/>	Application
<input type="checkbox"/>	<input type="checkbox"/>	Public Correspondence

OTHER

(Click the text below for a direct link to the document)

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Appeal Letter - September 12, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Appellant supplemental appeal letter - October 14, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Project Sponsor appeal response - November 10, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning appeal response - November 7, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Planning appeal response - October 17, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Exemption Determination - July 12, 2016</u>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Hearing Notice and clerical documents</u>

Prepared by: John Carroll

Date: November 10, 2016

Prepared by: _____

Date: _____

West Bay Law
Law Office of J. Scott Weaver

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BOARD OF SUPERVISORS
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September 12, 2016

Clerk, San Francisco Board of Supervisors
Environmental Review Officer, Bill Wycko
#1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

**Re: Case No. 2014.1020 CUA - 1515 South Van Ness Avenue
Appeal of the August 11, 2016 Planning Commission Decisions**

Dear Members of the Board of Supervisors and Bill Wycko:

The Calle 24 Latino Cultural District Community Council appeals the following decisions of the Planning Commission made on August 11, 2016 regarding the project proposed for 1515 South Van Ness Avenue ("Proposed Project" hereafter) proposed by applicant Peter Schellenger, LMC San Francisco Holdings, LLC.

- 1) Adoption of a Community Plan Exemption and CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1

The Final Motion for the relevant appeals is attached as **Exhibit A**. Evidence in support of the appeals is attached as **Exhibits B-D** and is also contained in the letters submitted to the Planning Department objecting to the approval of the Project and the Community Plan Exemption, incorporated here by reference. **Exhibit E** contains the \$578 appeal fee for the CEQA appeal.

1. Appeal of the adoption of the Community Plan Exemption and CEQA Findings

Page 1 of 4

Calle 24 Latino Cultural District Community Council Appeal

The appeal of the adoption of the Community Plan Exemption and CEQA Findings are filed on the following bases.

- The Proposed Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts to: land use, consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, health and safety, and impacts relative to the Calle 24 Latino Cultural District.
- The PEIR's projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects." (Guidelines, § 15355)
- The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.
- Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report.
- The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was

not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered.

- The CEQA findings are inadequate and incomplete and are not supported by substantial evidence.
- The Proposed Project is inconsistent with the General Plan and the Mission Area Plan.

2. Pattern and Practice

The City is engaging in a pattern and practice of approving residential projects in the Mission based upon a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review. This results in the approval of projects with unexamined environmental affects to the detriment of Mission residents.

3. Attempted CU Appeal

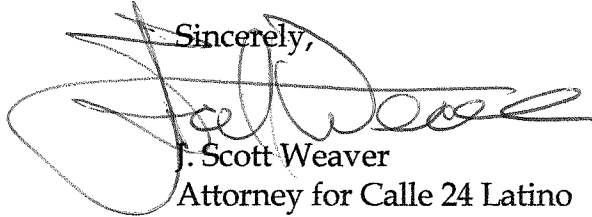
From September 7 to September 12, 2016, Calle 24 Latino Cultural District Community Council (LCDCC) members presented the "Notice to Board of Supervisors of Appeal from Action of the City Planning Commission Form for Conditional Uses" to the members of the Board of Supervisors for their signature pursuant to Planning Code Section 308.1 (b)(ii) and explained the reasons for the appeal. As of September 12, 2016, the due date for the submission of the filing of the Conditional Uses appeal and CEQA appeal, LCDCC did not receive sufficient signatures under Planning Code Section 308.1 (b)(i). Therefore, the LCDCC does not qualify under the alternative method for appealing the Conditional Uses approval under Planning Code Section 308.1 (b). Since neither method of appeal is available to LCDCC and LCDCC objected to the Planning Commission's approval of the Conditional Uses, LCDCC has exhausted administrative remedies as to the challenge to the Conditional Uses and do not include their objections as part of this appeal. Should the Board of Supervisors later authorize the appeal of the Conditional Uses, LCDCC

will include their objections in a follow up letter.

Exhibits (Attached)

- Exhibit A:** Planning Commission Motion No. 19727.
- Exhibit B:** Link to Video of August 11, 2016 Planning Commission hearing.
- Exhibit C:** Link to Eastern Neighborhoods Plan EIR, Motion 17661 of the Planning Commission, which adopted CEQA findings for the Plan EIR, and the Mitigation Monitoring Report
- Exhibit D:** Evidence in support of the Appeal
- Exhibit E:** CEQA Fee
- Exhibit F:** ~~Notice to Board of Supervisors of Appeal from the City Planning Commission Form re: Conditional Uses.~~

Sincerely,



J. Scott Weaver
Attorney for Calle 24 Latino
Cultural District Council

EXHIBIT A

EXHIBIT A

EXHIBIT A



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PLANNING DEPARTMENT

BOARD OF SUPERVISORS
SAN FRANCISCO
2016 SEP 12 PM 3:27

BY _____

Subject to: (Select only if applicable)

- | | |
|---|--|
| <input checked="" type="checkbox"/> Affordable Housing (Sec. 415) | <input checked="" type="checkbox"/> First Source Hiring (Admin. Code) |
| <input type="checkbox"/> Jobs Housing Linkage Program (Sec. 413) | <input checked="" type="checkbox"/> Child Care Requirement (Sec. 414A) |
| <input type="checkbox"/> Downtown Park Fee (Sec. 412) | <input checked="" type="checkbox"/> Other (EN Impact Fees, Sec 423; TSF, Sec 411A) |

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Planning
Information:
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Planning Commission Motion No. 19727

HEARING DATE: AUGUST 11, 2016

Case No.: 2014.1020CUA
Project Address: 1515 SOUTH VAN NESS AVENUE
Zoning: Mission Street NCT (Neighborhood Commercial Transit) Zoning District
Mission Street Formula Retail Restaurant Subdistrict
Mission Alcoholic Beverage Restricted Use Subdistrict
Fringe Financial Service Restricted Use District
55/65-X Height and Bulk District
Block/Lot: 6571/001, 001A and 008
Project Sponsor: Peter Schellinger, LMC San Francisco Holdings, LLC
492 9th Street Suite 300
Oakland, CA 94607
Staff Contact: Doug Vu – (415) 575-9120
Doug.Vu@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 303 UNDER THE MISSION 2016 INTERIM ZONING CONTROLS AND PLANNING COMMISSION RESOLUTION NO. 19548, AND A PLANNED UNIT DEVELOPMENT PURSUANT TO PLANNING CODE SECTIONS 121.1 AND 304 TO ALLOW DEMOLITION OF THE EXISTING BUILDING AND NEW CONSTRUCTION OF A 55 TO 65 FEET TALL, FIVE- TO SIX-STORY DEVELOPMENT WITH A TOTAL OF AREA OF 180,277 SQUARE FEET THAT INCLUDES 138,922 SQUARE FEET OF RESIDENTIAL USES FOR UP TO 157 DWELLING UNITS, 5,241 SQUARE FEET OF COMMERCIAL SPACE AND A 32,473 SQUARE FEET PARTIALLY UNDERGROUND GARAGE FOR 82 AUTOMOBILE AND 150 BICYCLE PARKING SPACES ON A LOT MORE THAN 10,000 SQUARE FEET IN AREA, AND TO ALLOW MODIFICATIONS TO THE REQUIREMENTS FOR REAR YARD PURSUANT TO PLANNING CODE SECTION 134, DWELLING UNIT EXPOSURE PURSUANT TO PLANNING CODE SECTION 140, GROUND FLOOR STREET FRONTAGE PURSUANT TO PLANNING CODE SECTION 145.1 AND OFF-STREET LOADING REQUIREMENT PURSUANT TO PLANNING CODE SECTION 152, FOR THE PROPERTIES LOCATED AT 1515 SOUTH VAN NESS AVENUE, LOTS 001, 001A AND 008 IN ASSESSOR'S BLOCK 6571, WITHIN THE MISSION STREET NCT (NEIGHBORHOOD COMMERCIAL TRANSIT) ZONING DISTRICT AND THE 55/65-X HEIGHT AND BULK DISTRICTS, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On January 28, 2015, Peter Schellinger of LMC San Francisco Holdings, LLC (hereinafter "Project Sponsor") filed Application No. 2014.1020CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Conditional Use Authorization to demolish the existing building and construct a new five to six-story 55 to 65 feet tall, mixed use building with 5,241 square feet of commercial space and 157 dwelling units at 1515 South Van Ness Avenue (Block 6571 Lots 001, 001A and 008) in San Francisco, California.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commissions review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On July 12, 2016, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial

importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

The Planning Department Commission Secretary is the custodian of records, located in the File for Case No. 2014.1020CUA at 1650 Mission Street, Fourth Floor, San Francisco, California.

On August 11, 2016, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2014.1020CUA.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use Authorization for a Planned Unit Development requested in Application No. 2014.1020CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project is located on three lots with a total area of approximately 35,714 sq. ft. that have approximately 172 ft. of frontage along South Van Ness Avenue, 245 ft. along 26th Street and 145 ft. along Shotwell Street. The project site is currently improved with a 31,680 sq. ft. two-story industrial building that was constructed in 1948 and most recently occupied by the McMillan Electric Company until early 2015.
3. **Surrounding Properties and Neighborhood.** The Project is located in the southernmost area of the Mission Street NCT (Neighborhood Commercial Transit) Zoning District and within the boundaries of the Mission Area Plan. The immediate context is mixed in character with residential, commercial and industrial uses. The neighborhood includes automotive repair uses to the north and west, three to four-story residential development to the north and east and commercial uses to the south that include a fuel station and automotive parts store. Within the broader vicinity are the Primera Iglesia Bautista Hispano Americana Church and Garfield Square Recreation Center. The project site is also located within the boundaries of the proposed Calle 24

Special Use District which was established as part of the internal controls by the Board of Supervisors per Ordinance No. 133-15, and the Calle 24 Latino Cultural District, which was established by Board of Supervisors Resolution, File No. 140421 in May 2014. Other zoning districts in the vicinity of the project site include P (Public), RTO-M (Residential, Transit Oriented - Mission), RM-1 (Residential, Mixed-Low Density) and the 24th-Mission NCT (Neighborhood Commercial Transit) Zoning District.

4. **Project Description.** The proposed Project includes demolition of the existing building on the project site and new construction of a 55 to 65 feet tall, five- to six-story Planned Unit Development (PUD) with a total area of approximately 180,277 square feet that includes 138,922 square feet of residential uses for 157 dwelling units, approximately 5,241 square feet of commercial space in the form of one retail storefront and six trade shops on the ground floor, approximately 32,473 square feet dedicated to vehicular parking for 82 cars and 150 secure bicycle parking spaces in a partially underground garage. The proposed dwelling units would range in size from approximately 399 to 1,254 square feet and would include 88 studios, five one-bedroom units and 64 two-bedroom units. Private open space would be provided for ten units, and a total of 15,508 square feet of common open space would be provided through an internal courtyard and roof deck. The Project would also include a lot merger of Lots 001, 001A and 008 on Block 6571.
5. **Public Comment.** The Department has received a petition of support signed by nineteen residents and nearby businesses, nineteen support letters from residents and organizations including from the San Francisco Housing Action Coalition, S.F. Electrical Contractors Association/Electrical Workers Local 6, and the recent owner and tenant (McMillan Electric Company). The Department also received four letters opposing the project, and two letters stating concerns about the development's proposed height and environmental impacts that were not analyzed in the Eastern Neighborhoods EIR.

In addition to the required pre-application meeting that was held on December 15, 2014 at City College on 1125 Valencia Street, the Project Sponsor has conducted additional public outreach that included the following meetings:

DATE	ORGANIZATION / EVENT	LOCATION / ADDRESS
3/11/2015	Mission Economic Development Agency	2301 Mission Street
3/12/2015	Jamestown Community Center	3382 26 th Street
4/7/2015	Mission Asset Fund	3269 Mission Street
5/13/2015	Town Hall Meeting #1	1500 South Van Ness Avenue
6/5/2015	Town Hall Meeting #2	1500 South Van Ness Avenue
10/22/2015	Town Hall Meeting #3	1500 South Van Ness Avenue
2/2/2016	CAST	70 Otis Street
2/24/2016	SF Housing Action Coalition (SFHAC)	95 Brady Street
4/4/2016	SFMade	926 Howard Street
4/12/2016	Open House #1	Mission Cultural Center - 2868 Mission

		Street
6/9/2016	La Cocina	2948 Mission Street
6/22/2016	Town Hall Meeting #4	Mission Cultural Center - 2868 Mission Street
6/30/2016	Open House #2	Mission Cultural Center - 2868 Mission Street

The Department acknowledges that numerous meetings were organized and facilitated by residents and stakeholder groups, but does not have a record of when they were held and at which locations.

6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Non-Residential Floor Area Ratio.** Planning Code Sections 124 and 736.20 permit a maximum floor to area ratio of 3.6 to 1 for the subject 35,714 sq. ft. project site.

The Project proposes 5,241 sq. ft. of commercial space that is equal to a ratio of 0.14 to 1 and therefore complies with Planning Code Sections 124 and 736.20.

- B. **Rear Yard.** Pursuant to Planning Code Section 134(a)(1)(C), a 25% rear yard or an area equal to that provided via inner courtyards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building. The proposed project requires a rear yard of at least 8,929 sq. ft. at every residential level.

The Project proposes an inner courtyard that is approximately 8,687 sq. ft., which is 242 sq. ft. less than the required area; therefore, the Project requests a modification to this requirement as permitted under Planning Code Section 304 for Planned Unit Developments for the following reasons: 1) the Project includes residential uses with a comparable amount of usable open space totaling 16,506 sq. ft. at the inner courtyard and at the sixth floor of the building that will be more accessible to residents; 2) the Project is located on a block that includes an automotive parts store and two automotive repair shops and will not significantly impede the access of light and air to the adjacent properties; and 3) the Project will not adversely affect the block's interior open space because interior open space does not exist on the subject block.

- C. **Usable Residential Open Space.** Planning Code Sections 135 and 736.93 require a minimum of 80 sq. ft. of private open space per dwelling unit, or 100 sq. ft. of common open space per dwelling unit. Private usable open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 sq. ft. if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sq. ft. if located on open ground, a terrace or the surface of an inner or outer court. Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum area of 300 sq. ft. Further, inner courts may be credited as common usable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sq. ft. in area, and if the

height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project provides 6,853 sq. ft. of usable common open space through a ground floor inner courtyard that measures 130 feet by 110 feet at its widest point to allow the minimum required amount of sunlight penetration. An additional 8,655 sq. ft. of common open space is provided by a roof deck at the sixth floor of the building. The Project also provides a combined 1,000 sq. ft. of private open space for ten ground floor units that open onto the inner courtyard. Although the Project also provides an additional 842 sq. ft. of non-compliant open space, the 15,508 sq. ft. of common usable open space exceeds the 14,700 sq. ft. that are required by the remaining 147 units. Therefore, the Project complies with Planning Code Sections 135 and 736.93.

- D. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires a streetscape plan, which includes elements from the Better Streets Plan, for new construction on a lot greater than a half-acre in size.

The Project will include a streetscape plan that will comply with the City's Better Streets Plan and include new street trees, landscape planters, sidewalk and other pedestrian improvements in compliance with Planning Code Section 138.1. This includes maintaining the sidewalk width at 12-ft. on 26th Street and 15-ft. on Shotwell Street, a new 2-ft. courtesy strip between the curb and sidewalk plantings, a corner bulb-out at South Van Ness Avenue and 26th Street that extends down 26th Street, potentially another bulb-out at 26th and Shotwell Streets, street trees, plantings, bicycle parking and other site furniture as needed. South Van Ness Avenue is a Vision Zero Corridor, and will receive a signal timing upgrade, new curb ramps, crosswalks and other pedestrian safety enhancements. Therefore, the Sponsor will coordinate with MTA on these design changes as it constructs the new bulb-out at 26th Street and South Van Ness Avenue to be consistent with other improvements planned for this intersection.

- E. **Bird Safety.** Planning Code Section 139 outlines the standards for bird-safe buildings, including the requirements for location-related and feature-related hazards.

The Project is not located in close proximity to an Urban Bird Refuge and meets the requirements of feature-related standards by not including any unbroken glazed segments 24 sq. ft. and larger in size. Therefore, the Project complies with Planning Code Section 139.

- F. **Dwelling Unit Exposure.** Planning Code Section 140 requires the windows of at least one room in each dwelling unit to face directly on an open area that includes a public street, public alley at least 20 feet in width, side yard at least 25 feet in width, rear yard meeting the requirements of the Planning Code, or an inner court or a space between separate buildings on the same lot) which is unobstructed and is no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit in question is located and the floor immediately above it, with an increase of five feet in every horizontal dimension at each subsequent floor.

The Project organizes all of the dwelling units to face South Van Ness Avenue, 26th Street, Shotwell Street or the inner courtyard. Due the "L" shape of the Project site and the reduced horizontal dimension of the courtyard at both ends of the building, three units on the fifth floor and two units on the sixth floor do not meet the exposure requirement. The encroachment of these units into the required open air space at the fifth and sixth floors is minimal. Therefore, the Project is seeking a modification to the dwelling unit exposure requirements for five dwelling units as part of the Planned Unit Development.

- G. Street Frontages in Neighborhood Commercial Districts.** Planning Code Section 145.1 requires the following for street frontages in Neighborhood Commercial Districts: (1) not more than 1/3 the width of the building facing the street may be devoted to ingress/egress to parking; (2) off-street parking at street grade must be set back at least 25 feet; (3) "active" use shall be provided within the first 25 feet of building depth at the ground floor; (4) ground floor non-residential uses in shall have a floor-to-floor height of 14-feet; (5) frontages with active uses shall be fenestrated with transparent windows; and, (6) decorative railings or grillwork placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular views

The Project meets the following requirements of Section 145.1: (1) the only automobile access to the Project is located at the portion of Shotwell Street that runs diagonal to the remainder of the street where a single 18-ft. wide garage door is proposed that is equal to 12.4 percent of the 145 feet of the Shotwell Street frontage; (2) the Project site decreases approximately ten feet in elevation from the front to the rear of the property and all proposed parking is located below grade at the basement level garage; (3) active uses including a corner commercial storefront, six trade shops, a residential amenity room and dwelling units with elevated stoops that have direct access to the public street are proposed along all three frontages of the building; (4) the corner commercial space at the ground floor will have a generous floor-to-ceiling height of 20-feet; and (5) significantly more than two-thirds of the total street frontages are fenestrated with transparent windows.

However, the six trade shops along 26th Street will each have a floor-to-ceiling height of 11-feet, which is less than the minimum required 14-feet. To mitigate this impact and promote an attractive, clearly defined street frontage that is pedestrian-oriented and fine-grained, the trade shops will be designed with wide openings that incorporate roll-up doors to provide direct access to the shops by the public during business hours. Therefore, the Project seeking a modification to the 14-feet minimum clear ceiling height requirement for the street-fronting trade shops units as part of the Planned Unit Development.

- H. Off-Street Parking.** Planning Code Section 151 principally permits 0.5 parking spaces per dwelling unit, and up to 0.75 spaces with Conditional Use authorization. Additionally, one off-street space for every 500 square-feet of occupied general retail uses is also permitted. The Project is principally permitted to have 79 residential spaces and ten commercial spaces, for a total of 89 spaces.

The Project proposes a total of 79 residential parking spaces in addition to three car-share spaces, and no accessory commercial parking. Therefore, the Project complies with Planning Code Section 151.1.

- I. **Off-Street Freight Loading.** Planning Section 152 requires one off-street loading space for residential buildings that are between 100,001 and 200,000 gross square feet in area.

The Project includes approximately 138,922 sq. ft. of residential uses and requires at least one off-street freight loading space. The Project provides two off-street service vehicle spaces at the basement level garage near South Van Ness Avenue and is requesting an exception to this requirement for one on-street freight loading space on 26th Street as part of the Planned Unit Development.

- J. **Bicycle Parking.** Planning Code Section 155.2 requires one Class 1 bicycle parking space for each dwelling unit up to 100 units, and one Class 1 space for every four units above a density of 100 dwelling units. Additionally, one Class 2 space for every 20 units is required, and each 2,500 sq. ft. of occupied commercial floor area. The Project is required to have a minimum of 114 Class 1 and ten Class 2 bicycle parking spaces.

The Project includes a total of 150 Class 1 spaces located in two separate rooms at the basement level that have independent access to/from Shotwell Street and South Van Ness Avenue and eight Class 2 parking spaces at the corner of 26th Street and South Van Ness Avenue. Therefore, the Project complies with Planning Code Section 155.2.

- K. **Curb Cuts.** Planning Code Section 155(l) limits driveways crossing sidewalks to be no wider than necessary for ingress and egress, and shall be arranged to minimize the width and frequency of curb cuts to maximize on-street parking spaces and minimize conflicts with pedestrian and transit movements.

The Project will utilize an existing 20-ft. wide curb cut along the portion of Shotwell Street that runs diagonal to the remainder of the street to provide ingress/egress to the basement level garage, will not eliminate any on-street parking spaces and will not result in any conflicts with pedestrians or transit movement in compliance with Planning Code Section 155.

- L. **Car Share Requirements.** Planning Code Section 166 requires one car-share parking space for projects with 50 to 200 residential units.

The Project provides three car share spaces at the basement level garage to serve the 157 dwelling units and complies with Planning Code Section 166.

- M. **Unbundled Parking.** Planning Code Section 167 requires that all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units.

The Project is providing off-street parking that is accessory to the dwelling units. These spaces will be unbundled and sold and/or leased separately from the dwelling units in compliance with Planning Code Section 167.

- N. **Dwelling Unit Mix.** Planning Code Section 207.6 requires that no less than 40 percent of the total number of proposed dwelling units contain at least two bedrooms, or no less than 30 percent of the total number of proposed dwelling units contain at least three bedrooms.

The Project provides 88 studios, five one-bedroom and 64 two-bedroom units that are equal to 41 percent of the unit mix, which meets the requirements of Planning Code Section 207.6.

- O. **Shadow Analysis.** Pursuant to Planning Code Section 295, projects over 40 feet in height that will cast any shade or shadow upon any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission requires approval by the Planning Commission pursuant to the provisions of Section 295.

A preliminary shadow analysis conducted by the Planning Department based on the plans submitted indicates that there would be no shadows cast on properties under the jurisdiction of the Recreation and Park Department. Therefore, the Project complies with Planning Code Section 295.

- P. **Transportation Sustainability Fee.** Planning Code Section 411A imposes a Transportation Sustainability Fee ("TSF") that would apply to large projects such as 1515 South Van Ness Avenue. The TSF (Ordinance No. 200-15) that was adopted and went into effect on December 25, 2015 provides that residential, non-residential and PDR uses shall pay the TSF to address the burden that new development will create on the City's transportation network, including all modes of transportation. The TSF will provide revenue that is significantly below the costs that SFMTA and other transit providers will incur to mitigate the transportation infrastructure and service needs resulting from the development.

The Project includes approximately 147,804 gross sq. ft. of new development that is subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A. However, the Project will receive a credit for the existing 31,680 sq. ft. of PDR use on the Project site. These fees must be paid prior to the issuance of the building permit application.

- Q. **Child Care Requirement for Residential Projects.** Planning Code Section 414A requires the Department to determine the applicability of Section 414A to any development project requiring a First Construction Document and, if Section 414A is applicable, the number of gross square feet of space subject to its requirements, and shall impose these requirements as a condition of approval for issuance of the First Construction Document for the development project to mitigate the impact on the availability of child-care facilities that will be caused by the residents attracted to the proposed development project.

The Project proposes 157 new dwelling units totaling 138,922 sq. ft. and will be required to pay a fee for each net new gross square foot of residential development. These fees must be paid prior to the issuance of the building permit application.

- R. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of 10 or

more units, where the first application (EE or BPA) was applied for on or after July 18, 2006. Pursuant to Planning Code Section 415.5 and 415.6, the current Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 12% of the proposed dwelling units as affordable. This requirement is subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. Recently adopted Ordinance No. 76-16 (File No. 160255) will become effective after the election is certified and includes grandfathering provisions for projects that were submitted to the Planning Department prior to January 12, 2016.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on January 16, 2016 and a draft of the Costa Hawkins agreement on July 11, 2016. The EE application was submitted on December 3, 2014. Pursuant to Planning Code Section 415.3 and 415.6 the current on-site requirement is 12%. Nineteen (19) units [ten (10) studios, one (1) one-bedroom and eight (8) two-bedroom] of the 157 units provided will be affordable rental units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable. The Project must execute the Costa Hawkins agreement prior to Planning Commission approval or must revert to payment of the Affordable Housing Fee.

- S. **Eastern Neighborhood Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project in the Eastern Neighborhoods Program Area which results in at least one net new residential unit or the new construction of a non-residential use.

The Project includes the construction of approximately 138,922 gross sq. ft. of new residential space and 5,241 gross sq. ft. of commercial use. These uses are subject to Eastern Neighborhood

Infrastructure Impact Fees as outlined in Planning Code Section 423 and must be paid prior to the issuance of the building permit.

7. **Conditional Use Authorization for Development of Large Lots.** Planning Code Section 121.1 establishes the following additional criteria the Planning Commission shall consider for new construction on lots of the same size or larger than 10,000 sq. ft. in the Mission Street NCT District:

- A. The mass and façade of the proposed structure are compatible with the existing scale of the district.

The proposed structure includes a mass and façade that takes cues from the existing structure and surrounding neighborhood with a combination of residential, commercial and industrial uses that are two to four stories in height to create a building that is the scale envisioned for this large site. The proposed development breaks up the massing by creating three distinct frontages and building features to visually break up the massing. Modulation is also incorporated on all floors and all sides of the structure to present a façade that is varied and interesting on a pedestrian level as well as on a larger scale.

- B. The façade of the proposed structure is compatible with the design features of adjacent facades that contribute to the positive visual quality of the district.

The Project's design reflects the influences of the surrounding neighborhood and the site, and takes cues from the existing structure. The design integrates the rhythm of the existing bays in the commercial unit at the corner of South Van Ness Avenue and 26th Street and includes pedestrian scale walk-up units along 26th Street, across from the existing residential uses. Along South Van Ness Avenue, the design and façade reflects the more commercial and vibrant nature of the frontage, whereas along 26th Street and Shotwell Street, a more residential and smaller scale design is proposed to coincide with the more residential character of those streets. By breaking the design and massing into three distinct parts the building integrates well into the neighborhood and creates a positive visual addition to the neighborhood and district.

8. **Conditional Use Authorization.** Planning Code Section 303 establishes criteria for the Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The surrounding neighborhood is comprised of a mix of residential and commercial buildings. To the west across South Van Ness Avenue are two story structures consisting of residential over ground floor automotive and retail uses. To the north across 26th Street are a two to three story multi-family residential development and a single-story automotive repair use. Across Shotwell Street to the east are several four story multi-family dwelling units and immediately adjacent to the Project site, to the

south, are retail and automotive repair uses. In general, the Project Site is surrounded by predominately single- and multi-family residential uses to the north and south and commercial and industrial uses to the east and west.

The primarily residential use of the Project is consistent with the goals and objectives of the Mission Area Plan of the Eastern Neighborhoods Planning Area. In addition, the proposed commercial ground floor retail would activate the street level and serve the adjacent residential neighborhood. All building frontages will include improved pedestrian amenities such as landscaping and sidewalk improvements to create a pedestrian scale that is compatible with the surrounding neighborhood. The 0.8 acre Project site is large and the density and intensity proposed is compatible with the surrounding neighborhood and is desired given 1515 South Van Ness Avenue's location along major roadways and transit corridors. The use of the Project site for residential uses is also compatible with the surrounding character of the neighborhood and community.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

1. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The Project site consists of an irregularly-shaped 35,714 sq. ft. lot with frontages along South Van Ness Avenue, 26th Street and Shotwell Street. A 31,680 square foot structure and associated surface parking lot currently exists on the Project site and would be demolished as part of the Project. Given the irregular lot shape, the Project proposes a single structure that maintains the street wall along all frontages but also provides an interior courtyard adjacent to the properties to the south to establish a mid-block pattern of open space for future block development.

The proposed structure conforms to the Planning Code requirements for height and bulk and steps down in height from South Van Ness Avenue to Shotwell Street. The Project site is also within two height districts and the proposed development complies with these 55- and 65-foot districts, which bisect along 26th Street, and provides a transition in vertical and horizontal massing where the height district change occurs.

2. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project includes 157 new dwelling units on a site adjacent to South Van Ness Avenue and just north of Cesar Chavez Street, which two major arterial roadways providing vehicular and transit access throughout the City. The Project proposes 82 off-street parking spaces including three dedicated car share spaces in a 32,473 sq. ft. underground garage accessed through an 18-ft. wide drive aisle off Shotwell Street. The proposed parking ratio is 0.50 spaces per dwelling unit and the Project includes one on-street loading space along 26th Street. The Project also includes 150 Class 1 bicycle parking spaces at the basement level and ten Class 2 bicycle parking spaces adjacent to the residential entry. Pedestrian access to the Project will be via the main lobby along

26th Street and secondary access will be provided via the leasing office along South Van Ness Avenue.

The Project is adjacent to an established street network of north-south and east-west arterials, and will not impact the accessibility or traffic patterns in the surrounding roadways. For these reasons, the Project will not result in parking or traffic that would be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity.

3. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project would not create any noxious or offensive emissions such as noise, glare, dust and odor during construction or operation. All construction activities will comply with the San Francisco Building Code requirements for construction, which includes compliance with air quality control measures for dust and odor. The design of the façade will include non-reflective materials and will not result in or create glare. Operation of the Project site as a primarily residential development will not generate noxious or offensive emissions such as noise or odor.

4. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project will comply with the City's Better Streets Plan and will include active ground floor uses and significant new landscaping and streetscape improvements. The structure will be set back along South Van Ness Avenue to provide additional landscaping and interest at a pedestrian scale along this frontage. Along 26th Street, walk-up dwelling units are proposed that include small landscaped porches and other green areas. New street trees are proposed along all frontages as well as landscape planters and other pedestrian improvements.

The Project includes significant open areas for use by the residents including 1,000 sq. ft. of private open space through at-grade private yards and 15,508 sq. ft. of common open space through a 6,853 sq. ft. ground floor patio courtyard and an 8,655 sq. ft. rooftop deck. In addition, there is 842 sq. ft. of other non-code compliant open space. In total, the Project is proposing 17,350 square feet of open areas for future residents. All parking facilities are located off-street and screened, as applicable, with adjacent landscaping enhancements. Additional lighting is also provided adjacent to these areas for pedestrian safety and to indicate the location of vehicular ingress and egress.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The procedures for Planned Unit Developments under Planning Code Section 304 are intended for projects on sites of considerable size, developed as integrated units and designed to produce an environment of stable and desirable character which will benefit the occupants, the neighborhood and the City as a whole. In cases of outstanding overall design, complementary to the design and values of

the surrounding area, such a project may merit a well-reasoned modification of certain provisions contained elsewhere in this Code. As discussed above, the Project requests modifications from the minimum rear yard, dwelling unit exposure, ground floor frontages and off-street loading requirements of Planning Code Sections 134, 140, 145.1 and 152, respectively. Otherwise, the Project meets all of the applicable provisions of the Planning Code and the General Plan.

- D. Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and

The Project is located within the Mission Street NCT Zoning District that has controls designed to permit moderate-scale buildings. New neighborhood-serving commercial development is encouraged mainly at the ground story with most commercial uses prohibited above the second story. A continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot but by physical envelope controls. The Project conforms to the stated purpose of this district and is an appropriate in-fill development that will add 157 new dwelling units to the City's housing stock and 5,241 square feet of commercial space in an area that encourages the development of high-density, mid-rise housing and continuous ground floor commercial frontage with pedestrian-oriented retail activities.

- E. The use or feature satisfies any criteria specific to the use or feature in Subsections (g), et seq. of this Section.

The Project does not require Conditional Use Authorization for any use or feature listed in Subsection (g) et seq.

9. **Planned Unit Development.** Planning Code Section 304 establishes that in addition to the criteria applicable to conditional uses stated in Section 303, the proposed development shall also meet the following criteria:

- A. Affirmatively promote applicable objectives and policies of the General Plan;

The Project promotes the applicable objectives and policies of the General Plan as described below.

- B. Provide off-street parking adequate for the occupancy proposed;

The Project would provide 79 private accessory residential parking spaces, that is equal to 0.5 parking spaces per dwelling unit, which is consistent with the principally permitted parking under the Planning Code.

- C. Provide open space usable by the occupants and, where appropriate by the general public, at least equal to the open spaces required by this Code;

The Project includes significant open areas for use by the residents including 1,000 sq. ft. of private open space through at-grade private yards and 15,508 sq. ft. of common open space through a 6,853 sq.

ft. ground floor patio courtyard and an 8,655 sq. ft. rooftop deck. In addition, there is 842 sq. ft. of other non-code compliant open space. In total, the Project is proposing 17,350 square feet of open areas for future residents.

- D. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of the Code for a district permitting a greater density, so that the Planned Unit Development would not be substantially equivalent to a reclassification of property;

The Project Site is located in the Mission Street NCT District where there is no defined limit on residential density. Rather, limits to density are restricted by physical envelope controls and Urban Design Guidelines of the Planning Code. In addition, density is limited by Planning Code Section 207.6, which provides that 40 percent of the total number of dwelling units must be two plus bedroom units or 30 percent of the total number of dwelling units must be three plus bedroom units. The Project is proposing that 64 of the 157 dwelling units (40.8%) would be two bedroom units. Thus, the proposed PUD for the Project is not equivalent to a reclassification of the property

- E. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code;

The Project does not exceed the applicable height limits in which it is located. The Project maintains a height of 55-ft within the 55-X portion of the site, and a height of 65-ft within the 65-X portion of the site.

- F. In NC Districts, be limited in gross floor area to that allowed under the floor area ratio limit permitted for the district in Section 124 and Article 7 of this Code;

The Project proposes 5,241 sq. ft. of commercial space that is equal to a floor ratio of 0.14 to 1 and therefore complies with Planning Code Sections 124 and 736.20.

- G. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code;

The proposed Project complies with this criterion because commercial and other residential accessory active uses will occupy the ground floor and residential uses will occupy the upper floors, consistent with the use limitations of the Mission Street NCT District pursuant to Planning Code Section 736.

- H. In RTO and NCT Districts, include the extension of adjacent alleys or streets onto or through the site, and/or the creation of new publicly accessible streets or alleys through the site as appropriate, in order to break down the scale of the site, continue the surrounding existing pattern of block size, streets and alleys;

The Project site is an irregularly shaped lot located just north of Cesar Chavez Street along South Van Ness Avenue within the Mission Street NCT District, which is not subject to the mid-block alley controls under Section Planning Code Section 270.2. Additionally, the lot tapers from 26th Street to Shotwell Street and does not provide the width, depth or location on the block for an appropriate mid-block cut through or access.

- I. Provide street trees as per the requirement of Section 138.1 of the Code;

The Project will comply with this criterion by providing the minimum required street trees as an element of the streetscape plan the Sponsor will develop and construct in collaboration with the Planning Department to be consistent with the Better Streets Plan.

- J. Provide landscaping and permeable surfaces in any required setbacks in accordance with Section 132 (g) and (h).

The Project will comply with this criterion by providing landscaping and permeable surfaces as part of the streetscape plan that the Sponsor will develop and construct in collaboration with the Planning Department to be consistent with the Better Streets Plan.

10. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Policy 1.2

Focus housing growth and infrastructure necessary to support growth according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

Policy 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a higher density residential development, which provides up to 157 new dwelling units in a mixed-use area that was recently rezoned as part of a long range planning goal to create a cohesive residential and mixed-use neighborhood. The Project will provide nineteen on-site affordable housing units for rent, which assist in meeting the City's affordable housing goals. The Project is also in close proximity to numerous public transportation options.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1

Develop new housing, and encourage the remodeling of existing housing, for families with children.

Policy 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Policy 4.5

Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

The Project will add 157 dwelling units to the City's housing stock, and meets the affordable housing requirements by providing for nineteen on-site permanently affordable units for rent.

OBJECTIVE 11

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2

Ensure implementation of accepted design standards in project approvals.

Policy 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4

Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6

Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8

Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.2

Consider the proximity of quality of life elements such as open space, child care, and neighborhood services, when developing new housing units.

OBJECTIVE 13

PRIORITIZE SUSTAINABLE DEVELOPMENT IN PLANNING FOR AND CONSTRUCTING NEW HOUSING.

Policy 13.1

Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.1

Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The Project responds to the site's mixed-character by providing new dwelling units, which appropriately address the adjacent residential, light industrial and retail commercial uses. The Project appropriately responds to the varied character of the larger neighborhood, and the building's facades provide a unique expression not commonly found within the surrounding area, while providing for a contrasting material palette. The Project site is ideally situated with easy access to transit routes along Mission Street and Cesar Chavez Street, and is within walking distance to the 24th Street Bay Area Regional Transit (BART) station that promotes "smart" regional growth.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 6. MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.9

Regulate uses so that traffic impacts and parking problems are minimized.

The project proposes 79 off-street parking spaces and three designated car-share spaces in an underground garage that are accessed by a single 20-foot wide vehicular driveway and curb cut along Shotwell Street. Two service vehicle loading spaces are also located in the garage and one on-street freight loading space is also proposed on 26th Street. The location of the basement level parking entrance/exit is the most appropriate for the project, ensures active uses are located along all the street frontages, and minimizes any conflicts with the pedestrian and transit movements.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 4:

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.5:

Require private usable outdoor open space in new residential development.

Policy 4.6:

Assure the provision of adequate public open space to serve new residential development.

The Project provides 6,853 sq. ft. of usable common open space through a ground floor inner courtyard that measures 130-ft. by 110-ft. at its widest point to allow the minimum required amount of sunlight penetration. An additional 8,655 sq. ft. of common open space is provided by a roof deck at the sixth floor of the building. The Project also provides a combined 1,000 sq. ft. of private open space for ten ground floor units that open onto the inner courtyard. Although the Project also provides an additional 842 sq. ft. of non-compliant open space, the 15,508 sq. ft. of common usable open space exceeds the 14,700 sq. ft. that are required by the remaining 147 units. Therefore, the Project complies with Planning Code Sections 135 and 736.93.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:

Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3:

Install pedestrian-serving street furniture where appropriate.

Policy 24.4:

Preserve pedestrian-oriented building frontages.

The Project includes active uses including a corner commercial storefront with a generous floor-to-ceiling height of 20-feet, six trade shops that will have large roll-up doors, a residential amenity room and dwelling units with elevated stoops that have direct access to the public street along all three frontages of the building that would also be more than two-thirds fenestrated with transparent windows. The Project will include a streetscape plan that will comply with the City's Better Streets Plan and include new street trees, landscape planters, sidewalk and other pedestrian improvements to further activate the building frontages.

OBJECTIVE 28:

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:

Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:

Provide parking facilities which are safe, secure, and convenient.

The Project includes 150 Class 1 bicycle parking spaces and ten Class 2 bicycle parking spaces in secure, convenient locations, thus meeting the amount required by the Planning Code.

OBJECTIVE 34:

RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:

Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3:

Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:

Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project adheres to the principally permitted parking amounts within the Planning Code. The 82 proposed parking spaces are adequate for the Project that are accessed by one access point using an existing driveway that will not eliminate any existing on-street parking spaces.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.7:

Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1:

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.3:

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4:

Promote building forms that will respect and improve the integrity of open spaces and other public areas

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.5:

Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project's design reflects the influences of the surrounding neighborhood and the site, taking cues from the existing structure. The Project site includes three very distinct frontages and the building design responds to this unique context by breaking the building into three separate parts creating different visual experiences across the Project frontage. This change also affords the opportunity to create a different pedestrian experience at ground floor level on all three streets. The Project site includes a unique signature element at the corner of 26th Street and South Van Ness Avenue, and the building's massing is broken down and modulated with elements such as ground floor setbacks, bay windows, private patios and decks, and window variation. The exterior cladding is also varied with an expanded color palette to add to the scale and diversity of the building, integrating it into uniquely vibrant neighborhood.

MISSION AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

Policy 1.1.8

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE MISSION WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

Policy 1.2.1

Ensure that in-fill housing development is compatible with its surroundings.

Policy 1.2.3

In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

Policy 1.2.4

Identify portions of the Mission where it would be appropriate to increase maximum heights for residential development.

Housing

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

Policy 2.1.1

Require developers in some formally industrial areas to contribute towards the City's very low-, low-, moderate- and middle-income needs as identified in the Housing Element of the General Plan.

OBJECTIVE 2.3

ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES

Policy 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

Policy 2.3.5

Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

Policy 2.3.6

Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

Built Form

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

Policy 3.1.1

Adopt heights that are appropriate for the Mission's location in the city, the prevailing street and block pattern, and the anticipated land uses, while preserving the character of its neighborhood enclaves.

Policy 3.1.8

New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.1

Require high quality design of street-facing building exteriors.

Policy 3.2.3

Minimize the visual impact of parking.

Policy 3.2.4

Strengthen the relationship between a building and its fronting sidewalk.

Policy 3.2.6

Sidewalks abutting new developments should be constructed in accordance with locally appropriate guidelines based on established best practices in streetscape design.

Transportation

OBJECTIVE 4.7

IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN THE MISSION

Policy 4.7.2

Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

OBJECTIVE 4.8

ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS

Policy 4.8.1

Continue to require car-sharing arrangements in new residential and commercial developments, as well as any new parking garages.

Streets & Open Space

OBJECTIVE 5.3

CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD.

Policy 5.3.1

Redesign underutilized portions of streets as public open spaces, including widened sidewalks or medians, curb bulb-outs, "living streets" or green connector streets.

Policy 5.3.2

Maximize sidewalk landscaping, street trees and pedestrian scale street furnishing to the greatest extent feasible.

The Project includes the demolition of 35,714 sq. ft. of PDR space that served as the headquarters for the locally based McMillan Electric Company. This light industrial and commercial use is encouraged to be retained within the Mission, as it provides blue-collar jobs, assists in diversifying the neighborhood economy and provides a valued community resource. Although the Project results in a loss of PDR space, the development at 1515 South Van Ness Avenue includes a significant amount of new housing, including on-site BMR units as well as a diversity of housing types from small studios to larger family-sized units. The Project is made possible as the result of the sale of the subject parcels by the McMillan Electric Company which has already re-located to another location 1.5 miles away on Cesar Chavez Street. Overall,

the Project includes appropriate uses encouraged by the Area Plan for this location. The Project provides 157 new dwelling units that will be available for rent. In addition, the Project is designed to meet the prescribed height and bulk limits, and includes the appropriate dwelling unit mix with more than 40% or 64 units having two bedrooms. The Project introduces a contemporary architectural vocabulary that is sensitive to the prevailing scale and neighborhood fabric and provides a high quality designed exterior that features a variety of materials, colors and textures including fiber cement board vertical siding, smooth cement plaster, durable wood tone solid composite paneling, metal siding, aluminum storefronts, iron and glass railings, and dark bronze frame aluminum windows. The Project provides ample private and common open space and also improves the public rights-of-way with new streetscape improvements, street trees and landscaping. The Project minimizes the impact of off-street parking in an underground garage and is in proximity to numerous public transit options. The Project is also compatible with the surrounding residential, commercial and light industrial land uses. The Project will also pay the appropriate development impact fees, including the Eastern Neighborhoods Impact Fees. Despite the loss of PDR space, on balance, the Project meets the Objectives and Policies of the Mission Area Plan.

11. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

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

The Project Site is currently occupied by a commercial building and associated parking lot for McMillan Electric Company, an electrical contractor. The Project would demolish this building and develop a new mixed-use residential building with 157 dwelling units, six trade shops and 1,074 square-feet of ground floor commercial space. Thus, the Project would provide new, commercial retail space for the residents and adjacent residential neighborhood. In addition, the new residents of the project would frequent the nearby existing retail uses.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Project site is located in a mixed-use neighborhood that proposes to provide 157 new, high quality residences, a corner retail storefront and six trade shop spaces for local artisans and makers. The Project embraces the character of the existing neighborhood in its design and quality of craftsmanship and is providing unit sizes compatible with the location.

- C. That the City's supply of affordable housing be preserved and enhanced.

The Project does not currently possess any existing affordable housing. The Project will comply with the City's Inclusionary Housing Program by providing nineteen below-market rate dwelling units for rent. Therefore, the Project will increase the stock of affordable housing units in the City.

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

The Project is primarily a residential project that will create minimal, if any, new commuter traffic that could over burden local streets or impact neighborhood parking. The Project would provide 81 off-street parking spaces including two car share spaces that is equal to 0.5 spaces per dwelling unit.

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

The Project does not include commercial office development. The Project proposes a mixed-use residential and retail commercial development that will be consistent with the existing character of the Mission neighborhood. The previous owner and occupant, McMillan Electric Company has relocated to 1950 Cesar Chavez Street, which is located approximately 1.1 miles from 1515 South Van Ness Avenue. Its new location is more easily served by large trucks and is located in a predominately industrial and commercial neighborhood that is more compatible with its light industrial use. The Project will not result in the loss of a locally owned company or the displacement of any jobs.

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

The Project will be designed and constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the Property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The Project site does not currently contain any City Landmarks or historic buildings.

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

The Project will not cast new shadows on property under the jurisdiction of the Recreation and Park Commission, and is a distance away that it will not impact parks or open spaces or their sunlight or vistas.

9. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2014.1020CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 21, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

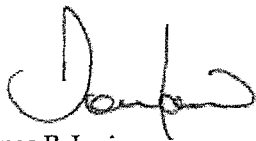
The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 303 and 304 Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19727. The effective date of this Motion shall be the date of this Motion if not appealed (after the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives NOTICE that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on August 11, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Moore, Richards and Johnson

Motion No. 19727
August 11, 2016

CASE NO. 2014.1020CUA
1515 South Van Ness Avenue

NAYS: None

ABSENT: Wu

ADOPTED: August 11, 2016

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use to allow demolition of the existing structures and construction of a 188,277 gross square feet, 55 to 65 feet tall and five- to six-story building that includes 138,922 square feet of residential uses for up to 157 dwelling units, 5,241 square feet of commercial spaces including one retail commercial storefront and six trade shops and a 32,473 square feet partially underground garage for 82 accessory automobile and 150 bicycle parking spaces on a development site more than 10,000 square feet in area, and to allow modifications to the requirements for rear yard pursuant to Planning Code Section 134, dwelling unit exposure pursuant to Planning Code Section 140, ground floor street frontages in Neighborhood Commercial districts pursuant to Planning Code Section 145.1 and off-street freight loading pursuant to Planning Code Section 152, for the property located at 1515 South Van Ness Avenue, Block 6571 and Lots 001, 001A and 008, pursuant to Planning Code Sections 121.1, 303 and 304 within the Mission Street Neighborhood Commercial Transit (NCT) Zoning District and the 55/65-X Height and Bulk Districts; in general conformance with plans, dated July 27, 2016, and stamped "EXHIBIT B" included in the docket for Case No. 2014.1020CUA and subject to conditions of approval reviewed and approved by the Commission on August 4, 2016, under Motion No. 19727. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on August 11, 2016 under Motion No. 19727.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19727 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014.1020ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

7. **Final Materials.** The Project Sponsor shall continue to work with the Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
8. **Commercial Uses.** The Project Sponsor shall continue to work with the Planning Department to incorporate trade shop and other Code compliant uses consistent with the Latino Cultural District.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
9. **Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with the Department of Public Works and the Metropolitan Transportation Agency, to refine the design and programming of the Streetscape Plan so that the plan generally will meet the standards of the Better Streets Plan, and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
10. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org
11. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

12. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:

- On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
- On-site, in a driveway, underground;
- On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
- On-site, in a ground floor façade.
- Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
- Public right-of-way, underground; and based on Better Streets Plan guidelines;
- Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
- Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

PARKING AND TRAFFIC

13. **Unbundled Parking.** All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

14. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than 79 off-street accessory residential spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

15. **Car Share Requirement.** Pursuant to Planning Code Section 166, the Project shall provide at least two, and not more than five additional dedicated car-share parking spaces. The required car-share spaces shall be made available, at no cost, to a certified car-share organization for purposes of providing car-share services for its car-share service subscribers.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
16. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 150 Class 1 bicycle parking spaces and ten (10) Class 2 bicycle parking spaces for the 157 dwelling units and 5,241 sq. ft. of commercial space.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
17. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
18. **Parking for Affordable Units.** All off-street parking spaces shall be made available to Project residents only as a separate “add-on” option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner’s rules be established, which prevent or preclude the separation of parking spaces from dwelling units.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

19. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
20. **Transportation Sustainability Fee.** Pursuant to Planning Code Section 411A, the Project Sponsor shall pay the Transit Sustainability Fee (TSF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

21. **Residential Childcare Impact Fee.** Pursuant to Planning Code Section 414A, the Project Sponsor shall comply with the Residential Childcare Impact Fee provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

22. **Eastern Neighborhoods Infrastructure Impact Fee.** Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

23. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

MONITORING

24. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

25. **Revocation Due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

26. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being

served by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

27. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

28. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

29. **Lighting.** All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

INCLUSIONARY AFFORDABLE HOUSING PROGRAM

30. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is currently required to provide 12% of the proposed dwelling units as affordable to qualifying households, but is subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. Recently adopted Ordinance No. 76-16 (File No. 160255) will become effective after the election is certified and includes grandfathering provisions for projects that were submitted to the Planning Department prior to January 12, 2016. The Project contains 157 units; therefore, 19 affordable units are currently required. The Project Sponsor will fulfill this requirement by providing the 19 affordable units on-site. If the Project is subject to a different requirement if the Charter Amendment is approved and new legislative requirements take effect, the Project will comply with the applicable requirements at the time of compliance. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD").

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 1) **Unit Mix.** The Project contains 88 studios, 5 one-bedroom, and 64 two-bedroom units. Therefore, the required affordable unit mix is 10 studios, 1 one-bedroom, and 8 two-bedrooms, or the unit mix that may be required if the inclusionary housing requirements change as discussed above. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 2) **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 3) **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 4) **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 5) **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOHCD at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to qualifying households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average fifty-five (55) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco," but these income levels are subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. If the Project is subject to a different income level requirement if the Charter Amendment is approved and new legislative requirements take effect, the Project will comply with the applicable requirements. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.
- d. Required parking spaces shall be made available to renters of affordable units according to the Procedures Manual.
- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.

- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document or must revert payment of the Affordable Housing Fee.
- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.

EXHIBIT B

EXHIBIT B

EXHIBIT B

Planning Commission Hearing of August 11, 2016

http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=25976

Agenda item 13, 1515 South Van Ness Avenue, begins at 3:57:52

EXHIBIT C

EXHIBIT C

EXHIBIT C

Links to Eastern Neighborhoods Area Plan EIR, Motion 17661 of the Planning Commission which adopted CEQA Findings for the Plan EIR, and the Mitigation Monitoring Report

Final PEIR:

http://sf-planning.org/sites/default/files/FileCenter/Documents/3991-EN_Final-EIR_Part-1_Intro-Sum.pdf

Motion and Findings:

http://sf-planning.org/sites/default/files/FileCenter/Documents/1268-EN_BOS_Vol4_CEQA_Part7_Web.pdf

Ordinance on Monitoring Program:

<https://law.resource.org/pub/us/code/city/ca/SanFrancisco/Administrative Code/chapter10e.pdf>

EXHIBIT D

EXHIBIT D

EXHIBIT D

West Bay Law
Law Office of J. Scott Weaver

August 3, 2016

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

Re: Case No. 2014.1020U - 1515 South Van Ness Avenue

The Calle 24 Latino Cultural District Community Council requests that the Commission withhold action and instruct the Department to evaluate the impacts of the proposed project on the Latino Cultural District (LCD), including appropriate mitigation and community benefits. This evaluation is compelled under CEQA and is consistent with the mission of the LCD, the MAP 2020 process and under Interim Controls. Withholding of consideration is warranted by the Council's ongoing efforts to create a Special Use District, and a Cultural Benefits District, and to allow associated mitigation measures to be put into place. MAP 2020 has also begun engaging in this process.

Introduction.

The proposed project at 1515 South Van Ness Avenue consists of approximately 159 units, of which 19, "market rate". These units will cater to residents earning 200% AMI, as compared to the 50% AMI of the residents of the immediate area. There are numerous other market rate projects currently in the pipeline within the LCD that will likewise impact the neighborhood. They are: 2675 Folsom Street (98 "market rate" units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 2918 Mission St. (38), 1298 Valencia St. (35), 2600 Mission (20). Two blocks from the LCD is 2000-2070 Bryant Street (195 units), giving a total of 666 "market rate" units in the immediate area. Proper assessment of the proposed project therefore requires examination of the cumulative impacts of the above listed projects.

These projects would be permanent fixtures forever changing the neighborhood, both in terms of its built environment and its residents. We already know that current Mission residents are not able afford such luxury housing. Thus, these projects will result in the infusion of over 666 high earning households that will substantially alter the demographic of the neighborhood. We also know that the Mission is currently undergoing rapid gentrification, and without adequate mitigation, stabilization, and community benefit measures, projects such as these will dramatically accelerate the already unacceptable level of gentrification in the neighborhood.

These new households earn four times the AMI of existing residents, and will would create an economic force that will substantially, and permanently, change the feel and constitution of the neighborhood. These high earning households will interact with the neighborhood on a daily basis, creating demands for high end services and products, and thereby putting existing businesses – many of whom are on short term leases – at risk. Likewise, the proposed project will exacerbate demand for affordable housing (see reference to Nexus Analysis below). As we have seen over and over again, the economic climate created by such gentrification will provide incentives for residential landlords to displace residents using various means at their disposal (including Ellis Act Evictions, OMI evictions, or more commonly, threats and harassment). A wealthier community creates financial incentives for both residential and commercial landlords to maximize their rents – making the residents and businesses in the LCD vulnerable to displacement. Anyone skeptical of this impact need only to look at the changes on Valencia Street between 17th and 21st Streets, where less than 100 market rate units have been built, but visible gentrification has occurred. This outcome is not the vision for the Latino Cultural District.

These likely impacts should be evaluated and adequate mitigation and community benefits put in place before considering the proposed project and other projects so affecting the LCD. Whether you care to view this need in terms of CEQA compliance, or the viability of the Eastern Neighborhoods PEIR, or the consistency (or inconsistency) with the Eastern Neighborhoods Plan, or for the purpose of evaluating socioeconomic impacts under Interim Controls, or MAP 2020 Guiding Principles, or for the policy purposes enunciated in the creation of the LCD, it is imperative that issues of impact and mitigation measures be analyzed before any project can be approved.

Background of the LCD and Existing Threats.

The businesses and nonprofits in the LCD have been recognized by resolution of the Board of Supervisors as an important cultural, historical and commercial resource for the City. (Resolution Creating LCD is attached as Exhibit 1) The Ordinance creating the LCD noted that “The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco.” The District was established “to stabilize the displacement of Latino Businesses, and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco’s residents and tourists, . . .” and that its contribution will provide “cultural visibility, vibrancy, and economic opportunity for Latinos in the City and County of San Francisco.”

The Calle 24 Latino Cultural District Community Council (“the Council”), a nonprofit consisting of community stakeholders in the LCD, has stated as its mission: “To preserve, enhance, and advocate for Latino cultural continuity, vitality, and community in San Francisco’s touchstone

Latino Cultural District and the greater Mission community”. (See Report, Exhibit 2, page 4 Appendices may be found at <http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf>) With funding from the Mayor’s Office of Economic and Workforce Development and technical support from the Gato Group, the Council engaged in an extensive planning process that included numerous stakeholder interviews, four focus groups, a study session with expert consultants, and four community meetings. At the conclusion, the Council prepared a report on its community planning process. (Exhibit 2, Page 8) Among the Council’s initiatives are the creation of a Special Use District and a Cultural Benefits Campaign district. These initiatives are currently in process.

The report noted that “there were major concerns among all stakeholders about the **lack of affordable housing** and about the gentrification and recent eviction and displacement of long-time residents. A related theme was the **rapid transformation** underway with some saying they wanted to prevent another ‘Valencia’ (referring to the way Valencia lost much of its Latino culture in the 1990s and 2000s)”. (emphasis original) (Exhibit 2, P 12)

Unfortunately, we are beginning to see the Valenciization of the LCD. Small mom and pop businesses are being replaced by upscale corporate-owned businesses. Non-profits such as the 40-year-old Galeria de la Raza, on month-to-month tenancies are extremely vulnerable. They are also seeing a diminution of their customer base due to gentrification and the resulting displacement.

Development has already demonstrated the potential physical impacts of continued market rate development. For instance, at a proposed project on 24th and York, the owner plans to build 12 condo townhomes which will cover a mural that has been on there over 30 years and is part of the Precita eyes mural tours. The famous Carlos Santana mural on 22nd and South Van Ness was completely covered when the lot in front built housing. In balmy alley new owners of a property wanted to remodel and add a second unit which faced balmy ally, covering a 40 year old mural.

More disturbing has been complaints by newcomers against neighboring Latino owned businesses from the owner and residents of the Vida on Mission Street. A group of new residents on Harrison St. calling themselves “the gang of five” said they would sue to stop Carnival. During Sunday Streets on 24th a group of neighbors did not want the low riders on Harrison Street, saying that they were intimidated by them. Additionally, neighbors have complained about “Mexican” music on 24th Street. Without sufficient mitigation and community benefits, problems such as these will only get worse with the influx of hundreds more “gentrifiers”, all to the detriment of the residents, businesses, and nonprofits that the City said it wanted to protect when it created the LCD. As we have seen on Valencia Street we can foresee gentrifiers requesting the police to move Latino youths, and adults, off “their” street corners.

Impacts such as these should be evaluated and adequate mitigation measures put in place before considering the proposed project and other projects so affecting the LCD. Whether you care to view this in terms of CEQA, for the purpose of consistency (or inconsistency) with the Eastern Neighborhoods Plan, for the purpose of evaluating socioeconomic impacts under MAP 2020, or for the policy purposes enunciated in the creation of the LCD, it is imperative that these issues be analyzed before any project can be approved.

THE ENVIRONMENTAL REVIEW IS INADEQUATE

The proposed project received a Community Plan Exemption based on the Eastern Neighborhoods PEIR. This exemption was in error because 1) the eight-year-old PEIR is no longer viable due to unanticipated circumstances on the ground, and 2) the PEIR did not consider impacts on the LCD because the LCD did not exist at the time of the PEIR.

Substantial New Information Negates the Exemption From Environmental Review.

The Department has issued a Community Plan Exemption which allows the Department to use the Eastern Neighborhoods Plan EIR (PEIR) instead of a project EIR - except with respect to areas of concern unique to the project. The use of the PEIR in this way presupposes that it is sufficiently current to address all areas required under CEQA.

Unfortunately, circumstances on the ground have rendered the 2008 PEIR out of date, and it cannot be a reliable measure of environmental impacts of market rate development in the Mission. It is well recognized that the Mission has already experienced extensive displacement of its residents, so much so, that it is now in an advanced stage gentrification. <http://missionlocal.org/2015/09/sf-mission-gentrification-advanced/> Should the project proceed, it will cause significant economic and social changes in the immediate area that will result in physical changes, not the least of which is displacement of residents and businesses which will affect air quality, traffic and transportation, as well as negative impacts on the Cultural District. (See CEQA guidelines, 15604 (e)).

The demand for affordable housing has increased significantly since the PEIR, and the glut of luxury housing only makes matters worse. A 2007 Nexus Study, commissioned by the Planning Department, concluded that the production of 100 market rate rental units generates a demand of 19.44 lower income households through goods and services demanded by the market rate tenants. [These conclusions were made in 2007, well before housing prices began their steep upward trajectory. Today, new "market rate" two bedroom apartments rented in the Mission begin at about \$6,000 per month – requiring an annual household income of \$240,000.] At the time, the PEIR anticipated a 15% inclusionary rate. The current Nexus study waiting to be released is expected to show a demand of 28 affordable units for every 100 built.

With a 12% inclusionary rate, there is a need for 16 additional affordable units per hundred market rate units produced. (28 minus 12 – 16) This was not anticipated in the PEIR. One must to ask: how will these low income households created by the demand of market rate units live? and how will they get to work? School? Services? and what is the impact on air quality and transportation? These questions should be addressed by the Department.

When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). The situation on the ground has changed substantially since the PEIR was prepared in 2008.

- The PEIR did not anticipate the “advanced gentrification” of the neighborhood, along with the extensive displacement of Latino families and businesses, the reverse commute to distant areas, and that impact on greenhouse gas emissions and on traffic congestion.
- Along similar lines, at the time the PEIR was prepared, research regarding the extent of increased automobile traffic and greenhouse gas emissions was not available. There is now solid evidence that upper income residents are twice as likely to own a car and half as likely to use public transit. (See Exhibit 3)
- The unanticipated additional demand for affordable housing due to the overbuild of luxury housing.
- The unexpected disappearance of Redevelopment money to fund affordable housing, without new resources compensating for the loss.
- Notably with respect to this proposed project, the PEIR did not, nor could it have considered the impact of a project on the LCD because the LCD did not exist at the time. Where, as here, the offsite or cumulative impacts were not discussed in the prior PEIR, the exemption provided by Section 15183 does not apply. (See 15183(j))
- The PEIR was prepared during a recessionary period. Since then, both rents and evictions have increased dramatically, especially impacting the Mission. This has led to the development of luxury units and high end retail that was not anticipated in the PEIR.
- The PEIR assumed that the Eastern Neighborhoods Plan and the Mission Plan would meet their goals of providing over 60% low, moderate, and middle income housing. This goal has not come close to materializing, further exacerbating the problems of displacement.

- The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such we have high earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no fault evictions. (<http://www.antienvictionmappingproject.net/techbusevictions.html>)
- The cumulative housing production in the Mission (built and in the pipeline) now exceeds projections under any of the three scenarios envisioned when the Eastern Neighborhoods Plan created. According to Planning Department Data, projects containing 2,451 housing units have either been completed or are under environmental review as of 2/23/16. Option A of the PEIR envisioned 782 units, Option B 1,118 units and Option C 2054 units, with a Preferred Project at 1696 units.

These changed circumstances render the current PEIR obsolete. Further, cumulative impacts have not been adequately addressed due to the obsolescence of the PEIR. The Community Plan Exemption is therefore no longer relevant.

The Impact of the Proposed Project on the Calle 24 Latino Cultural District is Subject to Environmental Review.

In addition to the foregoing, the environment impact of the proposed project on the LCD is required because the LCD was not considered in the PEIR. CEQA defines “environment” as “the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance.” 14 CCR Sec. 15131(a). See e.g. *Eureka Citizens for Responsible Government v City of Eureka* (2007) 147 Cal.App.4th 357, 363. The LCD falls under CEQA because (1) it is “historic” as defined in the Public Resources Code and the CCR and (2) there are indirect physical impacts of” in that it causes greenhouse gas emissions and exacerbates already strained transportation infrastructure.

Lead agencies have the responsibility to evaluate projects against the CRHR criteria prior to making a finding as to a proposed project’s impacts to historical resources (California Public Resources Code, Section 21084.1). A historical resource is defined as any object, building, structure, site, area, place, record, or manuscript that: a) Is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, or cultural annals of California; and b) Meets any of the following criteria: (1) Is associated with events that have made a significant contribution to the broad patterns of California’s history and cultural heritage; (2) Is associated with the lives of persons important in our past; (3) Embodies the distinctive characteristics of a type, period, region, or

method of construction, or represents the work of an important creative individual, or possesses high artistic values; or (4) Has yielded, or may be likely to yield, information important in prehistory or history (14 CCR 15064.5(a)(3)). These businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City whose “richness of culture, history and entrepreneurship is unrivaled in San Francisco.”

The near and long term preservation and enhancement of the LCD is a stated goal of the City. This, of necessity, includes the physical presence of its residents, businesses, and non-profits, which we submit are endangered by the extensive market rate development slated for the area. The displacement, whether direct, or indirect (i.e. via gentrification) certainly will have a physical effect on the environment because increased commuting distances for the displaced will result in greenhouse gas emissions. (See checklist in Appendix G of the Guidelines). Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances was not contemplated in the PEIR for the Eastern Neighborhoods.

Finally, the displacement created by this project will also create negative health impacts on those facing displacement as well as the threat of displacement. The Centers for Disease Control and Prevention website stats that “displacement has many health implications that contribute to disparities among special populations, including poor, women, children, the elderly, and members of racial/ethnic minority groups.” (Health Effects of Gentrification, <https://www.cdc.gov/healthyplaces/healthtopics/gentrification.htm>)

There is substantial evidence that continued disproportionately luxury development in the LCD (as well as the rest of the Mission) will result in more reverse commutes, significantly higher levels of car ownership by new residents. Moreover, there is strong reason to believe that historic, cultural and aesthetic resources, such as Latino-owned businesses and non-profits, including entities such as La Galeria de La Raza will be impaired as a result of this rampant development.

Cumulative Impacts of Market Rate Development on the Calle 24 Latino Cultural District Should be Examined.

As previously mentioned, the impacts from the proposed project cannot be examined in isolation. The proposed project is not constructed inside a bubble. Both the project and its residents interact with the immediate community in multiple ways. Similarly, the environmental impacts of this project cannot be examined apart from other proposed projects currently in the pipeline. As previously stated, counting this project, there are approximately 666 luxury units currently in the pipeline that are located in or near the LCD.

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

Therefore, the impact of the proposed project (consisting of 98 market rate units) should be evaluated in conjunction with the cumulative impacts it and the additional 568 units would have on the LCD. Without such an evaluation, the Commission will lack information that would allow an adequate, accurate, or complete assessment for CEQA purpose.

CONDITIONAL USE SHOULD BE DENIED

In addition to exemption from environmental review, the applicant is seeking Conditional Use authorization as a Planned Unit Development. Conditional use is also required under the Interim Controls instituted by the Commission on January 14, 2016.

Planning Code Section 303(c)(1) requires a grant of conditional use only upon a finding that "the proposed use or feature, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable for, and compatible with, the neighborhood or the community."

The project as proposed is not necessary or desirable for and compatible with the community. Conditional use should be denied for several reasons: 1) the project is inconsistent with the stated purposes of the Eastern Neighborhoods Plan and the Mission Plan, 2) the proposed project does not comply with Interim Controls or MAP 2020 guidelines.

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

In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. The EIR for the Eastern Neighborhoods Plan reflected the Eastern Neighborhood objectives as follows:

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

- *Increase Housing*: To identify appropriate locations for housing in the City's industrially zoned land to meet a citywide need for more housing, and affordable housing in particular. (emphasis supplied)

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

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

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

Mission-wide goals include:

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

In light of these goals, the Commission must consider; 1) How the provision of 140 luxury units as against only 19 affordable ones furthers the above goals, 2) The impacts of the proposed project on the LCD, and 3) the merits, or lack of merits of any exemptions that the applicant is seeking.

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

Under the Interim Controls, the sponsor is required to evaluate, from a socio-economic perspective, how the proposed project would affect existing and future residents, business and community serving providers in the area. (Interim Controls, IV.C(1)). The sponsor completely avoided any meaningful evaluation, and made no mention of the potential impact on the LDC. Instead, the sponsor described the population changes in the Mission as a whole, including the continued decimation of Latino households in the Mission. The sponsor's report concluded that the proposed project will "not impact" the demographic changes occurring in the Mission. There is no credible data that supports this, and again, all the more reason why cumulative impacts of luxury development in the Latino Cultural District should be studied.

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

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

The cumulative impacts of this and other predominantly luxury development projects create a result 180 degrees opposite the purposes of Interim Controls and the MAP 2020 process. The commission cannot make an informed decision as to whether the project, both individually and cumulatively, is “necessary or desirable for and compatible with the neighborhood or community. For that reason, the Commission should require evaluation of these impacts.

Evaluation Requested.

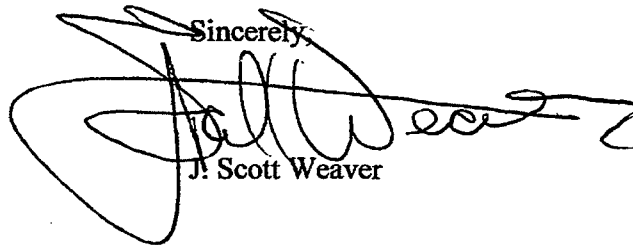
In addition to whatever evaluation that the Department may deem appropriate, we are requesting that the Department evaluate the proposed project, both individually and cumulatively, with respect to the potential impacts of the extensive market rate development on the existing residents, businesses, and non-profits in the Calle 24 Latino Cultural District. This inquiry should address the concerns stated above and include, but not be limited to, the following:

- The amount of income that households will be required to have in order to afford the market rents of the proposed project.
- The amount of anticipated disposable income of the households moving into the market rate units at the proposed project.
- The consumer preferences for goods and services of households moving into the market rate units at the proposed project, as compared to those Latino residents in the LCD earning 50% AMI.
- The potential venues where those consumer preferences are likely to be met.
- The short and long term impacts on neighborhood serving Latino businesses that new market rent paying households, with higher disposable incomes, will have on commercial rents in the Latino Cultural District – both from the standpoint of the

proposed project and from the standpoint of the cumulative impact of the projects listed above.

- The short and long term impact that rents at the proposed project (and cumulative proposed projects) will have on rents of vacant resident units in the immediate areas.
- The short and long term impact that the proposed project (and cumulative proposed projects) will have on displacement of Latinos and families now living in the Calle 24 Latino Cultural District.
- The housing alternatives of residents now living in the Calle 24 Latino Cultural District should they be displaced.
- The short and long term impact that the proposed project (and cumulative proposed projects) will have on the percentage of Latino residents and businesses living and working in the Calle 24 Latino Cultural District.
- Mitigation alternatives that, if employed, would stabilize commercial rents in the Latino Cultural District.

In light of the foregoing, you are requested to undertake the evaluation requested before considering the proposed project, or any of the other projects listed above that would have an impact on the Calle 24 Latino Cultural District.

Sincerely,

J. Scott Weaver

JSW:sme
cc Calle 24 Latino Cultural District Community Council
bcc numerous

Exhibit 1: Resolution Establishing Calle 24 Latino Cultural District

http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/committees/materials/LU051914_140421.pdf

Exhibit 2: Report Prepared by Calle 24 Latino Cultural District Community Council

<http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf>

Exhibit 3: Why Creating and Preserving Affordable Homes Near Transit is an Effective Climate Change Strategy

<http://chpc.net/wp-content/uploads/2015/11/4-AffordableTODResearchUpdate070114.pdf>

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

Address	Case No.	Date of Document	Status of Document	Net Housing Units	Cultural, Institutional, Educational	Medical	Management, Information, and Professional Services	PDR	Retail and Entertainment
3418 26th Street	2009.0610E	8-Nov-10	Published CPE	13	0	0	0	0	0
80 Julian Avenue	2009.1095E	23-Jun-10	Published CPE	8	0	16,000	0	0	0
411 Valencia	2009.0180E	13-May-10	Published CPE	16	0	0	0	-1,550	1,370
490 South Van Ness Avenue	2010.0043E	24-Jun-14	Published CPE	72	0	0	0	-1,618	1,123
3420 18th Street	2012.1572E	16-Oct-13	Published CPE	16	0	0	0	-4,675	1,000
1875 Mission Street	2010.0787E	14-Oct-10	Published CPE	38	0	0	0	-43,695	2,523
17th Street and Folsom Street Park	2009.1163E	24-Jan-11	Published CPE	0	0	0	0	0	0
1501 15th Street	2008.1395E	27-Jan-11	Published CPE	40	0	0	0	-1,740	9,681
480 Potrero Avenue	2011.0430E	26-Sep-12	Published Other	84	0	0	0	0	0
626 Potrero Avenue/ 2535 18th Street	2011.1279E	16-Jul-12	Published CPE	0	0	15,200	0	-15,000	0
2550-2558 Mission Street	2005.0694E	21-Nov-12	Published Other	114	0	0	0	0	14,750
1450 15th Street	2013.0124E	30-Oct-14	Published CPE	23	0	0	0	-6,088	0
300 South Van Ness Avenue	2011.0953E	29-Nov-12	Published CPE	0	0	0	0	0	20,040
346 Potrero Avenue	2012.0793E	3-Feb-14	Published CPE	72	0	0	0	-1,500	2,760
1785 15th Street	2012.0147E	1-May-13	Published CPE	8	0	0	0	-765	0
1801/1863 Mission Street	2009.1011E	19-Mar-15	Published CPE	54	0	0	740	0	2,125
2600 Harrison St.	2014.0503E	19-Aug-15	Published CPE	20	0	0	0	-7,506	0
1924 Mission St.	2014.0449E	2-Apr-15	Published CPE	12	0	0	0	-1,180	2,315
600 South Van Ness Avenue	2013.0614E	9-Apr-15	Published CPE	27	0	0	0	-1,750	3,060
2000-2070 Bryant St, 2815 18th St, 611 Florida St	2013.0677E	2-Jun-15	Published CPE	274	0	0	-3,540	-64,450	4,105
1298 Valencia Street	2013.1404E	9-Oct-15	Published CPE	35	0	0	0	-2,000	3,770
1198 Valencia Street	2012.0865E	31-Jul-15	Published CPE	52	0	0	0	-440	5,300
1050 Valencia Street	2007.1457E	5-Oct-10	Published Other	16	0	0	0	0	1,830
1419 Bryant Street	2015-005388ENV	6-Jan-16	Published CPE	0	44,600	0	0	-34,350	0
1979 Mission Street	2013.1543E	28-Jan-15	Active Other	331	0	0	0	0	-18,239
2675 Folsom St	2014-000601ENV	TBD	Active CPE	115	0	0	0	-22,111	0
1900 Mission Street	2013.1330E	TBD	Active CPE	11	0	0	0	-2,064	844
645 Valencia St	2013.1339E	TBD	Active CPE	9	0	0	0	0	-4,382
1800 Mission	2014.0154E	TBD	Active CPE	0	0	0	139,607	-138,742	39,000
2750 19th St.	2014.0999E	TBD	Active CPE	60	0	0	0	-10,934	10,112
1515 South Van Ness Ave	2014.1020E	TBD	Active CPE	160	0	0	0	0	-29,940
3140 16th St	2014.1105ENV	TBD	Active CPE	28	0	0	0	-20,428	7,284
2799 24th St.	2014.1258ENV	TBD	Active CPE	8	0	0	0	0	-269
2435 16th St.	2014.1201ENV	TBD	Active CPE	53	0	0	0	-10,000	4,992
3357-3359 26th St.	2013.0770ENV	TBD	Active CPE	8	0	0	0	0	5,575
1726-1730 Mission St.	2014-002026ENV	TBD	Active CPE	36	0	0	0	-3,500	900
2100 Mission Street	2009.0880E	TBD	Active CPE	29	0	0	0	-7,630	2,640
200 Potrero Ave.	2015-004756ENV	TBD	Active CPE	0	0	0	0	-27,716	30,034
3314 Cesar Chavez	2014-003160ENV	TBD	Active CPE	52	0	0	-2,500	0	1,740
1798 Bryant St.	2015-006511ENV	TBD	Active CPE	131	0	0	-5,179	0	3,514
2918-2924 Mission St.	2014.0376ENV	TBD	Active CPE	38	0	0	0	0	7,400
793 South Van Ness	2015-001360ENV	TBD	Active CPE	54	0	0	0	-1,966	4,867
1850 Bryant St.	2015-011211ENV	TBD	Active CPE	0	0	0	0	188,994	0
953 Treat Ave	2015-006510ENV	TBD	Active CPE	8	0	0	0	0	0
3620 Cesar Chavez	2015-009459ENV	TBD	Active CPE	28	0	0	-3,200	0	940
344 14th St. & 1463 Stevenson St.	2014.0948ENV	TBD	Active CPE	45	0	0	0	18,995	5,849
1950 Mission St.	2016-001514ENV	TBD	Active CPE	157	1,236	0	0	0	3,415
1296 Shotwell St.	2015-018056ENV	TBD	Active CPE	96	0	0	850	-11,664	0
				2,451	45,836	31,200	126,778	-237,073	152,028

Preferred Project (approved 2008) 1696

Option A	782	104,400	37,200	422,021	422,021	114,000
Option B	1,118	150,300	36,900	597,242	597,242	143,400
Option C	2,054	609,480	49,448	2,214,011	-3,370,350	598,323

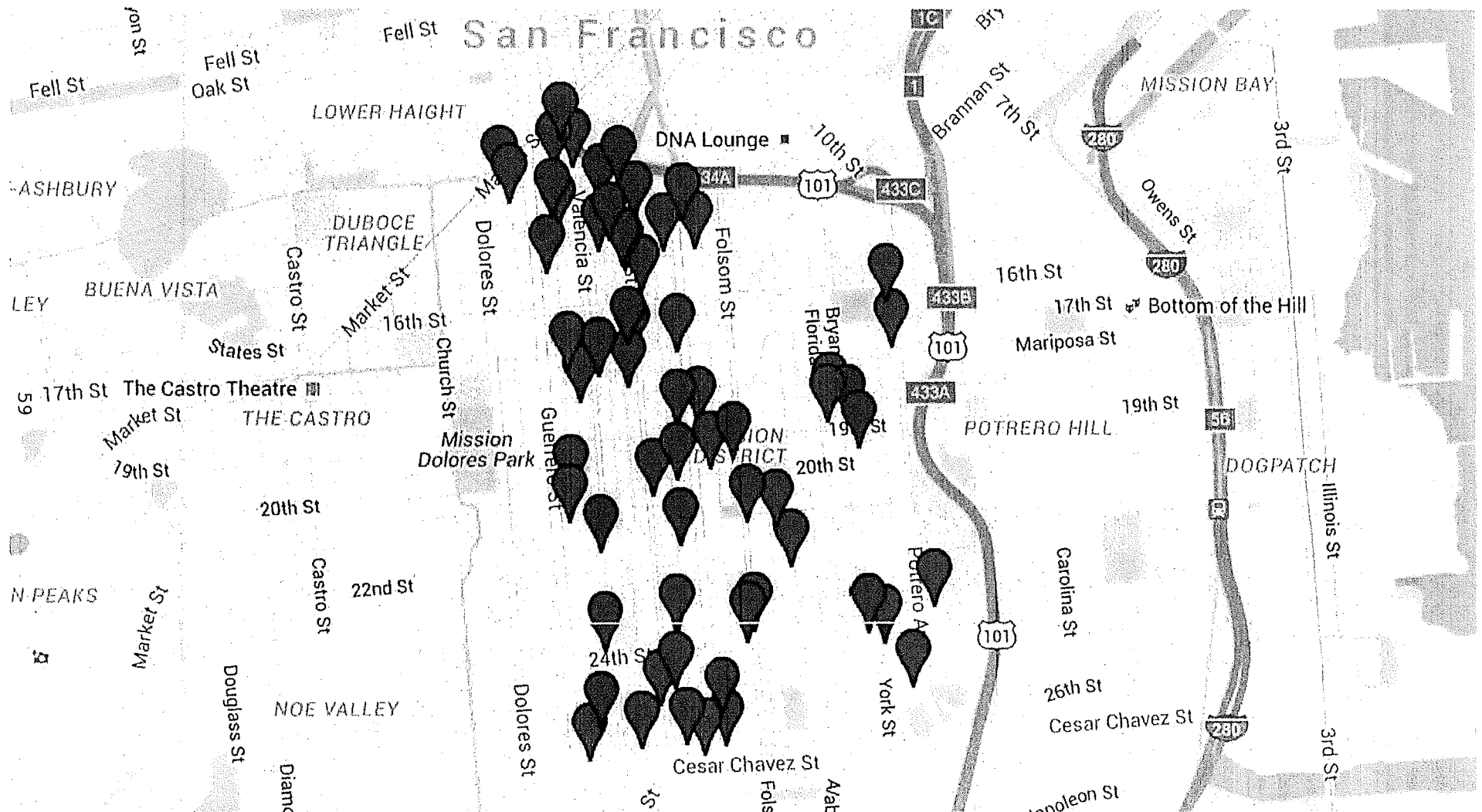
The CPE for 2000-2070 Bryant Street notes that 2451 residential units had completed or were under environmental review:

"As of February 23, 2016, projects containing 2,451 dwelling units and 355,842 square feet of non-residential space (excluding PDR loss) have completed or are proposed to complete environmental review within the Mission District subarea."

This is in excess of the number of units in the approved Preferred Project, as well as Options A, B and C from the ENP EIR. As a result, the analysis of cumulative impacts contained within the Eastern Neighborhoods Plan EIR, and referenced in the CPE, for this project is no longer relevant. The PEIR is stale and doesn't reflect current conditions. Among the impacts not adequately studied are recreation and open space, transit, traffic, and air quality.

Death of the Mission by 2000 Cuts

2000 Luxury Units in Planning's Pipeline



It's a Gentrification Crisis - Not a Housing Crisis In the Mission
They are Killing our Culture - Join Mission Warriors at CANSf.Org

Eastern Neighborhoods Monitoring Reports 2011-2015 DRAFT Executive Summary

Introduction

After years-long community planning processes and coordination across several city agencies, the San Francisco Board of Supervisors adopted the Eastern Neighborhoods Area Plans in an effort to create a long-term vision for equitable, sustainable, and prosperous communities. The plans for the Mission, East SoMa, Central Waterfront, and Showplace Square/Potrero Hill were adopted in 2009 and Western SoMa in 2013.

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

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

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

The Economy and Jobs:

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

People and Neighborhoods:

- Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.
- Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

The ordinances that enacted the Eastern Neighborhoods Area Plans (including Western SoMa), adopted by the Board of Supervisors, require that the Planning Department produce five-year reports monitoring residential and commercial developments in those neighborhoods, as well as impact fees generated and public and private investments in community benefits and infrastructure. The first set of monitoring reports for Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront were published in 2011, covering the period from January 1, 2006 through December 31, 2010. Because Western SoMa was adopted in 2013, no monitoring reports have been produced for that Area Plan. However, due to its geographic proximity and overlapping policy goals with the other Eastern Neighborhoods, Planning Department staff, in consultation with the CAC, has shifted the reporting timeline such that the Western SoMa Area Plan

Monitoring Report 2011-2015 will be the first five-year report and set the calendar so that future monitoring reports are conducted alongside the other Eastern Neighborhoods.

The Economy and Jobs

The five-year monitoring period covered in these reports (2011-2015) span a turbulent moment in San Francisco's economy, from the depths of the "Great Recession" to a rapid expansion since 2012 and 2013. Much of this growth has been driven by high technology industries located in or near the Eastern Neighborhoods, which has intensified pressures on existing businesses and the traditional economic make-up of these communities. Although the plan had not anticipated an influx of firms and jobs of this magnitude, it was largely driven by the need to protect existing businesses – particularly in PDR activities – from such pressures, while transition appropriate lands to other activities.

As Table 1 shows, the Eastern Neighborhoods saw about 1 million square feet of PDR space converted to other activities during the 2011-2015 period. Although an equivalent increase in office square footage has been developed during this period (roughly 950,000), most of the actual spaces formerly occupied by PDR businesses were in fact transitioned to residential uses, many with higher percentage of affordable housing than required by the City. By-and-large, conversions of PDR space did not occur in zoning districts specifically created to exclusive hold those activities (such as PDR-1-G and PDR-2-G in the Mission and SLI in SoMa), but in areas that the City and community defined as "transitional", such as the Urban Mixed Use (UMU) designation and other non-industrial zones (such as Neighborhood Commercial).

TABLE 1. COMMERCIAL DEVELOPMENT BY LAND USE IN THE EASTERN NEIGHBORHOODS, 2011-2015

Plan Area	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq.Ft.
Mission	(25,211)	15,200	108,400	(206,311)	40,119	-	(67,803)
Central Waterfront	3,000	-	-	(25,700)	14,448	-	(8,252)
East SoMa	-	-	605,420	(483,823)	22,933	-	144,530
Western SoMa	-	-	71,676	(92,995)	(3,700)	(3,930)	(28,949)
Showplace/Potrero	419,070	-	157,634	(169,894)	9,603	-	416,413
Total	396,859	15,200	943,130	(978,723)	83,403	(3,930)	455,939

The commercial pipeline as of December 31, 2015 shows a continuation of these trends. If all projects that have applied for planning permits are approved, the Eastern Neighborhoods will see another 1,000,000 square feet converted to other uses. However, 60% of that amount is currently under review, so the actual loss of PDR space is uncertain. The pipeline shows roughly 420,000 square feet of PDR conversions that are entitled, either under or awaiting construction.

The other land use category that will see substantial change within the pipeline is office. Table 2 shows that roughly 6,000,000 square feet of office space are proposed in the Eastern Neighborhoods. Of that amount, however, 5,000,000 has not been entitled, and the vast majority of that is located in the proposed Central SoMa Plan Area (which straddles East and Western SoMa) or in the Pier 70 master development in Central Waterfront.

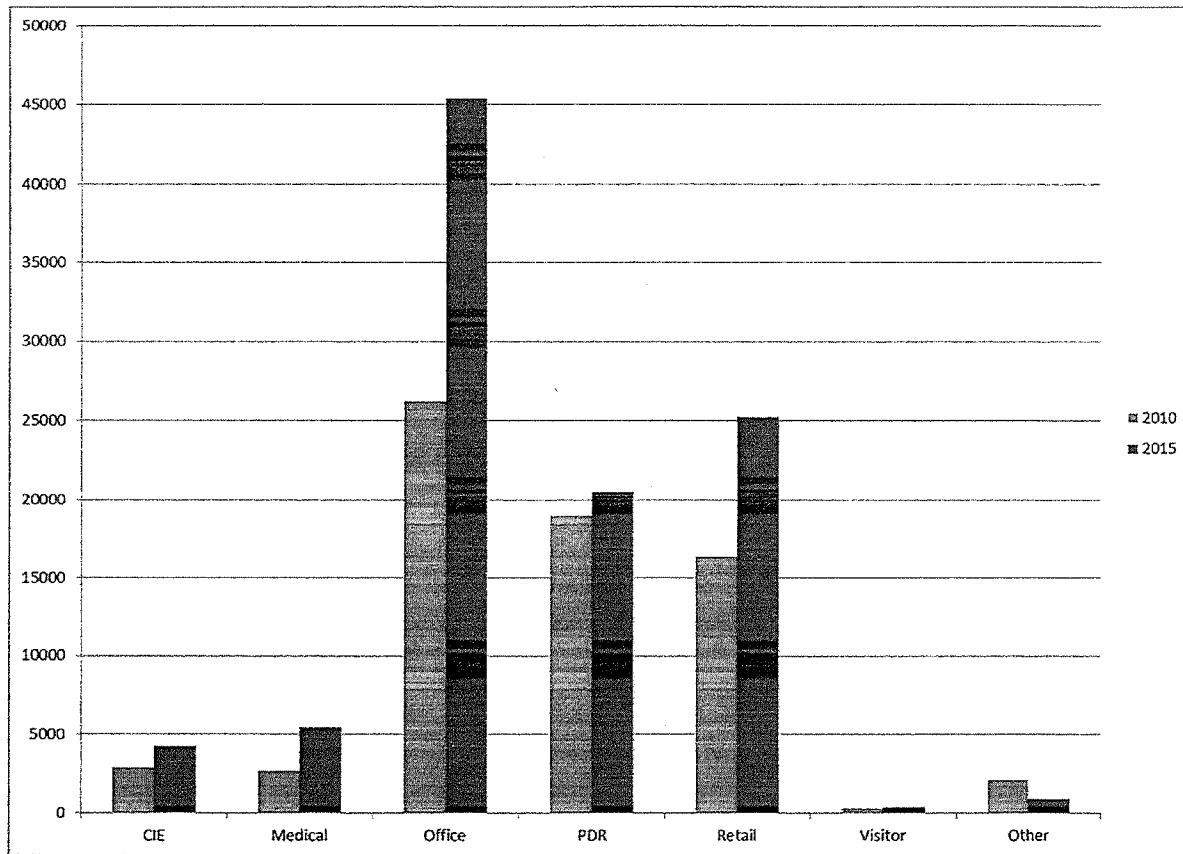
The industrial zoning designations prior to the Eastern Neighborhoods Area Plans – C-M, M-1, and M-2 – permitted a broad range of non-residential uses, with few restrictions on office development. It is quite likely that, absent the rezoning, the Eastern Neighborhoods would have seen a much deeper transition from industrial to office.

TABLE 2. COMMERCIAL PIPELINE BY LAND USE IN THE EASTERN NEIGHBORHOODS, 4TH QUARTER 2015

Plan Area	Cultural Institutional Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq Ft
<i>Mission</i>	250,985	16,000	163,448	(368,698)	44,642	-	106,377
Under review	247,028	-	157,051	(339,766)	32,696	-	97,009
Entitled	3,957	16,000	6,397	(16,471)	4,550	-	14,433
Under construction	-	-	-	(12,461)	7,396	-	(5,065)
<i>Central Waterfront</i>	-	-	2,019,010	165,811	10,379	-	2,195,200
Under review	-	-	2,014,804	315,770	4,396	-	2,334,970
Entitled	-	-	4,206	(73,032)	1,442	-	(67,384)
Under construction	-	-	-	(76,927)	4,541	-	(72,386)
<i>East SoMa</i>	(15,022)	-	572,787	(211,955)	(67,492)	123,777	402,095
Under review	(16,622)	-	388,032	(139,840)	(93,789)	101,232	239,013
Entitled	1,600	-	37,955	(52,585)	15,762	-	2,732
Under construction	-	-	146,800	(19,530)	10,535	22,545	160,350
<i>Western SoMa</i>	62,870	-	3,046,022	(110,766)	82,464	41,000	3,121,590
Under review	59,070	-	2,203,723	(48,832)	22,725	-	2,236,686
Entitled	3,800	-	809,299	(37,988)	6,739	41,000	822,850
Under construction	-	-	33,000	(23,946)	53,000	-	62,054
<i>Showplace/Potrero</i>	320,166	-	294,108	(517,773)	71,170	545	168,216
Under review	35,695	-	220,497	(409,933)	34,999	-	(118,742)
Entitled	284,471	-	73,611	58,709	1,751	-	418,542
Under construction	-	-	-	(166,549)	34,420	545	(131,584)
Eastern Neighborhoods	618,999	16,000	6,095,375	(1,043,381)	141,163	165,322	5,993,478
Under review	325,171	-	4,984,107	(622,601)	1,027	101,232	4,788,936
Entitled	293,828	16,000	931,468	(121,367)	30,244	41,000	1,191,173
Under construction	-	-	179,800	(299,413)	109,892	23,090	13,369

Data from the California Employment Development Department (EDD) shows that the Eastern Neighborhoods, over the past five years, have not lost employment in PDR activities. In the 2011-2015 period, PDR jobs have increased from roughly 19,000 to more than 20,000, as shown on Chart 1. Other land use categories, particularly office and retail, have seen substantial increases in employment during this time, meaning that PDR is relatively a smaller share of the Eastern Neighborhoods labor force. Given the fact that the Plan Areas lost PDR space and only added about 500,000 net square foot of commercial space overall, it is reasonable to assume that much of the added employment has located in spaces that were vacant in 2010 due to the Great Recession, as well as in denser workplaces (more employees within a given square footage).

CHART 1. EMPLOYMENT BY LAND USE IN THE EASTERN NEIGHBORHOODS, 2ND QUARTER 2010 AND 2015



Source: California Employment Development Department

Note: Starting in 2013, the Bureau of Labor Statistics reclassified In-Home Supportive Services (roughly 20,000 jobs citywide) from the Private Household category (classified as “Other”) to other classifications, most of which are captured in this report under “Medical”.

People and Neighborhoods

In addition to the stabilization of PDR activities and employment, the Eastern Neighborhoods Area Plans placed a strong focus on expanding the supply of housing, particularly units that are affordable to low and moderate-income households. Additionally, housing is not simply conceived as “four walls and a roof”, but as a set of supporting amenities, such as adequate transportation and mobility, parks, community centers, childcare facilities and other important elements of complete neighborhoods. As some of the areas suitable for residential development were formerly dominated by industrial uses, the installation of neighborhood infrastructure to serve new and existing residents was made a priority for the Area Plans.

As Table 3 shows, in the 2011-2015 reporting period, roughly 1,400 units have been developed in the Eastern Neighborhoods, roughly 78% of which were built in the Mission and East SoMa Plan Areas. Of this total, 24% were income-restricted (55% of area median income for rental units and 90% of AMI for ownership units). Of the total number of affordable units (334), two-thirds were developed through the inclusionary housing program, in which developers of market-rate housing set aside a percentage of the units within a development for low- or moderate-income households. Inclusionary units accounted for almost 16% of all units built during the reporting period, a higher percentage than the percentage required by the City for developments of ten or more units (12%). Neighborhoods such as Mission, Western SoMa, and Showplace

Square/Potrero Hill developed a lower percentage of affordable units than the minimum 12% requirement. In these cases, developers may have met their obligations by paying a fee “in lieu” of physically developing the units, equivalent to setting aside 20% of the units as affordable.

The other one-third of affordable units (113) were built by non-profit developers as three 100% affordable developments in East SoMa, using a combination of public subsidies from the City, State, and Federal governments.

TABLE 3. HOUSING DEVELOPMENT IN THE EASTERN NEIGHBORHOODS, 2011-2015

Plan Area	Units from New Development	Publicly Subsidized Units	Inclusionary Units	Total Affordable Units	Percent Affordable
Mission	504	-	56	56	11%
Central Waterfront	203	-	68	68	33%
East SoMa	595	113	89	202	34%
Western SoMa	65	-	6	6	9%
Showplace/Potrero	52	-	2	2	4%
Total	1,419	113	221	334	24%

As of December 31, 2015, there were an additional 12,000 units slated for development in the Eastern Neighborhoods. Of this total, 64% were under review (including large-scale developments such as Pier 70), 10% were entitled and awaiting construction, and 26% were under construction. Assuming the minimum inclusionary housing requirement (12%) for the pipeline, an additional 1,440 affordable units would be built in the Plan Areas, though the amount would likely be much larger since some projects would achieve higher inclusionary percentages and a few developments would be built as 100% affordable. The breakdown of the pipeline by Plan Area and development status is shown on Table 4.

TABLE 4. RESIDENTIAL DEVELOPMENT PIPELINE, 4TH QUARTER 2015

Plan Area	Number of Units	Number of Projects
Mission	1,852	107
Under review	1,450	61
Entitled	199	29
Under construction	203	17
Central Waterfront	2,689	25
Under review	1,862	15
Entitled	363	5
Under construction	464	5
East SoMa	1,606	48
Under review	717	21
Entitled	533	16
Under construction	356	11
Western SoMa	1,313	48
Under review	890	36
Entitled	7	9
Under construction	416	3
Showplace/Potrero	4,538	62
Under review	2,779	35
Entitled	59	18
Under construction	1,700	9
Eastern Neighborhoods	11,998	290
 Under review	7,698	168
 Entitled	1,161	77
 Under construction	3,139	45

In order to fund the neighborhood improvements to support new housing and residents, the City established an impact fee program levied on new commercial and residential developments. Prior to adoption of the Plans, the Planning Department conducted a Needs Assessment to establish the amount of infrastructure that would be required, a legally-required Nexus Study to support the adoption of the fees, and feasibility testing to establish a fee that would not block new developments. To date, the City has collected almost \$50 million from 150 projects, shown in Table 5. The fees are assigned to funds in five categories: housing, transportation and transit, complete streets, recreation and open space, and child care, as shown in Table 6.

TABLE 5. EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEES COLLECTED TO DATE BY PLAN AREA

Area	Revenue	Projects
Mission	\$5,357,000	58
East SoMa	\$14,635,000	35
Western SoMa	\$6,940,000	15
Central Waterfront	\$10,034,000	19
Showplace/Potrero	\$11,384,000	23
TOTAL	\$48,350,000	150

TABLE 6. EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEES COLLECTED TO DATE BY CATEGORY

Category	Collected
HOUSING	\$4,740,000
TRANSPORTATION / TRANSIT	\$16,940,000
COMPLETE STREETS	\$6,730,000
RECREATION AND OPEN SPACE	\$17,520,000
CHILDCARE	\$2,420,000
Total	\$48,350,000

The impact fees are spent through an implementation program coordinated by the Planning Department in collaboration with the Eastern neighborhoods Citizens' Advisory Committee (CAC). The individual Area Plan reports outline projects that have been funded (partially or completely) by the impact fees and Appendix B includes a list and brief description of priority capital projects. The Planning Department estimates that the City will collect \$145 million through fiscal year 2021, as shown on Table 7.

TABLE 7. ESTIMATED EASTERN NEIGHBORHOODS INFRASTRUCTURE IMPACT FEES THROUGH FY 2021 BY CATEGORY

Category	Collected
HOUSING	\$26,411,000
TRANSPORTATION / TRANSIT	\$30,302,000
COMPLETE STREETS	\$38,542,000
RECREATION AND OPEN SPACE	\$43,912,000
CHILDCARE	\$5,931,000
Total	\$145,098,000



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE ENTITLED HOUSING UNITS 2016 Q1

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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 first quarter of 2016 (Q1). 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.

	RHNA Production Goals 2015 - 2022	New Units Built to 2016 Q1	Entitled by Planning in 2016 Q1 Pipeline*	Percent of RHNA Goals Built and Entitled by Planning
Total Units	28,869	4,564	18,242	79.0%
Above Moderate (> 120% AMI)	12,536	3,860	15,879	157.5%
Moderate Income (80 - 120% AMI)	5,460	297	317	11.2%
Low Income (< 80% AMI)	10,873	407	1,730	19.7%
<i>Affordability to be Determined</i>			316	

* This column does not include three entitled major development projects with a remaining total of 22,710 net new units: Hunters' Point, Treasure Island and ParkMerced. However, as phases of these projects will be included when applications for building permits are filed. These three projects will include over 5,170 affordable units (23% affordable).

Memo



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE COMPLETED AND ENTITLED HOUSING UNITS 2007 to 2014

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

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

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

65%
6%
28%

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

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

86%
4%
8%

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

Memo



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: 5 April 2016 – Corrected 11 April 2016
TO: Honorable Members of the San Francisco Board of Supervisors
FROM: John Rahaim
Director of Planning
RE: HOUSING BALANCE REPORT No. 3

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SUMMARY

This report is submitted in compliance with Ordinance No. 53-15 requiring the Planning Department to monitor and report on the housing balance between new market rate and new affordable housing production. One of the stated purposes of the Housing Balance is "to ensure that data on meeting affordable housing targets City-wide and within neighborhoods informs the approval process for new housing development." This report is the third in the series and covers the ten-year period from 1 January 2006 through 31 December 2015.

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

The Citywide Cumulative Housing Balance for the 2006 Q1 - 2015 Q4 Housing Balance Period is 18%, although this varies by districts. By comparison, 25% of net new housing produced were affordable during the same time period. Distribution of the Cumulative Housing Balance over the 11 Board of Supervisor Districts ranges from -201% (District 4) to 49% (District 5). This variation, especially with negative housing balances, is due to the larger number of units permanently withdrawn from rent control protection relative to the number of total net new units and net affordable units built in those districts.

The Projected Housing Balance Citywide is 15%. Three major development projects were identified in the ordinance for exclusion in the projected housing balance calculations until site permits are obtained. These three projects add up to 22,400 net units, with over 5,170 affordable units and would increase the projected housing balance to 21% if included in the calculations.

It should be noted that this third *Housing Balance Report* adjusted the calculations to conform to the ordinance's specifications and intention. The Cumulative Housing Balance in the first *Housing Balance Report*, for example, included planned RAD public housing unit replacements that have yet to be completed. In addition, the calculations included an accounting of all no-fault eviction notices and were not limited to eviction types that result in permanent removal of units from the

Memo

rental market as specified by the ordinance. (Revised tables for the previous housing balance reporting periods are included in *Appendix A*.)

BACKGROUND

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

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

Specifically, the *Housing Balance Report* will track performance toward meeting the goals set by Proposition K and the City's *Housing Element*. In November 2014, San Francisco's voters endorsed Proposition K, which set a goal of 33% of all new housing units to be affordable. Housing production targets in the City's *Housing Element*, adopted in April 2015, includes 28,870 new units built between 2015 and 2022, 57%¹ of which should be affordable. In addition, Mayor Ed Lee set a goal of creating 30,000 new and rehabilitated homes by 2020; he pledged at least 30% of these to be permanently affordable to low-income families as well as working, middle income families.

This *Housing Balance Report* was prepared from data gathered from previously published sources including the Planning Department's annual *Housing Inventory* and quarterly *Pipeline Report* data, San Francisco Rent Board data, and the Mayor's Office of Housing and Community Development's *Weekly Dashboard*.

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

CUMULATIVE HOUSING BALANCE CALCULATION

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

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

The first "Housing Balance Period" is a ten-year period starting with the first quarter of 2005 through the last quarter of 2014. Subsequent housing balance reports will cover the 10 years preceding the most recent quarter. This report covers January 2006 (Q1) through December 2015 (Q4).

Table 1a below shows the constrained Cumulative Housing Balance for 10 year 2006 Q1 – 2015 Q4 period is 9% Citywide. With the addition of completed acquisitions and rehabs and RAD units, the expanded Cumulative Housing Balance is 18%. In comparison, the expanded Cumulative Housing Balance for 10 year 2005 Q1 – 2014 Q4 period is 16%. Owner Move-Ins were not specifically called out by the Ordinance in the calculation of the Housing Balance but are included here because this type of no-fault eviction results in the loss of rent controlled units either permanently or for a period of time.

Expanded Cumulative Housing Balances for Board of Supervisor Districts range from -201% (District 4) to 49% (District 5). Negative balances in Districts 1 (-25%), 2 (-18%), 3 (-3%), 4 (-201%), and 11 (-115%) resulted from the larger numbers of units removed from protected status relative to the net new affordable housing and net new housing units built in those districts.

Table 1A
Cumulative Housing Balance Calculation, 2006 Q1 – 2015

BoS Districts	Net New Affordable Housing Built	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Housing Balance
BoS District 1	172	(439)	4	374	98	-55.7%
BoS District 2	6	(353)	40	350	605	-32.1%
BoS District 3	224	(430)	14	1,207	221	-13.4%
BoS District 4	10	(395)	1	103	88	-201.0%
BoS District 5	589	(402)	217	1,230	730	20.6%
BoS District 6	3,116	(190)	602	13,921	5,564	18.1%
BoS District 7	96	(200)	-	384	160	-19.1%
BoS District 8	313	(616)	170	1,078	626	-7.8%
BoS District 9	226	(568)	20	1,142	255	-23.0%
BoS District 10	758	(215)	442	2,631	2,676	18.6%
BoS District 11	22	(310)	26	111	117	-114.9%
TOTALS	5,532	(4,118)	1,536	22,531	11,140	8.8%

Table 1B
Expanded Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	RAD Program	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Housing Balance
BoS District 1	172	-	144	(439)	4	374	98	-25.2%
BoS District 2	6	24	113	(353)	40	350	605	-17.8%
BoS District 3	224	-	143	(430)	14	1,207	221	-3.4%
BoS District 4	10	-	-	(395)	1	103	88	-201.0%
BoS District 5	589	290	263	(402)	217	1,230	730	48.8%
BoS District 6	3,116	926	189	(190)	602	13,921	5,564	23.8%
BoS District 7	96	-	110	(200)	-	384	160	1.1%
BoS District 8	313	-	132	(616)	170	1,078	626	-0.1%
BoS District 9	226	319	118	(568)	20	1,142	255	8.2%
BoS District 10	758	-	213	(215)	442	2,631	2,676	22.6%
BoS District 11	22	-	-	(310)	26	111	117	-114.9%
TOTALS	5,532	1,559	1,425	(4,118)	1,536	22,531	11,140	17.6%

PROJECTED HOUSING BALANCE

Table 2 below summarizes residential projects that have received entitlements from the Planning Commission or the Planning Department but have not yet received a site or building permit. Overall projected housing balance at the end of 2015 is 15%. This balance is expected to change as several major projects have yet to declare how their affordable housing requirements will be met. In addition, three entitled major development projects – Treasure Island, ParkMerced, and Hunters Point – are not included in the accounting until applications for building permits are filed or issued as specified in the ordinance. Remaining phases from these three projects will yield an additional 22,400 net new units; 23% (or 5,170 units) would be affordable to low and moderate income households.

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

Table 2
Projected Housing Balance Calculation, 2015 Q4

BoS District	Very Low Income	Low Income	Moderate	Middle	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	-	-	14	0.0%
BoS District 2	-	-	-	-	-	-	46	0.0%
BoS District 3	-	-	-	-	16	16	301	5.3%
BoS District 4	-	-	-	-	-	-	2	0.0%
BoS District 5	-	-	-	-	5	5	59	8.5%
BoS District 6	439	74	129	29	25	696	3,320	21.0%
BoS District 7	-	-	-	-	-	-	147	0.0%
BoS District 8	-	-	3	-	-	3	105	2.9%
BoS District 9	-	-	-	-	-	-	33	0.0%
BoS District 10	-	-	10	-	168	178	1,872	9.5%
BoS District 11	-	-	-	-	-	-	7	0.0%
Totals	439	74	142	29	214	898	5,906	15.2%

CUMULATIVE HOUSING BALANCE ELEMENTS

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

Affordable Housing and Net New Housing Production

Table 3 below shows housing production between 2006 Q1 and 2015 Q4. This ten-year period resulted in a net addition of 22,530 units to the City's housing stock, including 5,530 affordable units. A majority of net new housing units and affordable units built in the ten year reporting period were in District 6 (13,920 or 62% and 3,116 or 56% respectively). District 10 follows with about 2,630 (12%) net new units, including 760 (14%) affordable units.

The table below also shows that almost 25% of net new units built between 2006 Q1 and 2015 Q4 were affordable units. While District 1 saw modest gains in net new units built, almost half of these were affordable (46%); almost half of net new units in District 5 were also affordable.

Table 3
New Housing Production by Affordability, 2006 Q1 - 2015 Q4

BoS District	Very Low	Low	Moderate	Middle	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	170	2	-	-	172	374	46.0%
BoS District 2	-	-	6	-	6	350	1.7%
BoS District 3	161	11	52	-	224	1,207	18.6%
BoS District 4	-	-	10	-	10	103	9.7%
BoS District 5	422	77	90	-	589	1,230	47.9%
BoS District 6	1,969	615	509	23	3,116	13,921	22.4%
BoS District 7	70	26	-	-	96	384	25.0%
BoS District 8	260	32	21	-	313	1,078	29.0%
BoS District 9	138	40	48	-	226	1,142	19.8%
BoS District 10	105	291	362	-	758	2,631	28.8%
BoS District 11	-	10	12	-	22	111	19.8%
TOTAL	3,295	1,104	1,110	23	5,532	22,531	24.6%

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

Acquisition and Rehabilitation of Affordable Housing Units

Table 4 below lists the number of units that have been rehabilitated and/or acquired between 2006 and 2015 to ensure permanent affordability. These are mostly single-room occupancy hotel units that are affordable to extremely very low and very low income households.

Table 4
Acquisitions and Rehabilitation of Affordable Housing, 2006-2015

BoS District	No. of Buildings	No. of Units
BoS District 2	1	24
BoS District 5	2	290
BoS District 6	11	926
BoS District 9	2	319
TOTALS	16	1,559

RAD Program

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

Table 5
RAD Affordable Units

BoS Districts	Projects	Units
BoS District 1	2	144
BoS District 2	1	113
BoS District 3	2	143
BoS District 5	3	263
BoS District 6	2	189
BoS District 7	1	110
BoS District 8	2	132
BoS District 9	1	118
BoS District 10	1	213
TOTALS	15	1,425

Units Removed From Protected Status

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

Table 6 below shows the distribution of no-fault eviction notices issued between January 2006 and December 2015. Eviction notices have been commonly used as proxy for evictions. Owner Move-In and Ellis Out notices made up the majority of no fault evictions (52% and 35% respectively). Distribution of these no-fault eviction notices is almost evenly dispersed, with Districts 8 and 9 leading (15% and 14% respectively).

Table 6
Units Removed from Protected Status, 2006 – 2015

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	1	26	132	280	439
BoS District 2	8	13	136	196	353
BoS District 3	6	12	289	123	430
BoS District 4	1	94	66	234	395
BoS District 5	16	23	140	223	402
BoS District 6	2	80	65	43	190
BoS District 7	2	24	39	135	200
BoS District 8	12	33	268	303	616
BoS District 9	4	71	219	274	568
BoS District 10	2	36	35	142	215
BoS District 11	-	93	43	174	310
TOTALS	54	505	1,432	2,127	4,118

Entitled and Permitted Units

Table 7 lists the number of units that have received entitlements from the Planning Commission or the Planning Department. These pipeline projects have also received site permits from the Department of Building Inspection and most are under construction as of the final quarter of 2015. Half of these units are being built in or will be built in District 6. Fourteen percent of units that have received Planning entitlements and site permits from the DBI will be affordable.

Table 7
Permitted Units, 2015 Q4

BoS District	Very Low Income	Low Income	Moderate	Middle	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	-	4	98	4.1%
BoS District 2	-	-	40	-	40	605	6.6%
BoS District 3	-	-	14	-	14	221	6.3%
BoS District 4	-	-	1	-	1	88	1.1%
BoS District 5	181	8	28	-	217	730	29.7%
BoS District 6	166	417	19	-	602	5,564	10.8%
BoS District 7	-	-	-	-	-	160	0.0%
BoS District 8	110	60	-	-	170	626	27.2%
BoS District 9	-	-	20	-	20	255	7.8%
BoS District 10	120	287	35	-	442	2,676	16.5%
BoS District 11	-	-	26	-	26	117	22.2%
TOTALS	577	772	187	-	1,536	11,140	13.8%

PERIODIC REPORTING AND ONLINE ACCESS

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

ANNUAL HEARING

An annual hearing on the Housing Balance before the Board of Supervisors will be scheduled by April 1 of each year. This year's Housing Balance Report will be heard before the Board of Supervisors at a hearing scheduled on 18 April 2016. The Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and Workforce Development, the Rent Stabilization Board, the Department of Building Inspection, and the City Economist will present strategies for achieving and maintaining a housing balance consistent with the City's housing goals at this annual hearing. The ordinance also requires that MOHCD will determine the amount of funding needed to bring the City into the required minimum 33% should the cumulative housing balance fall below that threshold.

APPENDIX A

REVISED TABLES 2005 Q1 – 2014 Q4 and 2005 Q3 – 2015 Q2

The following tables for Housing Balance Report No. 1 were revised to reflect a ten year reporting period (2005 Q1 to 2014 Q4) because the timing of that first report included figures from the recently concluded quarter (Q1 2015), resulting in a ten year plus one quarter timeframe. Furthermore, that cumulative balance calculation for the first report included RAD project units even though those projects have not transpired. For both Report No. 1 and Report No. 2, all no-fault evictions were counted. The tables have been revised to include only condo conversions, demolitions, Ellis, and owner move-ins (OMIs).

Table A-1
Expanded Cumulative Housing Balance Calculation, 2005 Q1 – 2014 Q4

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Units	Housing Balance
BoS District 1	186	-	(442)	4	401	79	-52.5%
BoS District 2	6	24	(368)	9	358	441	-41.2%
BoS District 3	262	-	(441)	2	1,332	507	-9.6%
BoS District 4	10	-	(354)	-	116	66	-189.0%
BoS District 5	587	290	(412)	216	1,257	761	33.7%
BoS District 6	3,316	926	(215)	717	12,886	5,915	25.2%
BoS District 7	26	-	(196)	36	260	273	-25.1%
BoS District 8	309	-	(659)	174	1,034	744	-9.9%
BoS District 9	240	319	(556)	1	1,023	125	0.3%
BoS District 10	770	-	(190)	419	2,504	2,260	21.0%
BoS District 11	47	-	(271)	26	175	131	-64.7%
TOTALS	5,759	1,559	(4,104)	1,604	21,346	11,302	14.8%
Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Housing Balance
1 Richmond	186	-	(554)	87	540	139	-41.4%
2 Marina	2	24	(199)	-	113	245	-48.3%
3 Northeast	236	-	(463)	-	967	488	-15.6%
4 Downtown	1,598	726	(114)	420	4,802	1,958	38.9%
5 Western Addition	489	290	(214)	137	1,010	818	38.4%
6 Buena Vista	119	-	(246)	175	562	661	3.9%
7 Central	21	-	(423)	-	361	48	-98.3%
8 Mission	603	319	(578)	26	1,546	303	20.0%
9 South of Market	1,952	200	(114)	459	9,638	5,463	16.5%
10 South Bayshore	355	-	(54)	237	933	644	34.1%
11 Bernal Heights	2	-	(163)	-	114	28	-113.4%
12 South Central	160	-	(266)	10	329	113	-21.7%
13 Ingleside	26	-	(166)	53	227	254	-18.1%
14 Inner Sunset	-	-	(196)	-	93	74	-117.4%
15 Outer Sunset	10	-	(354)	-	111	66	-194.4%
TOTALS	5,759	1,559	(4,104)	1,604	21,346	11,302	14.8%

Table A-2
Projected Housing Balance, 2014 Q4

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	4	59	6.8%
BoS District 2	-	-	-	-	130	0.0%
BoS District 3		2	12	14	545	2.6%
BoS District 4			-	-	-	0.0%
BoS District 5	-	-	-	-	4	0.0%
BoS District 6	47		164	211	1,992	10.6%
BoS District 7	-	3	-	3	63	4.8%
BoS District 8	-	-	-	-	88	0.0%
BoS District 9	-	-	12	12	88	13.6%
BoS District 10	-		60	60	295	20.3%
BoS District 11	-	-	-	-	6	0.0%
TOTALS	47	5	252	304	3,270	9.3%

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	4	4	60	6.7%
2 Marina	-	-	-	-	126	0.0%
3 Northeast	-	-	12	12	499	2.4%
4 Downtown		2	115	117	782	15.0%
5 Western Addition	-	-	-	-	4	0.0%
6 Buena Vista				-	66	0.0%
7 Central	-	-	-	-	19	0.0%
8 Mission	-	-	12	12	94	12.8%
9 South of Market	47	-	49	96	1,518	6.3%
10 South Bayshore	-		60	60	29	206.9%
11 Bernal Heights	-	-	-	-	4	0.0%
12 South Central	-	-	-	-	3	0.0%
13 Ingleside	-	3	-	3	28	10.7%
14 Inner Sunset	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	-	0.0%
TOTALS	47	5	252	304	3,270	9.3%

Table A-3
New Housing Production by Affordability, 2005 Q1 - 2014 Q4

BoS District	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	184	2	-	186	401	46.4%
BoS District 2	-	-	6	6	358	1.7%
BoS District 3	193	15	54	262	1,332	19.7%
BoS District 4	-	-	10	10	116	8.6%
BoS District 5	422	77	88	587	1,257	46.7%
BoS District 6	2,249	626	441	3,316	12,886	25.7%
BoS District 7	-	26	-	26	260	10.0%
BoS District 8	260	32	17	309	1,034	29.9%
BoS District 9	158	40	42	240	1,023	23.5%
BoS District 10	126	282	362	770	2,504	30.8%
BoS District 11	37	10	-	47	175	26.9%
TOTALS	3,629	1,110	1,020	5,759	21,346	27.0%

Planning Districts	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	184	2		186	540	34.4%
2 Marina			2	2	113	1.8%
3 Northeast	193	11	32	236	967	24.4%
4 Downtown	1,183	283	132	1,598	4,802	33.3%
5 Western Addition	367	77	45	489	1,010	48.4%
6 Buena Vista	55	14	50	119	562	21.2%
7 Central		18	3	21	361	5.8%
8 Mission	494	40	69	603	1,546	39.0%
9 South of Market	990	404	558	1,952	9,638	20.3%
10 South Bayshore	25	225	105	355	933	38.0%
11 Bernal Heights			2	2	114	1.8%
12 South Central	138	10	12	160	329	48.6%
13 Ingleside		26		26	227	11.5%
14 Inner Sunset				-	93	0.0%
15 Outer Sunset			10	10	111	9.0%
TOTALS	3,629	1,110	1,020	5,759	21,346	27.0%

Please note that Tables 4 and 5 did not change and are therefore not included in this Appendix.

Table A-6

Units Removed from Protected Status, 2005 Q1 – 2014 Q4

BoS District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Units Removed from Protected Status
BoS District 1	1	25	141	275	442
BoS District 2	8	14	160	186	368
BoS District 3	6	11	320	104	441
BoS District 4	1	90	55	208	354
BoS District 5	14	22	158	218	412
BoS District 6	2	85	90	38	215
BoS District 7	2	27	40	127	196
BoS District 8	11	44	315	289	659
BoS District 9	3	72	229	252	556
BoS District 10	2	30	34	124	190
BoS District 11	-	84	39	148	271
TOTALS	50	504	1,581	1,969	4,104

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	2	31	209	312	554
2 Marina	4	5	70	120	199
3 Northeast	9	12	325	117	463
4 Downtown	-	70	33	11	114
5 Western Addition	7	12	83	112	214
6 Buena Vista	3	11	111	121	246
7 Central	8	34	185	196	423
8 Mission	2	44	310	222	578
9 South of Market	2	16	37	59	114
10 South Bayshore	1	10	12	31	54
11 Bernal Heights	3	27	40	93	163
12 South Central	-	85	32	149	266
13 Ingleside	-	41	17	108	166
14 Inner Sunset	8	16	62	110	196
15 Outer Sunset	1	90	55	208	354
TOTALS	50	504	1,581	1,969	4,104

Table A-7
Permitted Units, 2014 Q4

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	4	4	79	5.1%
BoS District 2	-	-	9	9	441	2.0%
BoS District 3	-	2	-	2	507	0.4%
BoS District 4	-	-	-	-	66	0.0%
BoS District 5	181	8	27	216	761	28.4%
BoS District 6	47	338	332	717	5915	12.1%
BoS District 7	-	-	36	36	273	13.2%
BoS District 8	-	170	4	174	744	23.4%
BoS District 9	-	-	1	1	125	0.8%
BoS District 10	-	358	61	419	2,260	18.5%
BoS District 11	-	-	26	26	131	19.8%
TOTALS	228	876	500	1,604	11,302	14.2%

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	83	-	4	87	139	62.6%
2 Marina	-	-	-	-	245	0.0%
3 Northeast	-	-	-	-	488	0.0%
4 Downtown	-	109	311	420	1,958	21.5%
5 Western Addition	98	8	31	137	818	16.7%
6 Buena Vista	-	170	5	175	661	26.5%
7 Central	-	-	-	-	48	0.0%
8 Mission	-	22	4	26	303	8.6%
9 South of Market	47	375	37	459	5,463	8.4%
10 South Bayshore	-	192	45	237	644	36.8%
11 Bernal Heights	-	-	-	-	28	0.0%
12 South Central	-	-	10	10	113	8.8%
13 Ingleside	-	-	53	53	254	20.9%
14 Inner Sunset	-	-	-	-	74	0.0%
15 Outer Sunset	-	-	-	-	66	0.0%
TOTALS	228	876	500	1,604	11,302	14.2%

Table B-1

Expanded Cumulative Housing Balance Calculation, 2005 Q3 – 2015 Q2

BoS Districts	Net New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Net Entitled and Permitted Units	Housing Balance
BoS District 1	186	-	(432)	4	387	92	-50.5%
BoS District 2	6	24	(358)	40	363	603	-29.8%
BoS District 3	334	72	(429)	15	1,382	109	-0.5%
BoS District 4	10	-	(379)	1	100	83	-201.1%
BoS District 5	587	430	(411)	217	1,263	733	41.2%
BoS District 6	3,406	1,014	(205)	424	13,323	4,765	25.6%
BoS District 7	96	-	(199)	-	354	240	-17.3%
BoS District 8	313	-	(638)	170	1,072	625	-9.1%
BoS District 9	226	319	(575)	26	1,178	296	-0.3%
BoS District 10	669	-	(207)	418	2,406	2,309	18.7%
BoS District 11	15	-	(288)	13	116	126	-107.4%
TOTALS	5,848	1,859	(4,121)	1,328	21,944	9,981	15.4%

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Housing Balance
1 Richmond	186	-	(548)	87	527	192	-38.2%
2 Marina	2	24	(190)	-	113	143	-64.1%
3 Northeast	310	72	(447)	15	1,056	92	-4.4%
4 Downtown	1,615	745	(104)	219	5,134	1,232	38.9%
5 Western Addition	489	362	(215)	168	1,023	1,005	39.6%
6 Buena Vista	119	-	(247)	176	563	596	4.1%
7 Central	21	-	(404)	-	356	46	-95.3%
8 Mission	593	319	(572)	37	1,743	353	18.0%
9 South of Market	2,023	337	(121)	365	9,717	5,212	17.4%
10 South Bayshore	355	-	(52)	236	927	508	37.6%
11 Bernal Heights	2	-	(181)	-	113	31	-124.3%
12 South Central	22	-	(296)	20	166	202	-69.0%
13 Ingleside	101	-	(170)	4	319	248	-11.5%
14 Inner Sunset	-	-	(195)	-	91	39	-150.0%
15 Outer Sunset	10	-	(379)	1	96	82	-206.7%
TOTALS	5,848	1,859	(4,121)	1,328	21,944	9,981	15.4%

Table B-2
Projected Housing Balance, 2015 Q2

BoS District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
BoS District 1	-	-	-	-	11	0.0%
BoS District 2	-	-	-	-	42	0.0%
BoS District 3	-	-	12	12	340	3.5%
BoS District 4	-	-	-	-	2	-
BoS District 5	-	-	-	-	51	0.0%
BoS District 6	170	83	71	324	2,552	12.7%
BoS District 7	-	-	-	-	51	0.0%
BoS District 8	-	-	3	3	103	2.9%
BoS District 9	-	-	-	-	56	0.0%
BoS District 10	-	126	196	322	1,971	16.3%
BoS District 11	-	-	-	-	11	0.0%
TOTALS	170	209	282	661	5,190	12.7%

Planning Districts	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	12	0.0%
2 Marina	-	-	-	-	38	0.0%
3 Northeast	-	-	12	12	314	3.8%
4 Downtown	170	83	-	253	1,183	21.4%
5 Western Addition	-	-	-	-	4	0.0%
6 Buena Vista	-	-	3	3	135	2.2%
7 Central	-	-	-	-	8	0.0%
8 Mission	-	-	-	-	57	0.0%
9 South of Market	-	-	81	81	1,671	4.8%
10 South Bayshore	-	126	186	312	1,691	18.5%
11 Bernal Heights	-	-	-	-	7	0.0%
12 South Central	-	-	-	-	16	0.0%
13 Ingleside	-	-	-	-	14	0.0%
14 Inner Sunset	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	2	0.0%
TOTALS	170	209	282	661	5,190	12.7%

Table B-3
New Housing Production by Affordability, 2005 Q3 - 2015 Q2

BoS District	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
BoS District 1	184	2	-	186	387	48.1%
BoS District 2	-	-	6	6	363	1.7%
BoS District 3	267	15	52	334	1,382	24.2%
BoS District 4	-	-	10	10	100	10.0%
BoS District 5	422	77	88	587	1,263	46.5%
BoS District 6	2,289	674	443	3,406	13,323	25.6%
BoS District 7	70	26	-	96	354	27.1%
BoS District 8	260	32	21	313	1,072	29.2%
BoS District 9	138	40	48	226	1,178	19.2%
BoS District 10	25	282	362	669	2,406	27.8%
BoS District 11	-	10	5	15	116	12.9%
TOTALS	3,655	1,158	1,035	5,848	21,944	26.6%

Planning Districts	Very Low	Low	Moderate	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	184	2	-	186	527	35.3%
2 Marina	-	-	2	2	113	1.8%
3 Northeast	267	11	32	310	1,056	29.4%
4 Downtown	1,154	331	130	1,615	5,134	31.5%
5 Western Addition	367	77	45	489	1,023	47.8%
6 Buena Vista	55	14	50	119	563	21.1%
7 Central	-	18	3	21	356	5.9%
8 Mission	474	40	79	593	1,743	34.0%
9 South of Market	1,059	404	560	2,023	9,717	20.8%
10 South Bayshore	25	225	105	355	927	38.3%
11 Bernal Heights	-	-	2	2	113	1.8%
12 South Central	-	10	12	22	166	13.3%
13 Ingleside	70	26	5	101	319	31.7%
14 Inner Sunset	-	-	-	-	91	0.0%
15 Outer Sunset	-	-	10	10	96	10.4%
TOTALS	3,655	1,158	1,035	5,848	21,944	26.6%

Please note that Tables 4 and 5 did not change and are therefore not included in this Appendix.

Table B-6

Units Removed from Protected Status, 2005 Q3 – 2015 Q2

BoS Districts	Demolition	Ellis Out	Owner Move-In	Condo Conversion	Units Removed
BoS District 1	1	25	121	285	432
BoS District 2	8	14	150	186	358
BoS District 3	6	11	293	119	429
BoS District 4	1	92	62	224	379
BoS District 5	16	22	147	226	411
BoS District 6	2	85	77	41	205
BoS District 7	2	25	40	132	199
BoS District 8	12	32	289	305	638
BoS District 9	4	76	224	271	575
BoS District 10	2	31	35	139	207
BoS District 11	-	86	42	160	288
TOTALS	54	499	1,480	2,088	4,121

Planning Districts	Demolition	Ellis Out	Owner Move-In	Condo Conversion	Units Removed
1 Richmond	2	32	193	321	548
2 Marina	4	4	61	121	190
3 Northeast	9	12	296	130	447
4 Downtown	-	69	26	9	104
5 Western Addition	8	11	78	118	215
6 Buena Vista	4	11	110	122	247
7 Central	9	23	160	212	404
8 Mission	2	44	289	237	572
9 South of Market	2	17	37	65	121
10 South Bayshore	1	11	8	32	52
11 Bernal Heights	4	30	51	96	181
12 South Central	-	89	34	173	296
13 Ingleside	-	41	18	111	170
14 Inner Sunset	8	13	57	117	195
15 Outer Sunset	1	92	62	224	379
TOTALS	54	499	1,480	2,088	4,121

APPENDIX B
Ordinance 53-15

AMENDED IN COMMITTEE

4/6/15

FILE NO. 150029

ORDINANCE NO. 53-15

[Planning Code - City Housing Balance Monitoring and Reporting]

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

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:

Section 1. Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 150029 and is incorporated herein by reference. The Board of Supervisors affirms this determination.

(b) On March 19, 2015, the Planning Commission, in Resolution No. 19337, adopted findings that the actions contemplated in this ordinance are consistent, on balance, with the

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

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

7
8 Section 2. The Planning Code is hereby amended by adding new Section 103 to read
9 as follows:

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

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

22 **(b) Findings.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (A) the Cumulative Housing Balance, consisting of housing units that have
19 already been constructed (and received a Temporary Certificate of Occupancy or other certificate that
20 would allow occupancy of the units) within the 10-year Housing Balance Period, plus those units that
21 have obtained a site or building permit. A separate calculation of the Cumulative Housing Balance
22 shall also be provided, which includes HOPE SF and RAD public housing replacement and
23 substantially rehabilitated units (but not including general rehabilitation / maintenance of public
24 housing or other affordable housing units) that have received Temporary Certificates of Occupancy
25

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

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

9 (d) Bi-annual Housing Balance Reports. Within 30 days of the effective date of this
10 Section 403 By June 1, 2015, the Planning Department shall calculate the Cumulative and Projected
11 Housing Balance for the most recent two quarters City-wide, by Supervisorial District, Plan Area, and
12 by neighborhood Planning Districts, as defined in the annual Housing Inventory, and publish it as an
13 easily visible and accessible page devoted to Housing Balance and Monitoring and Reporting on the
14 Planning Department's website. By August September 1st and February March 1st of each year, the
15 Planning Department shall publish and update the Housing Balance Report, and present this report at
16 an informational hearing to the Planning Commission and Board of Supervisors, as well as to any
17 relevant body with geographic purview over a plan area upon request, along with the other quarterly
18 reporting requirements of Administrative Code Chapter 10E.4. The annual report to the Board of
19 Supervisors shall be accepted by resolution of the Board, which resolution shall be introduced
20 by the Planning Department. The Housing Balance Report shall also be incorporated into the
21 Annual Planning Commission Housing Hearing and Annual Report to the Board of Supervisors
22 required in Administrative Code Chapter 10E.4.

23 (e) Annual Hearing by Board of Supervisors.

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

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

5 (2) The hearing shall include reporting by the Planning Department, which shall present
6 the latest Housing Balance Report City-wide and by Supervisorial District and Planning District; the
7 Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and
8 Workforce Development, the Rent Stabilization Board, by the Department of Building Inspection, and
9 the City Economist on strategies for achieving and maintaining a housing balance in accordance with
10 San Francisco's housing production goals. If the Cumulative Housing Balance has fallen below 33% in
11 any year, MOHCD shall determine how much funding is required to bring the City into a minimum
12 33% Housing Balance and the Mayor shall submit to the Board of Supervisors a strategy to accomplish
13 the minimum of 33% Housing Balance. City Departments shall at minimum report on the following
14 issues relevant to the annual Housing Balance hearing: MOHCD shall report on the annual and
15 projected progress by income category in accordance with the City's General Plan Housing Element
16 housing production goals, projected shortfalls and gaps in funding and site control, and progress
17 toward the City's Neighborhood Stabilization goals for acquiring and preserving the affordability of
18 existing rental units in neighborhoods with high concentrations of low and moderate income
19 households or historically high levels of evictions; the Planning Department shall report on current
20 and proposed zoning and land use policies that affect the City's General Plan Housing Element
21 housing production goals; the Mayor's Office of Economic and Workforce Development shall report on
22 current and proposed major development projects, dedicated public sites, and policies that affect the
23
24
25

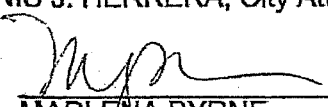
1 City's General Plan Housing Element housing production goals; the Rent Board shall report on the
2 withdrawal or addition of rent-controlled units and current or proposed policies that affect these
3 numbers; the Department of Building Inspection shall report on the withdrawal or addition of
4 Residential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

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

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

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

18 By:

19 
MARLENA BYRNE
Deputy City Attorney

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21
22
23
24
25



City and County of San Francisco

Tails

Ordinance

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

File Number: 150029

Date Passed: April 21, 2015

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

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

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

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

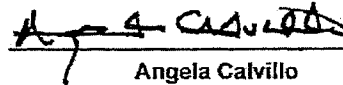
Ayes: 11 - Avalos, Breed, Campos, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

April 21, 2015 Board of Supervisors - FINALLY PASSED


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

File No. 150029

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


Angela Calvillo
Clerk of the Board


Mayor


Date Approved

APPENDIX C

CUMULATIVE HOUSING BALANCE REPORT No 3 TABLES BY PLANNING DISTRICTS

Table 1A

Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

Planning Districts	New Affordable Housing Built	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance 1
1 Richmond	172	(552)	87	514	198	-41.2%
2 Marina	2	(188)	-	101	146	-75.3%
3 Northeast	204	(447)	12	934	200	-20.4%
4 Downtown	1,637	(100)	114	5,229	1,305	25.3%
5 Western Addition	491	(217)	168	987	1,000	22.2%
6 Buena Vista	119	(236)	176	570	595	5.1%
7 Central	21	(395)	-	351	48	-93.7%
8 Mission	593	(553)	41	1,724	386	3.8%
9 South of Market	1,707	(113)	681	10,183	6,033	14.0%
10 South Bayshore	444	(59)	229	1,153	782	31.7%
11 Bernal Heights	2	(179)	-	95	33	-138.3%
12 South Central	22	(313)	10	142	131	-102.9%
13 Ingleside	108	(179)	17	359	154	-10.5%
14 Inner Sunset	-	(192)	-	91	41	-145.5%
15 Outer Sunset	10	(395)	1	98	88	-206.5%
Totals	5,532	(4,118)	1,536	22,531	11,140	8.8%

Table 1B
Cumulative Housing Balance Calculation, 2006 Q1 – 2015 Q4

Planning Districts	New Affordable Housing Built	Acquisitions & Rehabs Completed	RAD	Units Removed from Protected Status	Total Entitled Affordable Units Permitted	Total Net New Units Built	Total Entitled Permitted Units	Cumulative Housing Balance 2
1 Richmond	172	-	144	(552)	87	514	198	-20.9%
2 Marina	2	24	-	(188)	-	101	146	-65.6%
3 Northeast	204	-	143	(447)	12	934	200	-7.8%
4 Downtown	1,637	726	189	(100)	114	5,229	1,305	39.3%
5 Western Addition	491	290	376	(217)	168	987	1,000	55.8%
6 Buena Vista	119	-	132	(236)	176	570	595	16.4%
7 Central	21	-	-	(395)	-	351	48	-93.7%
8 Mission	593	319	-	(553)	41	1,724	386	19.0%
9 South of Market	1,707	200	-	(113)	681	10,183	6,033	15.3%
10 South Bayshore	444	-	213	(59)	229	1,153	782	42.7%
11 Bernal Heights	2	-	118	(179)	-	95	33	-46.1%
12 South Central	22	-	-	(313)	10	142	131	-102.9%
13 Ingleside	108	-	-	(179)	17	359	154	-10.5%
14 Inner Sunset	-	-	110	(192)	-	91	41	-62.1%
15 Outer Sunset	10	-	-	(395)	1	98	88	-206.5%
Totals	5,532	1,559	1,425	(4,118)	1,536	22,531	11,140	17.6%

Table 2
Projected Housing Balance Calculation, 2015 Q2

BoS District	Very Low Income	Low Income	Moderate	Middle	TBD	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	-	-	-	-	-	-	15	0.0%
2 Marina	-	-	-	-	-	-	44	0.0%
3 Northeast	-	-	-	-	-	-	207	0.0%
4 Downtown	439	74	58	29	32	632	2,054	30.8%
5 Western Addition	-	-	-	-	-	-	8	0.0%
6 Buena Vista	-	-	3	-	5	8	139	5.8%
7 Central	-	-	-	-	-	-	8	0.0%
8 Mission	-	-	-	-	-	-	38	0.0%
9 South of Market	-	-	81	-	9	90	1,537	5.9%
10 South Bayshore	-	-	-	-	168	168	1,691	9.9%
11 Bernal Heights	-	-	-	-	-	-	3	0.0%
12 South Central	-	-	-	-	-	-	12	0.0%
13 Ingleside	-	-	-	-	-	-	110	0.0%
14 Inner Sunset	-	-	-	-	-	-	38	0.0%
15 Outer Sunset	-	-	-	-	-	-	2	0.0%
TOTALS	439	74	142	29	214	898	5,906	15.2%

Table 3
New Housing Production by Affordability, 2006 Q1 – 2015 Q4

Planning Districts	Very Low	Low	Moderate	Middle Income	Total Affordable Units	Total Net Units	Affordable Units as % of Total Net Units
1 Richmond	170	2	-	-	172	514	33.5%
2 Marina	-	-	2	-	2	101	2.0%
3 Northeast	161	11	32	-	204	934	21.8%
4 Downtown	1,048	269	297	23	1,637	5,229	31.3%
5 Western Addition	367	77	47	-	491	987	49.7%
6 Buena Vista	55	14	50	-	119	570	20.9%
7 Central	-	18	3	-	21	351	6.0%
8 Mission	474	40	79	-	593	1,724	34.4%
9 South of Market	845	403	459	-	1,707	10,183	16.8%
10 South Bayshore	105	234	105	-	444	1,153	38.5%
11 Bernal Heights	-	-	2	-	2	95	2.1%
12 South Central	-	10	12	-	22	142	15.5%
13 Ingleside	70	26	12	-	108	359	30.1%
14 Inner Sunset	-	-	-	-	-	91	0.0%
15 Outer Sunset	-	-	10	-	10	98	10.2%
TOTALS	3,295	1,104	1,110	23	5,532	22,531	24.6%

Table 4
Acquisitions and Rehabilitation of Affordable Housing, 2006 Q1 – 2015 Q4

Planning District	No. of Buildings	No. of Units
2 Marina	1	24
4 Downtown	5	726
5 Western Addition	2	290
8 Mission	2	319
9 South of Market	6	200
TOTALS	16	1,559

Table 5
RAD Affordable Units

Planning District	No. of Units	as % of Total
1 Richmond	144	10.1%
3 Northeast	143	10.0%
4 Downtown	189	13.3%
5 Western Addition	376	26.4%
6 Buena Vista	132	9.3%
10 South Bayshore	213	14.9%
11 Bernal Heights	118	8.3%
14 Inner Sunset	110	7.7%
TOTALS	1,425	100.0%

Table 6
Units Removed from Protected Status, 2006 – 2015

Planning District	Condo Conversion	Demolition	Ellis Out	Owner Move-In	Total Units Permanently Lost
1 Richmond	2	32	199	319	552
2 Marina	4	4	52	128	188
3 Northeast	9	13	292	133	447
4 Downtown	-	68	24	8	100
5 Western Addition	8	11	75	123	217
6 Buena Vista	4	12	98	122	236
7 Central	9	24	154	208	395
8 Mission	2	35	280	236	553
9 South of Market	2	18	29	64	113
10 South Bayshore	1	14	8	36	59
11 Bernal Heights	4	30	45	100	179
12 South Central	-	94	33	186	313
13 Ingleside	-	42	20	117	179
14 Inner Sunset	8	14	57	113	192
15 Outer Sunset	1	94	66	234	395
Totals	54	505	1,432	2,127	4,118

Table 7
Entitled and Permitted Units, 2015 Q4

Planning District	Very Low Income	Low Income	Moderate	Total Affordable Units	Net New Units	Total Affordable Units as % of Net New Units
1 Richmond	83	-	4	87	198	43.9%
2 Marina	-	-	-	-	146	0.0%
3 Northeast	-	-	12	12	200	6.0%
4 Downtown	-	102	12	114	1,305	8.7%
5 Western Addition	98	8	62	168	1,000	16.8%
6 Buena Vista	110	60	6	176	595	29.6%
7 Central	-	-	-	-	48	0.0%
8 Mission	-	22	19	41	386	10.6%
9 South of Market	166	487	28	681	6,033	11.3%
10 South Bayshore	120	93	16	229	782	29.3%
11 Bernal Heights	-	-	-	-	33	0.0%
12 South Central	-	-	10	10	131	7.6%
13 Ingleside	-	-	17	17	154	11.0%
14 Inner Sunset	-	-	-	-	41	0.0%
15 Outer Sunset	-	-	1	1	88	1.1%
TOTALS	577	772	187	1,536	11,140	13.8%

**Residential Nexus Analysis
City and County of San Francisco**

**Prepared for:
*City and County of San Francisco***

**Prepared by:
*Keyser Marston Associates, Inc.***

April 2007

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OVERVIEW AND SUMMARY OF FINDINGS

Keyser Marston Associates (KMA) has prepared a residential nexus analysis for the City and County of San Francisco. The report has been prepared to support the City's Inclusionary Housing Program, including the updated requirements enacted in the summer of 2006. This residential nexus analysis addresses market rate residential projects which are subject to the inclusionary program and quantifies the linkages between new market rates units and the demand for affordable housing generated by the residents of the units.

Context and Purpose

The City of San Francisco is undertaking a comprehensive program of analyses to update its programs and supporting documentation for many types of fees, including updating nexus analyses in support of impact fees. As part of this program, the City has contracted with Keyser Marston Associates to prepare a nexus analysis in support of the Inclusionary Housing Program, or an analysis of the impact of the development of market rate housing on affordable housing demand.

The City's current position is that the City's Inclusionary Housing Program including the in lieu provision which is offered as an alternative to building units within market rate projects, is not subject to the requirements of the Mitigation Fee Act, Government Code Sections 66000 and following. 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 past legislative actions, 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.

San Francisco Inclusionary Program

The City of San Francisco Inclusionary program that is the subject of this analysis requires that all residential projects of five units or more provide a share of units affordable to lower income households. The San Francisco program, which was amended in the summer of 2006, is contained in Planning Code Sections 315 and following (the "Inclusionary Program"). Briefly summarized, the San Francisco program now requires 15% of units be affordable to lower income households and defines lower income as up to 120% of median income. For purposes of application, affordable units in condominium projects must average 100% of median and affordable units in rental projects must be provided at 60% of median or less. The Inclusionary Program also has off-site and in-lieu fee alternatives. The Inclusionary Program contains many particulars regarding application, definitions, entitlement process, and administration of the program.

Use of This Study

An impact analysis of this nature has been prepared for the limited purpose of demonstrating nexus support to the San Francisco Inclusionary Program. It has not been prepared as a document to guide policy design in the broader context. We caution against the use of this study, or any impact study for that matter, for purposes beyond the intended use. All impact studies are limited and imperfect, but can be helpful for addressing narrow concerns.

To cite a parallel example, a study could be prepared on the relative fiscal impacts of developing various price (or value) residential units in San Francisco. Fiscal impact analysis, unlike this nexus analysis, is a widely prepared type of analysis in which revenues to a governmental entity are quantified and compared to the costs of services provided by the entity. For residential development, revenues include property tax, sales tax from expenditures of residents, intergovernmental transfers and subventions (such as vehicle license tax) and a number of other revenues to the General Fund. Cost of services cover police, fire, health care, general administration and all else that the City/County expends from its General Fund to serve its residents. If such an analysis were prepared for various price residential units in San Francisco, it can be predicted with assurance that higher price units would yield more revenues to the City than lower price units and a more favorable fiscal balance. If fiscal impact analysis alone were to guide policy, then San Francisco would never pursue the development of another unit of affordable housing. Needless to say, governments must develop housing policy based on a range of competing goals and objectives.

Impact Methodology and Models Used

The methodology or analysis procedure for this nexus analysis starts with the sales price (or rental rate) of a market rate residential unit, and moves through a series of linkages to the income of the household that purchased or rented the unit, the disposable income of the household, the annual expenditures on goods and services, the jobs associated with the purchases and delivery of services, the income of the workers doing those jobs, the household income and, ultimately, the affordability level of the housing needed by the worker households. The steps of the analysis from disposable income to jobs generated was performed using the IMPLAN model, a model widely used for the past 25 years to quantify employment impacts from personal income. From jobs generation by industry, KMA used its own nexus model to quantify the income of worker households by affordability level.

To illustrate the linkages by looking at a simplified example, we can take an average household that buys a condominium at a certain price. From that price, we can determine the gross income of the household (from mortgage rates and lending practices) and the disposable income of the household. The disposable income, on average, will be used to "purchase" or consume a range of goods and services, such as purchases at the supermarket or services at the bank. Purchases in the local economy in turn generate employment. The jobs generated are at different compensation levels. Some of the jobs are low paying and as a result, even when there

is more than one worker in the household, there are some lower and middle-income households who cannot afford market rate housing in San Francisco.

The IMPLAN model quantifies direct, indirect and induced employment impacts. Direct jobs are generated at establishments that serve new residents directly (i.e. supermarket, bank or school); indirect jobs are generated by increased demand at firms which service or supply these establishments (wholesaler, janitorial contractor, accounting firm, or any jobs down the service/supply chain from direct jobs); induced jobs are generated when direct and indirect employees spend their wages in the local economy and generate additional jobs. The analysis is presented in a manner that indicates direct impacts alone and all impacts - direct, indirect and induced impacts. Consistent with other nexus analyses that have used the IMPLAN model and adopted programs supported by the analyses, KMA used all impacts, inclusive of indirect and induced impacts for nexus purposes.

Analysis Starting Point

An important starting point of the analysis is the sales price or rent level of market rate units. For this KMA was able to utilize material prepared in the spring of 2006 to analyze the inclusionary program and proposed changes to the program. KMA, under contract to the City, worked under the direction of the Planning Department and Major's Office of Housing (MOH), and was guided by a Technical Advisory Committee (TAC) comprised of residential developers, affordable housing advocates, non-profit developers, and others concerned with the policy issues. A major body of work was devoted to the identification of prototypical projects and full schedules of costs and revenues to establish pro forma feasible projects. A summary of the prototypes and the analysis of inclusionary impacts on them is contained in a report entitled *Keyser Marston Associates, Summary Report, Inclusionary Housing Program, San Francisco, Sensitivity Analysis, July 2006*. This report was released as a public document as part of the package for the July 12, 2006 meeting of the Land Use Committee of the Board of Supervisors.

The lowest cost and sales price (or rent level) of the four prototypes developed as part of the *Sensitivity Analysis* work program is utilized as the starting point of the nexus analysis. The analysis could have been conducted using an average price of a new unit, but the more conservative selection of least expensive prototype was used for the analysis.

Net New Underlying Assumption

An underlying assumption of the analysis is that households that rent or purchase new units represent net new households in the City of San Francisco. If purchasers or renters have relocated from elsewhere in the City, a vacancy has been created that will be filled. An adjustment to new construction of units would be warranted if the City were experiencing demolitions or loss of existing housing inventory. However, the rate of housing unit removal is so low as to not warrant an adjustment or offset.

Since the analysis addresses net new households in the City and the impacts generated by their consumption expenditures, the analysis quantifies net new demands for affordable units to accommodate new worker households. As such, the impact results do not address nor in any way include existing deficiencies in the supply of affordable housing.

Nexus Findings

Nexus analyses were conducted separately for condominium units (or other for-sale product) and for rental units since the occupants have different income levels which result in differentiated impacts. For summary overview purposes the results are presented together in the following synopsis of major steps and findings.

Income of Purchaser/Renter of New Units

The income of residents of new market rate buildings is estimated based upon the income required to purchase or rent a unit in a prototypical new low-rise wood frame building.

The prototype condominium unit, drawn from the *Sensitivity Analysis*, is 800 square feet and sells for \$580,000 or \$725 per square foot. The household income required to purchase a unit at this price is estimated based upon standard long term mortgage lending practices. Key assumptions are a 20% down payment, and a mortgage at 7% interest, a longer term rate that is a little higher than would be achievable today, homeowner's association (HOA) dues and property taxes. All housing expenditures are assumed at 35% of gross income. This produces a gross household income of \$138,400 for the purchaser of the \$580,000 unit.

The prototype rental unit, also drawn from the *Sensitivity Analysis* work program is also 800 square feet and rents for \$2,500 per month or a little under \$3.20 per square foot per month. New rental units are not feasible in today's market; however, the inclusionary program will be in place beyond the current market cycle and must anticipate development of rental units in the future. The assumed rental rate is higher than is achievable in the current market except under extraordinary circumstances (luxury projects in premier locations, etc.). The rental rate has been estimated as the required minimum level for a project to be feasible, given total development costs, conventional financing terms, and typical operating expenses. The household living in this unit is likely to be paying approximately 30% of income on rent (not including utilities). This translates to a household with a gross income of \$102,000 per year.

	Condo Units	Rental Units
Sales Price or Rent	\$580,000	\$2,544 / Mo
Annual Housing Cost	\$48,400 (mortgage, property taxes, HOA)	\$30,500 (rent)
Percent of Income Spent on Housing	35%	30%
Gross Household Income	\$138,400	\$102,000

Disposable Income

A second step is to determine Disposable Household Income, the income that the IMPLAN model uses as a starting place. Disposable Income, as defined for purposes of the IMPLAN model, is income after state and federal income taxes, Social Security and Medicare deductions, and personal savings. Housing expenses are not deducted from disposable income; rather they are handled internally within the IMPLAN model. Disposable Income as a share of gross income is estimated at 69% for purchasers of condominium units. This percentage is based on consultation with a number of governmental and institutional sources as noted in the main body of the report. The household that purchases our prototypical condominium unit has a Disposable Income of \$95,500.

The renter household has a higher proportion of gross income that is disposable because the renter household is in a lower tax bracket. The renter household of the prototypical unit has a Disposable Income of a little over \$74,000 per year.

	Condo Units	Rental Units
Gross Household Income	\$138,400	\$102,000
Percent Disposable	69%	73%
Disposable Income	\$95,500	\$74,000

IMPLAN Job Generation

The IMPLAN model input is the Disposable Income of 100 condominium purchasers and 100 apartment renters. The output is numbers of jobs generated by the expenditures of the households for goods and services in San Francisco. The employment impacts associated with these 100 units are:

	100 Condo Units	100 Rental Units
Disposable Income	\$9.6 M	\$7.4 M
Job Generation		
Direct Jobs	49	38
Indirect & Induced Jobs	<u>40</u>	<u>31</u>
Total Jobs	89	69

The IMPLAN output provides the jobs by industry, for the most part a wide dispersion among over 30 industries with little concentration in any one. The highest single concentration is in Food Service and Drinking Places, representing 15% of direct jobs and 11% of total jobs.

Lower Income Worker Households

The jobs by industry, per the IMPLAN analysis, have been input into the KMA jobs housing nexus analysis model to quantify the income of the worker households. The first step is a conversion of jobs to worker households, recognizing that there is more than one worker in each household today.

The KMA nexus model converts jobs by industry per the IMPLAN output to a distribution of jobs by occupation. State of California data on compensation level in San Francisco is applied to each occupation. Workers are allocated into households of sizes ranging from one to six persons taking into account the fact that households with two or more persons may have multiple earners. The output of the model is the number of households by income level.

The nexus model was configured for this San Francisco application to produce findings for "lower income households" defined as households with incomes from zero through 120% of median. Income definitions are keyed to the San Francisco City and County Median (SF Median) for 2006 as revised in the Inclusionary Program amendments enacted in the summer of 2006. The income range is consistent with the range of incomes covered in the Inclusionary Housing Program in San Francisco and the range of incomes assisted by the City's housing programs overall.

Output of Households by Affordability Level

The findings of the analysis are as follows for 100 market rate units in low-rise wood-frame buildings in San Francisco:

Affordable Unit Demand Associated with 100 Market Rate Units	Direct Impacts Only	Direct, Indirect & Induced Impacts
Condominium Units - Number of New Lower Income Households	25.00	43.31
Rental Units - Number of New Lower Income Households	19.44	33.68

In summary, for every 100 market rate condominium units there are 25.0 lower income households generated through the direct impact of the consumption of the condominium buyers and a total of 43.31 households if total direct, indirect, and induced impacts are counted in the analysis.

For every 100 market rate rental units there are 19.44 lower income households generated through the direct impact of the consumption of the renters and a total of 33.68 households if total direct, indirect, and induced impacts are counted in the analysis.

The table below adjusts these figures to percentages for purposes of supporting "inclusionary" type requirements of total units. The percentages are calculated including both market rate and affordable units (for example to convert 25.0 affordable units per 100 market rate units into a percentage, 25.0 is divided by 125.0, which equals 20%).

Supported Inclusionary Requirement	Direct Impacts Only	Direct, Indirect & Induced Impacts
Condos	20.0%	30.2%
Rentals	16.3%	25.2%

Location of Jobs and Housing/Commute Issues

The findings of the nexus analysis count only the jobs located in San Francisco. The analysis results could have included jobs and worker households located elsewhere in the Bay Area and beyond the Bay Area as well. If the five county Bay Region (San Francisco, San Mateo, Marin, Alameda and Contra Costa) were included, results would be a third higher inclusive of Direct, Indirect and Induced Impacts. In summary, the analysis does not count total job impacts, only San Francisco located job impacts.

An inevitable question arises as to whether worker households are assumed to live in the same jurisdiction as the jobs. For purposes of this analysis, the interest was in determining job impacts in San Francisco. Whether all the new worker households associated with the San Francisco located jobs should also be assumed to live in San Francisco or commute from another county is a matter of policy.

Overlap / Duplication of Commercial Nexus Fee

San Francisco has a jobs-housing linkage fee designed to mitigate the need for affordable housing associated with jobs in new commercial buildings. The jobs housing analysis is based on a similar analytical framework as the residential nexus analysis and under certain circumstances counts some of the same jobs. A separate analysis has been prepared which demonstrates that in the rare situations where there is a high degree of overlap in jobs counted between the two analyses, the City's Inclusionary program and jobs-housing program combined remain within the nexus.

Conclusion

The residential nexus analysis has determined that 100 market rate condominium units generate direct impacts that result in the demand for 25.0 affordable units in San Francisco and 43.31 units if all indirect and induced impacts are taken into account. As percentages, these results translate to direct impacts supporting 20% of units affordable, or inclusive of indirect and induced impacts 30% of units affordable. Findings for rental units are roughly a third lower. Since the San Francisco Inclusionary Program requires that 15% of units be affordable, the San Francisco program is well supported by this nexus analysis.

SECTION I - MARKET RATE UNITS AND DISPOSABLE INCOME

Section I describes the prototypical market rate units that are subject to the inclusionary program, the income of the purchaser and renter households and the disposable income of the households. Disposable Income is the input to the IMPLAN model described in Section II of this report. These are the initial starting points of the chain of linkages that connect new market rate units to incremental demand for affordable residential units.

Introduction

The San Francisco inclusionary program is applicable to all residential projects of five units or more. Construction activity in the City for projects of five or more units includes a range of products including apartments and condominiums (or other forms of ownership units) in building types from low-rise wood-frame construction to steel high-rise buildings. The least expensive construction type, the low-rise wood-frame unit, has been selected as the prototype for the analysis. The selected prototype units are intended to represent the low-end of cost and value range for both the for-sale and the rental market in San Francisco. The objective is to establish the nexus for the least expensive product, on average, to be conservative. Mid- and high-rise buildings are more expensive to construct and must generally achieve greater sales prices or rents in order to be feasible; likewise, the disposable income of occupant households and consumer expenditures will, on average, be greater than in low-rise units. Use of an average price unit, such as in a mid-rise building, might well have been used in the analysis since use of averages is generally considered acceptable for establishing regulations and public policy.

The prototypes used in the analysis are drawn from the prior work program on proposed changes to the San Francisco inclusionary program. KMA, under contract to the City, worked under the direction of the Planning Department and Major's Office of Housing (MOH), and was guided by a Technical Advisory Committee (TAC) comprised of residential developers, affordable housing advocates, non profit developers, and other concerned with the policy issues. A major body of work was devoted to the identification of prototypical projects and full schedules of costs and revenues to establish pro forma feasible projects. A summary of the prototypes and the analysis of inclusionary impacts on them was assembled in a report entitled *Keyser Marston Associates, Summary Report, Inclusionary Housing Program, San Francisco, Sensitivity Analysis, July 2006*. This report was released as a public document as part of the package for the July 12, 2006 meeting of the Land Use Committee of the Board of Supervisors.

The major assumptions with respect to price or value of units and income of purchasers or renters are presented first for for-sale or condominium units, followed by rental units.

Prototypical Condominium Unit

For the purposes of the analysis, the low-rise wood-frame construction Prototype 1 articulated in the *Sensitivity Analysis* was selected as an average new unit to represent the lower-end of the for-sale market in San Francisco. As indicated above, prototypes in the *Sensitivity Analysis*, were fully analyzed for cost of development and sales prices. In addition, market surveys were conducted for establishing the sales prices of units and also sales per square foot basis.

A profile of the Prototype 1 size and sales price is:

	Prototypical Unit
Size	800 sq.ft.
Sales Price per Sq.Ft.	\$725
Sales Price Total	\$580,000

Most of the new condominium units constructed in San Francisco will sell for over this amount. Smaller one-bedrooms and studios may have lower sales prices, but will likely equal or exceed the prototype unit on a price per square foot basis. It is unlikely that significant sales activity will occur at lower prices, except for occasional projects or units. The vast majority of units will sell at a higher price per square foot than the Prototype 1 unit.

Income of Condominium Purchasers

The next step in the analysis is to determine the income of the purchasing household of the prototypical condominium. To make the determination, typical terms for the purchase of units in San Francisco are used — 20% down payment, 30 year fixed rate mortgage, property taxes, and homeowners or condominium association dues. The mortgage rate assumption was selected to cover a future average rate, 7% interest, recognizing that at the current time mortgages are available at lower rates. Also lesser down payments are currently achievable. However these terms are not likely to be available over the longer term.

A key assumption is that housing costs will, on average run about 35% of gross income. In recent years lending institutions have been more willing to accept higher than 35% for all debt as a share of income, but most households do have other forms of debt, such as auto loans, student loans, and credit card debt. Looking ahead, most analysts see a return to more conservative lending practices than those of the last few years. Housing costs are defined as mortgage payments and Homeowners Association dues and property taxes.

Table I-1 at the end of this section summarizes the analysis for the prototypical condo unit. The conclusion is that the purchaser of the \$580,000 prototypical unit must have an income of 138,400 per year. The ratio of sales price to income of the purchasing household is 4.2:1, which is to say that a condominium selling for \$420,000 would require a household income of \$100,000, using the assumptions of the analysis.

Rental Market Conditions

Development of new market rate apartments (with conventional financing) is generally not feasible in San Francisco and in most cities in the U.S. in the current cycle of the real estate development market due to a combination of factors. Over the past several years, historically low mortgage rates have propelled the homebuyer market, driving strong value escalations affecting all home ownership products from condominiums to single family detached homes, to vacation homes, etc. In addition, low mortgage rates have enabled renters to enter homeownership at unprecedented rates, leaving the rental housing stock with vacancies that have not been rapidly refilled due to weak job growth.

Over the past year, the number of home sales has decreased significantly and prices have leveled off or declined slightly in some markets (although there is little evidence of decline in San Francisco). Rents have trended upwards in the San Francisco in response to job growth, and would be first-time homebuyers are taking a "wait and see" approach to entry into the ownership market. If these trends continue or other conditions change, new rental buildings could become feasible again. In any case, the analysis must anticipate that at some point in the future, the market will produce new market rate rental projects subject to the inclusionary program.

Prototypical Rental Units

For the purposes of the analysis, Prototype 5, which was identified and analyzed in the *Sensitivity Analysis* work program, was used as the prototypical rental unit for purposes of this analysis. (Information on Prototype 5 was presented to the Technical Advisory Committee, but was not, however, contained in the aforementioned *Summary Report*) KMA with assistance from MOH, San Francisco Redevelopment Agency, and developers active in the market, prepared an analysis to determine total development costs and the rent level required for project feasibility. With no recently constructed market rate rentals, rental survey information was of limited value. Required rents for new units are higher than current prevailing rents.

The prototypical apartment unit is similar to the condominium at 800 square feet but assumed to be constructed to lesser standards than the condominium in terms of finishes, appliances, and amenities. The cost to develop the unit was estimated at \$330,000 (including land and all indirect costs but excluding developer profit) requiring a rent of approximately \$2,544 per month, or just under \$3.20 per square foot per month. This rent level is higher than the average rent achieved at this time in projects in the greater eastern half of the City, south of Market Street, where most new development is expected to occur.

It is noted that tax exempt bond money has been used to develop rental projects that contain the 20% low income units required to qualify for the bonds. Units in these projects may rent for less (for the project to be feasible) due to the lower interest rates afforded by the tax exempt bonds.

Income of Apartment Renter

The assumption for relating annual rent to household income is 30%. For affordable units, utilities are included in the 30%; for market rate units, the 30% does not include utilities. While leasing agents and landlords may permit rental payments to represent a slightly higher share of total income, 30% represents an average, given that renters are likely to have other debt; also many renters do not choose to spend more than 30% of their income on rent, since, unlike ownership of a condominium, the unit is not viewed as an investment with value enhancement potential. The resulting relationship is that annual household income is 3.3 times annual rent. See Table I-2.

The conclusion with respect to the Prototype 5 apartment renter household in a newly constructed building is an income of slightly over \$100,000 per year.

Disposable Income

The IMPLAN model used in this analysis uses disposable household income as the primary upfront input. To arrive at disposable income, gross income for residents of prototypical units must be adjusted downward to account for taxes and savings. Per KMA correspondence with the producers of the IMPLAN model (Minnesota IMPLAN Group), gross income is adjusted to disposable income for purposes of the model by deducting Federal and State Income taxes, Social Security and Medicare (FICA) taxes, and personal savings. Other taxes including sales tax, gas tax, and property tax are handled internally within the model.

Disposable income is estimated at approximately 69% of gross income in the case of the condominium owner. The assumption is based on a review of data from the Tax Policy Center (a joint venture of the Brookings Institution and the Urban Institute) and California Franchise Tax Board tax tables. Per the Tax Policy Center, households earning between \$100,000 and \$200,000 per year, or the residents of our prototypical condominium units, will pay an average of 15% of gross income for federal taxes. State taxes are estimated at 7% of gross income based on tax rates per the California Franchise Tax Board. The employee share of the FICA payroll taxes is 7.65% of gross income (conservatively assumes all earners in the household are within the \$94,200 ceiling on income subject to social security taxes).

Savings represent another adjustment from gross income to disposable income. Savings including various IRA and 401 K type programs are estimated at 1.3% of gross income based on the projected average for U.S. households per the 2006 RREEF report (a local real estate investment trust) "*Prospects for the U.S. Economy and Sectors*" and sourced to Global Insight a company that produces forecasts of market and economic data. This savings rate was also confirmed by a Federal Reserve Bank paper, sourced in the footnote of Table 1-3.

After deducting income taxes and savings, the disposable income factor for a condominium purchaser used in this analysis is 69%, for purposes of the IMPLAN model. This factor also works with higher incomes than the purchase income used in the analysis, because while the

average federal and state tax burden goes up with income, FICA taxes go down since Social Security taxes apply only to income below \$94,200. As indicated above, other forms of taxation (including property tax) are handled internally within the model.

The disposable income for the prototypical renter household is based on the same evaluation, but for a lower income tax bracket. The renter household would be in a lower tax bracket, with the result that the renter would have a disposable income factor of 73%. The savings rate for the renter and owner were assumed to be the same.

In summary the gross income and disposable income of the households in the new market rate units presented in detail in Table I-4 with the results indicated below:

	New Condo Units	New Apartment Units
Average Gross Household Income of Buyers / Renters	\$138,400/year	\$102,000/year
Disposable Income	69%	73%
Average Disposable Household Income	\$95,500/year	\$74,000/year

"Pied a Terre" Units

Before moving on to the next step of the analysis, it is important to acknowledge that there is some activity in the current market in sales of units as second homes or city "pied a terre" units. Based on a limited survey, it appears that the vast majority of such activity is occurring in the luxury price ranges, particularly in several new high rise towers now in marketing phases. Some of the towers report figures such as 10% to 20% of units being sold to buyers not for a primary place of residence. As a share of overall units built in the City 10% to 20% in a few individual projects represents a share closer to 2% to 4% of the total market.

In addition to second home sales representing a small share of the market overall, the prototype unit used in this analysis is at a far lower price unit than most of the units selling as second homes, which tend to be located in the luxury towers. The income of second home purchasers and all impacts attributable to the higher priced units would be substantially higher than the impacts attributable to the more modest priced unit used in the analysis. The net effect of second home purchasers (who do spend some income while in San Francisco) on the nexus being established in this analysis is negligible, in our opinion.

Summary

Table I-4 summarizes the key assumptions and steps from the market rate residential price or rent level, to the annual income of the purchaser or renter household, to the disposable income of the household. The disposable income, used to consume goods and services, is the generator of jobs and ultimately the demand for more affordable housing for worker households.

**TABLE I-1
CONDOMINIUM UNITS
CONDO SALES PRICE TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

			<u>Prototype Condo Unit</u>
Sales Price	\$725 /SF	800 SF	\$580,000
Mortgage Payment			
Downpayment @ 20%		20%	\$116,000
Loan Amount			\$464,000
Interest Rate			7.0%
Term of Mortgage			30 years
Annual Mortgage Payment			\$37,044
Other Costs			
HOA Dues	\$400 per month		\$4,800
Property Taxes	1.14% of sales price		\$6,600
Total Annual Housing Cost			<u>\$48,444</u>
% of Income Spent on Hsg			35%
Annual Income Required			\$138,412
Sales Price to Income Ratio			4.2

Source: KMA 2006 sensitivity analysis, prototype 1.

**TABLE I-2
RENTAL UNITS
ANNUAL RENT TO INCOME RATIO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

			<u>Prototype Rental Unit</u>
Market Rent			
Monthly	\$3.18 /SF	800 SF	\$2,544
Annual			\$30,528
% of Income Spent on Rent (excludes utilities)			30%
Annual Household Income Required			\$101,760
Annual Rent to Income Ratio			3.3

Source: KMA 2006 sensitivity analysis, prototype 5.

TABLE I-3
DISPOSABLE INCOME¹
RESIDENTIAL NEXUS ANALYSIS
ECONOMIC NEXUS ANALYSIS

	<u>Residents of Prototypical Condo Units</u>	<u>Residents of Prototypical Rental Units</u>
Gross Income	100%	100%
(Less) Average Federal Income Tax Rate ²	15.3% (for AGI of 100k-200k)	11.6% (for AGI of 75k-100k)
(Less) FICA Tax Rate ³	7.7%	7.7%
(Less) Average State Income Tax Rate ⁴	7.0%	6.0%
(Less) Savings ⁵	1.3%	1.3%
Disposable Income (Input to IMPLAN model)	69%	73%

Notes:

¹ As defined within the IMPLAN model. Includes all income except income taxes and savings.

² Per the Urban-Brookings Tax Policy Center (joint venture between the Brookings Institution and the Urban Institute)

³ Conservatively assumes all households will be below the ceiling applicable to social security taxes, currently \$94,200.

⁴ Estimated by KMA based on marginal rates per the California Franchise Tax Board.

⁵ Projected based on the forecast of average U.S. household savings rate included in the RREEF publication *Prospects for the US Economy and Property Sectors*. Page 7. November 8, 2006. Savings rate is consistent with the average U.S. household savings rate in 2000 per Maki, Dean M. and Palumbo, Michael G. Federal Reserve System Working Paper No. 2001-21. *Disentangling the Wealth Effect: A Cohort Analysis of Household Savings in the 1990s*. April 2001.

**TABLE I-4
RESIDENTIAL HOUSEHOLD SUMMARY
RESIDENTIAL NEXUS ANALYSIS
ECONOMIC NEXUS ANALYSIS**

		<u>Per Unit</u>	<u>Per Sq.Ft.</u>	<u>100 Unit Building Module</u>
Low-Rise Market Condominium Prototype				
Units				100 Units
Building Sq.Ft. (net rentable or salable area)		800	1	80,000
Sales Price		\$580,000	\$725	\$58,000,000
Sales Price to Income Ratio ¹		4.2		4.2
Gross Household Income		\$138,412	\$173.01	\$13,841,000
Disposable Household Income ²	69% of gross	\$95,500	\$119.38	\$9,550,000
Low-Rise Market Apartment Prototype				
Units				100 Units
Building Sq.Ft. (net rentable or salable area)		800	1	80,000
Rent				
Monthly		\$2,544	\$3.18	\$254,400
Annual		\$30,528	\$38.16	\$3,052,800
Gross Household Income	30% allocated to rent	\$101,760	\$127.20	\$10,176,000
Disposable Household Income ²	73% of gross	\$74,285	\$92.85	\$7,428,000

Notes:

¹ See Table I-1

² Estimated income available after deduction of federal income, state income, payroll taxes and savings. (Per discussions with the Minnesota IMPLAN group, sales tax and property tax are not deducted from disposable household income). See Table I-3.

SECTION II – THE IMPLAN MODEL

Consumer spending by residents of new residential buildings will create jobs, particularly in sectors such as restaurants, health care, and retail that are driven by the expenditures of residents. The widely used economic analysis tool, IMPLAN (IMpact Analysis for PLANning), was used to quantify these new jobs by industry sector.

IMPLAN Model Description

The IMPLAN model is an economic analysis software package now commercially available through the Minnesota IMPLAN Group. IMPLAN was originally developed by the U.S. Forest Service, the Federal Emergency Management Agency, and the U.S. Department of the Interior Bureau of Land Management and has been in use since 1979 and refined over time. It has become a widely used tool for analyzing economic impacts from a broad range of applications from major construction projects to natural resource programs.

IMPLAN is based on an input-output accounting of commodity flows within an economy from producers to intermediate and final consumers. The model establishes a matrix of supply chain relationships between industries and also between households and the producers of household goods and services. Assumptions about the portion of inputs or supplies for a given industry likely to be met by local suppliers, and the portion supplied from outside the region or study area are derived internally within the model using data on the industrial structure of the region.

The output or result of the model is driven by tracking how changes in purchases for final use (final demand) filter through the supply chain. Industries that produce goods and services for final demand or consumption must purchase inputs from other producers, which in turn, purchase goods and services. The model tracks these relationships through the economy to the point where leakages from the region stop the cycle. This allows the user to identify how a change in demand for one industry will affect a list of over 500 other industry sectors. The projected response of an economy to a change in final demand can be viewed in terms of economic output, employment, or income.

Data sets are available for each county and state, so the model can be tailored to the specific economic conditions of the region being analyzed. This analysis utilizes the data set for San Francisco City and County. The City is, of course, part of a larger regional economy and impacts will likewise extend throughout the region. However, consistent with the conservative approach taken in quantifying the nexus, only employment impacts occurring within the City of San Francisco have been included.

Economic impacts estimated using the IMPLAN model are divided into three categories:

- *Direct Impacts* – are associated with the direct final demand changes. A relevant example is restaurant employment created when households in new residential buildings

spend money dining out. Employment at the restaurant would be considered a direct impact.

- *Indirect Impacts* – are those associated with industries down the supply chain from the industry experiencing the direct impact. With the restaurant example, indirect impacts would include employment at food wholesalers, kitchen suppliers, and producers of agricultural products. Since the analysis has been run for San Francisco, only jobs located in San Francisco are counted.
- *Induced Impacts* – are generated by the household spending induced by direct and indirect employment. Again using the restaurant example, induced impacts would include employment generated when restaurant, food wholesaler and kitchen suppliers spend their earnings in the local economy.

We have summarized the results of the analysis separately for direct impacts alone and including all direct, indirect and induced impacts.

Application of the IMPLAN Model to Estimate Job Growth

IMPLAN has been applied to link household consumption expenditures to job growth occurring in San Francisco. Employment generated by the consumer spending of residents has been analyzed in our prototypical 100-unit buildings. The IMPLAN model distributes spending among various types of goods and services (industry sectors) based on data from the Consumer Expenditure Survey and the Bureau of Economic Analysis Benchmark input-output study to estimate direct, indirect, and induced employment generated. Job creation, driven by increased demand for products and services, is projected for each of the industries which serve the new households. The employment generated by this new household spending is summarized below.

Estimated Employment Growth Per IMPLAN

	Per 100 Market Rate Units	
	Condos	Rental
Disposable Household Income	\$9,550,000	\$7,428,000
Employment Generated Per IMPLAN (jobs)		
Direct	49.4	38.4
Indirect & Induced	<u>39.3</u>	<u>30.6</u>
Total	88.7	69.0

Table II-1 provides a detailed summary of direct employment by industry. The table shows industries sorted by projected employment. Estimated employment is shown for each IMPLAN industry sector representing 1% or more of employment.

As discussed previously, the analysis separately analyzes the nexus considering only direct impacts and with including total direct, indirect, and induced impacts. Considering total impacts yields approximately 80% more employees than considering direct impact alone.

Only employment growth occurring within San Francisco City and County has been included. Residents of new market-rate condo and apartment buildings will generate jobs that produce demand for units for worker households employed throughout San Francisco Bay Area and beyond. However, as discussed above, the analysis conservatively limits the nexus to the City and County of San Francisco.

TABLE II-1
IMPLAN MODEL OUTPUT
EMPLOYMENT GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO

	Per 100 Market Rate Units					
	Direct Impacts Only			Direct, Indirect & Induced Impacts		
	Condos	Rentals	% of Jobs ³	Condos	Rentals	% of Jobs ³
Disposable Income of New Residents(after taxes & savings) ¹	\$9,550,000	\$7,428,000		\$9,550,000	\$7,428,000	
Employment Generated by Industry²						
Food services and drinking place:	7.4	5.7	15%	10.0	7.8	11%
Offices of physicians- dentists- and other health	3.1	2.4	6%	3.9	3.1	4%
Hospitals	3.0	2.3	6%	3.7	2.9	4%
Private households:	2.3	1.8	5%	2.8	2.2	3%
Social assistance- except child day care service	2.2	1.7	4%	2.7	2.1	3%
Wholesale trade	1.8	1.4	4%	3.0	2.4	3%
Nursing and residential care facilities:	1.8	1.4	4%	2.2	1.7	2%
Automotive repair and maintenance- except car wash	1.8	1.4	4%	2.3	1.8	3%
Food and beverage store	1.8	1.4	4%	2.4	1.8	3%
Hotels and motels	1.7	1.3	3%	2.2	1.7	2%
Religious organizations:	1.5	1.2	3%	1.9	1.5	2%
General merchandise store:	1.2	0.9	2%	1.5	1.2	2%
Miscellaneous store retailers:	1.0	0.8	2%	1.4	1.1	2%
Elementary and secondary school	1.0	0.8	2%	1.2	0.9	1%
Clothing and clothing accessories store:	1.0	0.7	2%	1.3	1.0	1%
Child day care services:	0.9	0.7	2%	1.1	0.8	1%
Insurance carriers	0.8	0.6	2%	1.3	1.0	1%
Other ambulatory health care service	0.8	0.6	2%	1.0	0.8	1%
Health and personal care store	0.7	0.6	2%	1.0	0.8	1%
Other educational services:	0.6	0.5	1%	0.0	0.0	0%
Sporting goods- hobby- book and music store	0.6	0.5	1%	0.0	0.0	0%
Nonstore retailers	0.6	0.4	1%	0.0	0.0	0%
Other amusement- gambling- and recreation	0.5	0.4	1%	0.0	0.0	0%
Legal services	0.5	0.4	1%	1.2	0.9	1%
Building material and garden supply store	0.5	0.4	1%	0.0	0.0	0%
State & Local Education	0.0	0.0	0%	4.3	3.4	5%
State & Local Non-Education	0.0	0.0	0%	2.2	1.7	3%
Fitness and recreational sports center:	0.0	0.0	0%	1.6	1.3	2%
Custom computer programming services:	0.0	0.0	0%	1.4	1.1	2%
Employment services:	0.0	0.0	0%	1.0	0.8	1%
Services to buildings and dwelling:	0.0	0.0	0%	1.0	0.8	1%
Other Industries	10.5	8.2	21%	29.1	22.6	33%
	49.4	38.4	100%	88.7	69.0	100%

¹ The IMPLAN model tracks how increases in consumer spending creates jobs in the local economy. See Tables I-4 for estimates of the disposable income available to residents of the prototypical 100 unit buildings.

² For Industries representing more than 1% of total employment.

³ Applies to both rental and condominium units.

SECTION III – THE NEXUS MODEL

This section presents a summary of the analysis linking the employment growth associated with residential development or the output of the IMPLAN model (see Section II) to the estimated number of lower income housing units required.

Analysis Approach and Framework

The analysis approach is to examine the employment growth for industries related to consumer spending by residents of the 100-unit residential building modules. Then, through a series of linkage steps, the number of employees is converted to the number of lower income households or housing units. The findings are expressed in terms of numbers of lower income households related to the 100-unit building module.

The analysis addresses affordable unit demand associated with both condominium and rental units in San Francisco. The table below shows the income limits for "lower income households," defined as households from zero through 120% of median income. The median income definition is for San Francisco, not for a multi county region, per the amendments to the San Francisco Inclusionary Program enacted in the summer of 2006. The median income definition for San Francisco, described in the *Sensitivity Analysis* report, is at approximately 92% of the three county region (Primary Metropolitan Statistical Area defined as San Francisco, San Mateo and Marin) median income published annually by the U.S. Department Housing and Urban Development, adjusted based on information in the U.S. Census 2000. MOH will annually establish and publish the median income for San Francisco for a range of household sizes.

The nexus model was configured for this San Francisco application to produce findings for households with incomes from zero through 120% of median. The income range is consistent with the range of incomes covered in the Inclusionary Program in San Francisco and the range of incomes assisted by the City's housing programs overall.

The current 2006 income definitions used in this analysis are:

	Household Size					
	1	2	3	4	5	6 +
SF Income Limits						
120% of SF Median	\$73,350	\$83,800	\$94,300	\$104,750	\$113,150	\$121,500

The analysis is conducted using a model that KMA has developed for application in many other jurisdictions for which the firm has conducted similar analyses of jobs and housing demand analyses. This same model was utilized by KMA in 1996 in preparing the analysis in support of the Jobs Housing Linkage Program, contained in Section 313 of the San Francisco Code. (Jobs Housing Nexus Analysis, prepared for City and County of San Francisco, Keyser Marston Associates, Inc., Gabriel Roche, Inc., 1997.)

The model inputs are all local data to the extent possible, and are fully documented in the following description.

Analysis Steps

Tables III-1 through III-5 at the end of this section present a summary of the nexus analysis steps for the condominium and rental prototype units. Following is a description of each step of the analysis:

Step 1 – Estimate of Total New Employees

The first step in Table III-1 commences with the total number of employees associated with the new market rate unit. The employment figures applied here are estimated based on household expenditures of new residents using the IMPLAN model. The 100-unit condo building is associated with 49 new direct jobs and 89 total direct, indirect, and induced jobs. The prototype rental building is associated with 38 new direct jobs and 69 total direct, indirect, and induced jobs.

Step 2 – Adjustment from Employees to Employee Households

This step (Table III-1) converts the number of employees to the number of employee households. This step recognizes that there is, on average, more than one worker per household, and thus the number of housing units in demand for new workers must be reduced. The workers per worker household ratio eliminates from the equation all non-working households, such as retired persons, students, and those on public assistance. The San Francisco average of 1.63 workers per worker households (from the U. S. Census 2000) is used in the analysis. The number of jobs is divided by 1.63 to determine the number of worker households. (By comparison, average household size is a lower ratio because all households are counted in the denominator, not just worker households; using average household size produces greater demand for housing units.)

Step 3 – Occupational Distribution of Employees

The occupational breakdown of employees is the first step to arrive at income level. The output from the IMPLAN model provides the number of employees by industry sector. The IMPLAN output is paired with data from the Department of Labor, Bureau of Labor Statistics 2005 Occupational Employment Survey (OES) to estimate the occupational composition of employees for each industry sector.

Pairing of OES and IMPLAN data was accomplished by matching IMPLAN industry sector codes with the four-digit NAICS industry codes used in the OES. Each IMPLAN industry sector is associated with one or more North American Industry Classification System Codes (NAICS), with matching NAICS codes ranging from two to five digits. Employment for IMPLAN sectors with multiple matching NAICS codes were distributed among the matching codes based on the distribution of employment among those industries at the national level. Employment for

IMPLAN sectors where matching NAICS codes were only at the two or three-digit level of detail was distributed using a similar approach among all of the corresponding four-digit NAICS codes falling under the broader two or three-digit categories.

National-level employment totals for each industry within the Occupational Employment Survey were pro-rated to match the employment distribution projected using the IMPLAN model. Occupational composition within each industry was held constant. The result is the estimated occupational mix of employees.

As shown on Table III-1, new jobs will be distributed across a variety of occupational categories. The three largest occupational categories are food preparation and serving (16%), office and administrative support (14%), and sales (13%).

The numbers in Step #3 (Table III-1) indicate both the percentage of total employee households and the number of employee households by occupation associated with our hypothetical 100-unit market rate residential buildings.

Step 4 - Estimates of Employee Households Meeting the Lower Income Definitions

In this step, occupation is translated to income based on recent San Francisco PMSA wage and salary information (defined as San Francisco, Marin, and San Mateo Counties) from the California Employment Development Department (EDD). The wage and salary information indicated in Appendix Tables 2 and 4 provide the income inputs to the model. This step in the analysis calculates the number of lower income households for each size household.

Individual *employee* income data was used to calculate the number of lower income *households* by assuming that multiple earner households are, on average, formed of individuals with similar incomes. Employee households not falling into one of the major occupation categories per Appendix Tables 1 and 3 were assumed to have the same income distribution as the major occupation categories.

Step 5 - Estimate of Household Size Distribution

In this step, household size distribution is input into the model in order to estimate the income and household size combinations that meet the income definitions established by the City. The household size distribution utilized in the analysis is that of worker households in San Francisco City and County derived using a combination of Census sources.

Step 6 - Estimate of Households that meet Size and Income Criteria

For this step KMA built a cross-matrix of household size and income to establish probability factors for the two criteria in combination. For each occupational group a probability factor was calculated for each household size level applicable to San Francisco's income limits. This step is performed for each occupational category and multiplied by the number of households. Table III-2 shows the

result after completing Steps #4, #5, and #6. The calculated numbers of lower income households shown in Table III-2 are for rental projects. The methodology is repeated for condo projects (See Table III-3). At the end of these steps we have counted the worker households generated by our 100-unit prototypical residential buildings.

Summary Findings

Table III-4 indicates the results of the analysis for the two-prototypical 100-unit buildings. The summary indicates the number of new lower income households per 100 market rate units.

Based on the results in Tables III-2, 3, and 4, approximately 80% of households are "lower income." The finding that the jobs associated with consumer spending tend to be low paying jobs where the workers will require housing affordable at lower than market rate is not surprising. As noted above, employment is concentrated in lower paid occupations including food preparation, administrative, and retail sales occupations as well as jobs in the service sectors.

Many of the higher paying occupations in San Francisco are not directly tied to consumer spending by San Francisco residents and therefore have miniscule representation in the analysis. Financial and professional services firms, for example, largely export their products and services outside of the City, mostly to the Northern California region, but also beyond.

In summary, for every 100 market rate condominium units, there are 25.0 lower income households generated through the direct impact of the consumption of the condominium buyers. If indirect and induced impacts are included, as many as 43.31 households result. For rental projects, demand for 19.44 housing units is generated or 33.68 units including indirect and induced employees.

Comparison of Analysis Results to Inclusionary Program

The analysis findings identify how many lower income households are generated for every 100 market rate units.

The table below adjusts these figures to percentages for purposes of comparison to "inclusionary" type requirements of total units. The percentages are calculated including both market rate and affordable units (for example, to convert 25.0 affordable units per 100 market rate units into a percentage, 25.0 is divided into 125, which equals 20%.)

Supported Inclusionary Requirement	Direct Impacts Only	Direct, Indirect & Induced Impacts
Condos – Supported Inclusionary Requirement	20%	30.2%
Rentals – Supported Inclusionary Requirement	16.3%	25.2%

In other words, San Francisco's 15% base inclusionary required is supported by direct impacts for both condominium and rental units.

Calculation of Supported In-Lieu Fee

The San Francisco inclusionary ordinance includes an option to provide affordable housing off-site, or to pay an in-lieu fee. The off-site and in-lieu fee percent of units required increases from the base requirement of 15% to 20%. The increased percentage for off-site and in-lieu is grounded in the City policy objective to have dispersed affordable units within buildings and throughout the City. Since off-site compliance or payment of an in-lieu fee does not meet the policy objective, the City has elected to require a higher percentage to offset the less desirable compliance.

The maximum in-lieu fee supported by the nexus analysis may be calculated by multiplying the number of affordable units supported by the nexus by the current affordability gap. The affordability gap is the cost to provide the affordable housing and is equal to the difference between the value of an affordable unit based on allowable sales price or rent and the cost to develop the unit. MOH annually publishes affordability gap fees for condominium units. The affordability gap will vary based on the number of bedrooms in the units and whether the affordable units are ownership or rental.

Effect of Unit Size on Nexus Findings

The nexus findings are based on 800 square foot prototype units. Smaller or larger prototypes would have produced findings indicating a smaller or larger impact on the number of households within affordable income limits respectively. This is because households that purchase or rent smaller units on average have lower incomes than those that purchase or rent larger units. The structure of the inclusionary ordinance addresses this issue by varying the mitigation requirements based on unit size. Inclusionary units are required to have the same number of bedrooms as the market rate units. Larger market rate units therefore require larger affordable units and smaller market rate units require smaller affordable units.

**TABLE III-1
NET NEW HOUSEHOLDS AND OCCUPATION DISTRIBUTION
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

PER 100 UNITS OF RESIDENTIAL HOUSING

	Per 100 Market Rate Units			
	Direct Impacts Only		Direct, Indirect & Induced Impacts	
	Condo Units	Rental Units	Condo Units	Rental Units
Step 1 - Employees ¹	49	38	89	69
Step 2 - Adjustment for Number of Households (1.63)	30	24	54	42
Step 3 - Occupation Distribution ²				
Management Occupations	3%	3%	4%	4%
Business and Financial Operations	2%	2%	4%	4%
Computer and Mathematics	1%	1%	2%	2%
Architecture and Engineering	0%	0%	1%	1%
Life, Physical, and Social Science	0%	0%	1%	1%
Community and Social Services	3%	3%	2%	2%
Legal	1%	1%	1%	1%
Education, Training, and Library	6%	6%	7%	7%
Arts, Design, Entertainment, Sports, and Media	1%	1%	1%	1%
Healthcare Practitioners and Technicians	8%	8%	6%	6%
Healthcare Support	4%	4%	3%	3%
Protective Service	1%	1%	2%	2%
Food Preparation and Serving Related	16%	16%	12%	12%
Building and Grounds Cleaning and Maintenance	3%	3%	3%	3%
Personal Care and Service	5%	5%	4%	4%
Sales and Related	13%	13%	11%	11%
Office and Administrative Support	14%	14%	16%	16%
Farming, Fishing, and Forestry	0%	0%	0%	0%
Construction and Extraction	0%	0%	2%	2%
Installation, Maintenance, and Repair	4%	4%	4%	4%
Production	3%	3%	2%	2%
Transportation and Material Moving	5%	5%	5%	5%
Other / Not Identified	7%	7%	7%	7%
Totals	100%	100%	100%	100%
Management Occupations	1.0	0.8	2.2	1.7
Business and Financial Operations	0.6	0.5	1.9	1.5
Computer and Mathematics	0.2	0.2	1.2	0.9
Architecture and Engineering	0.0	0.0	0.5	0.4
Life, Physical, and Social Science	0.1	0.1	0.4	0.3
Community and Social Services	0.9	0.7	1.3	1.0
Legal	0.2	0.1	0.5	0.4
Education, Training, and Library	1.8	1.4	3.8	3.0
Arts, Design, Entertainment, Sports, and Media	0.4	0.3	0.8	0.6
Healthcare Practitioners and Technicians	2.4	1.8	3.2	2.5
Healthcare Support	1.2	0.9	1.6	1.2
Protective Service	0.2	0.2	0.9	0.7
Food Preparation and Serving Related	4.8	3.8	6.7	5.2
Building and Grounds Cleaning and Maintenance	0.8	0.6	1.7	1.4
Personal Care and Service	1.6	1.2	2.1	1.7
Sales and Related	4.0	3.1	6.1	4.8
Office and Administrative Support	4.4	3.4	8.5	6.6
Farming, Fishing, and Forestry	0.0	0.0	0.1	0.0
Construction and Extraction	0.1	0.1	0.9	0.7
Installation, Maintenance, and Repair	1.2	0.9	2.0	1.6
Production	0.8	0.6	1.3	1.0
Transportation and Material Moving	1.6	1.3	2.8	2.2
Other / Not Identified	2.1	1.6	3.8	3.0
Totals	30.3	23.6	54.4	42.3

Notes:

¹ Estimated employment generated by household expenditures within the prototypical 100 unit market rate buildings. Employment estimates are based on the IMPLAN Group's economic model, IMPLAN, for San Francisco City and County. See Table II-1.

² See Appendix Tables 1, 2, 3, and 4 for additional information from which the percentage distributions were derived.

TABLE III-2
 LOWER INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED - CONDOS
 RESIDENTIAL NEXUS ANALYSIS
 CITY OF SAN FRANCISCO

PER 100 MARKET RATE CONDO UNITS

	Direct Impacts Only	Direct, Indirect & Induced Impacts
Step 4, 5, & 6 - Lower Income Households¹ within Major Occupation Categories²		
Management	0.13	0.23
Business and Financial Operations	0.25	0.67
Computer and Mathematical	-	0.18
Architecture and Engineering	-	-
Life, Physical and Social Science	-	-
Community and Social Services	0.66	0.98
Legal	-	-
Education Training and Library	1.36	2.80
Arts, Design, Entertainment, Sports, & Media	-	0.54
Healthcare Practitioners and Technical	0.52	0.71
Healthcare Support	1.18	1.55
Protective Service	-	0.73
Food Preparation and Serving Related	4.82	6.71
Building Grounds and Maintenance	0.77	1.73
Personal Care and Service	1.56	2.11
Sales and Related	3.84	5.86
Office and Admin	4.05	7.96
Farm, Fishing, and Forestry	-	-
Construction and Extraction	-	0.50
Installation Maintenance and Repair	0.75	1.27
Production	0.74	1.22
Transportation and Material Moving	1.60	2.78
Total Lower Income Households - Major Occupations	22.25	38.54
Lower Income Households ¹ - "all other" occupations	2.75	4.77
Total Lower Income Households¹	25.00	43.31

¹ Includes households earning from zero through 120% of San Francisco Median Income.

² See Appendix Tables 1 and 3 for additional information on Major Occupation Categories.

TABLE III-3
LOWER INCOME EMPLOYEE HOUSEHOLDS¹ GENERATED - RENTAL
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO

PER 100 MARKET RATE RENTAL UNITS

	<u>Direct Impacts Only</u>	<u>Direct, Indirect & Induced Impacts</u>
Step 4, 5, & 6 - Lower Income Households¹ within Major Occupation Categories²		
Management	0.10	0.18
Business and Financial Operations	0.20	0.52
Computer and Mathematical	-	0.14
Architecture and Engineering	-	-
Life, Physical and Social Science	-	-
Community and Social Services	0.52	0.76
Legal	-	-
Education Training and Library	1.06	2.17
Arts, Design, Entertainment, Sports, & Media	-	0.42
Healthcare Practitioners and Technical	0.41	0.55
Healthcare Support	0.91	1.21
Protective Service	-	0.57
Food Preparation and Serving Related	3.75	5.22
Building Grounds and Maintenance	0.60	1.34
Personal Care and Service	1.21	1.64
Sales and Related	2.99	4.56
Office and Admin	3.15	6.19
Farm, Fishing, and Forestry	-	-
Construction and Extraction	-	0.39
Installation Maintenance and Repair	0.58	0.99
Production	0.57	0.95
Transportation and Material Moving	1.25	2.16
Total Lower Income Households - Major Occupations	17.30	29.98
Lower Income Households ¹ - "all other" occupations	2.14	3.71
Total Lower Income Households¹	19.44	33.68

¹ Includes households earning from zero through 120% of San Francisco Median Income.

² See Appendix Tables 1 and 3 for additional information on Major Occupation Categories.

**TABLE III-4
IMPACT ANALYSIS SUMMARY
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

**RESIDENTIAL UNIT DEMAND IMPACTS
PER 100 MARKET RATE UNITS**

	<u>Direct Impacts Only</u>	<u>Direct, Indirect & Induced Impacts</u>
Number of New Lower Income Households¹		
Per 100 Market Rate Condo Units	25.00	43.31
Per 100 Market Rate Rental Units	19.44	33.68

Notes:

¹ Includes households earning from zero through 120% of San Francisco Median Income.

**TABLE III-5
INCLUSIONARY REQUIREMENT SUPPORTED
EMPLOYEE HOUSEHOLDS GENERATED
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

SUPPORTED INCLUSIONARY PERCENTAGES¹

	<u>Direct Impacts Only</u>	<u>Direct, Indirect & Induced Impacts</u>
Percent Lower Income Households²		
Condos	20.0%	30.2%
Rentals	16.3%	25.2%

Notes:

¹ Calculated by dividing affordable unit demand impacts shown on Table III-4 by the total number of units including both the affordable units and the 100 market rate units in the prototypical buildings which creates demand for the affordable units.

² Includes households earning from zero through 120% of San Francisco Median Income.

SECTION IV – NON-DUPLICATION OF JOBS HOUSING LINKAGE FEE

Since the mid 1980's San Francisco has had a jobs-housing linkage fee adopted to help mitigate the impacts of new jobs associated with the development of new office buildings on the demand for affordable housing in San Francisco. The program, originally called the OAHPP (or Office Affordable Housing and Production Program) was expanded in the late 1990's to also include retail and hotel buildings. The nexus analysis which supports the updated program was prepared by KMA and is summarized in a 1997 report. That analysis was based on similar logic to this analysis: new workplace buildings are associated with new jobs some of which do not pay well enough for the new worker households to afford housing in San Francisco. This section addresses the issue of possible over-lap or double counting of impacts between this residential nexus and the jobs-housing linkage fee.

To briefly summarize the Jobs Housing Nexus Analysis, the logic begins with jobs located in new workplace buildings such as office buildings, retail spaces and hotels. The nexus analysis then identifies the compensation structure of the new jobs depending on the building type, the income of the new worker households, and the housing affordability level of the new worker households, concluding with the number of new worker households in the lower income affordability levels. In this analysis, there are no indirect or induced impacts, and no multipliers; only the jobs within the workplace buildings themselves are counted.

Some of the jobs which are counted in the Jobs Housing Nexus Analysis are also counted in the Residential Nexus Analysis. The overlap potential exists in jobs generated by direct expenditures of San Francisco residents, such as expenditures for food, personal services, restaurant meals and entertainment. Many jobs counted in the residential nexus are not addressed in the jobs housing analysis at all. For example, school and government employees are counted in the residential nexus analysis but are not counted in the jobs housing analysis which is limited to private sector office buildings, retail and hotel projects.

There is theoretically a set of conditions in which 100% of the jobs counted for purposes of the jobs-housing linkage fee are also counted for purposes of the residential nexus analysis. For example, a small retail store or restaurant might be located on the ground floor of a new condominium building and entirely dependant upon customers from the condominiums in the floors above. The commercial space on the ground floor pays the housing impact fee and the condominiums are subject to the Inclusionary Program. In this special case, the two programs mitigate the affordable housing demand of the very same workers. The combined requirements of the two programs to provide inclusionary units and fund construction of affordable units must not exceed 100% of nexus or the total demand for affordable units of employees in the new commercial space.

Complete overlap between jobs counted in the Jobs Housing Nexus Analysis and jobs counted in the Residential Nexus Analysis could occur only in a very narrow set of circumstances. The following analysis demonstrates that the combined mitigation requirements do not exceed nexus

even if every job counted in the Residential Nexus Analysis is also counted in the Jobs Housing Nexus Analysis.

Jobs-Housing Fee Requirement as a Percent of Nexus

The San Francisco Jobs Housing Nexus Analysis report was prepared by KMA during 1995 and 1996 (the final report date is 1997). To evaluate the combined programs today an update of the affordability gap figures was deemed appropriate since costs of residential development have increased so substantially since the analysis was prepared in the mid 1990's. The profile of job generation by affordability level, on the other hand, does not change much over time since both compensation levels and median income tend to rise more or less together. Tables IV-3 through IV-5 present the updated affordability gap estimates, drawn from the Sensitivity Analysis work for the Inclusionary Program by KMA spring 2006.

The conclusions of the Jobs Housing Nexus Analysis expressed as the number of new worker households by affordability level is summarized in Table IV -1. It is important to note that the number of worker households shown on the table is after an adjustment factor of 55%. The Jobs Housing Nexus Analysis starts with all the jobs in new workplace buildings. Recognizing that many jobs, especially those in the downtown area, are not held by city residents, an adjustment was made per the existing relationship of 45% commuters/55% city residents. Since it is a matter of policy, for nexus purposes, as to how many of its workers a city sets the goal of accommodating within its borders, the 45%/55% relationship could have readily been different.

The following table summarizes the total nexus cost per square foot using current affordability gap levels, drawn from Table IV-1. The total nexus cost is the maximum mitigation amount, or maximum fee that could be charged, supported by the analysis (after the 55% adjustment) The current fee charged by the City of San Francisco is indicated below and shown as a percent of the nexus cost.

	Office	Retail	Hotel
Updated Nexus Cost (Per Sq.Ft.)	\$130.48	\$113.09	\$88.27
Current Fee (Per Sq.Ft.)	\$14.96	\$13.95	\$11.21
Percent of Nexus Cost	11%	12%	13%

The conclusion is that the current fee levels represent 11% to 13% of the updated nexus cost, using current affordability gap figures. So, the jobs-housing fee mitigates approximately 11% to 13% of the demand for affordable units generated by the new commercial space.

Inclusionary Requirement Mitigation as a Percent of Nexus

The Inclusionary Housing Program requires that 15% of all units be affordable to lower income households. For comparing the Inclusionary Program and the findings of the residential nexus

analysis, a common denominator is required. Table IV-2 shows the Inclusionary Program requirement of 15% expressed in two different ways – per 100 market rate units and per 85 market rate units.

If there were 100 market rates units then 17.65 units are required to be affordable (17.65 is 15% of 117.65 units) to meet the 15% on-site requirement. The Residential Nexus Analysis conclusions support 43.31 affordable condominiums or (33.68 rental units) for every 100 market rate units, or well over the 17.65 level.

The more familiar way of looking at the 15% Inclusionary Program requirement is for every 85 market rate units, 15 affordable units are required, totaling 100 units. If the Residential Nexus Analysis conclusions are adjusted for 85 market rate units, the same relationship exists.

The conclusion is that the Inclusionary Program is charging 41% to 52% of the maximum supported by the analysis.

Combined Requirements within Nexus

The Jobs Housing Impact fee is at 11% to 13% of the supported nexus amount and the Inclusionary Housing Program requirement is at 41% to 52% of the supported nexus amount; therefore, the combined affordable housing mitigations would not exceed nexus even if there were 100% overlap in the jobs counted in the two nexus analyses.

To return to the example of a restaurant on the ground floor of a new condominium building, say there are a total of 30 new restaurant employees of which 20 are in lower income households. The 20 employees in lower income households are counted (or double counted) in both the Jobs Housing and Residential Nexus analyses. If the jobs housing impact fee mitigates the affordable housing demand of three of the employees (15% x 20) and the Inclusionary Program mitigates the housing demand for another ten employees (50% x 20), then together the two programs mitigate the housing demand of 13 out of 20 lower income employees. The combined requirements of the two programs satisfy the nexus test by not mitigating more than 100% of the housing demand. Extending this logic, the affordable housing demand mitigated by the Inclusionary Program and the housing impact fee as a percent of their respective nexus analyses can be added together to test whether the combined requirements would exceed 100% of nexus if the two analyses counted (or double counted) all the same demand for affordable housing.

TABLE IV-1
JOBS HOUSING LINKAGE FEE AS A PERCENT OF NEXUS
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO

1997 JOBS HOUSING NEXUS ANALYSIS WITH UPDATED AFFORDABILITY GAPS

	Employee Households Per 100,000 SF of Building Area			Updated Affordability Gap Per Unit	Nexus Cost Per Square Foot of Building Area		
	Office	Retail	Hotel		Office	Retail	Hotel
Very Low (<50% Median)	11	10	8	\$341,000 ¹	\$37.51	\$34.10	\$27.28
Low (50% - 80% Median)	16	16	12	\$217,000 ²	\$34.72	\$34.72	\$26.04
Moderate (80% - 120% Median)	<u>25</u>	<u>19</u>	<u>15</u>	\$233,000 ³	<u>\$58.25</u>	<u>\$44.27</u>	<u>\$34.95</u>
Total through 120% of AMI	52	45	35		\$130.48	\$113.09	\$88.27
Current Jobs-Housing Linkage Fee					\$14.96	\$13.95	\$11.21
Current Fee as Percent of Nexus					11%	12%	13%

Notes:

¹ Assumes rental housing (apartment unit). Gap based on 35% SF Median. See Table IV.

² Assumes rental housing (apartment unit). Gap based on 70% SF Median. See Table IV.

³ Assumes ownership housing (condominium unit). Gap based on 100% SF Median. See Table IV-3.

Source: Keyser Marston Associates and Gabriel Roche, Inc. 1997 Jobs Housing Nexus Analysis, City of San Francisco. Prepared for the Office of Affordable Housing Production Program (OAHPP) City and County of San Francisco.

**TABLE IV-2
RESIDENTIAL MITIGATION AS A PERCENT OF NEXUS
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

RESIDENTIAL NEXUS AFFORDABLE UNITS	100 Market Rate Units		85 Market Rate Units	
	<u>Condos</u>	<u>Rental</u>	<u>Condos</u>	<u>Rental</u>
Mitigation: Required Affordable Units (15%) ¹	17.65	17.65	15.00	15.00
Nexus Supported: Number of Lower Income Households ²	43.31	33.68	36.81	28.63
Mitigation as Percent of Nexus	41%	52%	41%	52%

Notes:

¹ A 15% Inclusionary requirement equates to 17.65 affordable units for every 100 market rate units ($17.65 / 117.65 = 15\%$).

² See Table III-4, based on direct, indirect and induced.

TABLE IV-3
AFFORDABILITY GAPS
UPDATED AFFORDABILITY GAPS FOR JOBS-HOUSING NEXUS
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO

	Prototype 1 ¹ <u>Low Rise Condos</u>	Prototype 2 ¹ <u>Mid Rise Condos</u>	Blended Condo <u>50% Low, 50% Mid</u>	Prototype 5 ¹ <u>Low Rise Rental</u>
Development Cost				
Average Unit Size ²	800 SF	800 SF	800 SF	800 SF
Development Cost per Net Sq. Ft.	\$550 /SF	\$589 /SF	\$570 /SF	\$412 /SF
Development Cost per Unit	\$440,000	\$471,000	\$455,500	\$330,000
Affordability Gaps				
Low Income (35% SF Median)				
Affordable Unit Value ³				(\$10,685)
Gap				\$340,685
70% SF Median				
Affordable Unit Value / Sales Price ³				\$113,120
Gap				\$216,880
Median Income (100% SF Median)				
Affordable Sales Price ³			\$222,645	
Gap			\$232,855	

Notes:

¹ Based on KMA sensitivity analysis prototypes 1, 2, and 5 with costs adjusted to reflect affordable units.

² KMA sensitivity analysis prototype 2 modified to reflect the same square footage as the low-rise unit.

³ See Tables IV-4 and IV-5.

TABLE IV-4
VALUE OF AFFORDABLE RENTAL UNITS
UPDATED AFFORDABILITY GAPS FOR JOBS-HOUSING NEXUS
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO

Unit Mix	<u>Studio</u> 15%	<u>1 Bedroom</u> 60%	<u>2 Bedroom</u> 25%	<u>Average Rental</u> 100%
Low Income (35% SF Median)				
Annual Income Limit ¹	21,400	24,450	27,500	\$24,755
30% of Household Income	\$6,420	\$7,335	\$8,250	\$7,427
Per Month	\$535	\$611	\$688	\$619
<Less> Utility Allowance ²	(\$62)	(\$71)	(\$81)	(\$72)
Affordable Rent	\$473	\$540	\$607	\$547
 Affordable Rent, Annual	 \$5,676	 \$6,483	 \$7,278	 \$6,561
<Less> Operating Expenses	(\$7,200)	(\$7,200)	(\$7,200)	(\$7,200)
Net Revenue per Unit	(\$1,524)	(\$717)	\$78	(\$639)
 Capitalized Value (@ 6.0%)	 (\$25,400)	 (\$12,000)	 \$1,300	 (\$10,685)
70% SF Median				
Annual Income Limit ¹	42,800	48,900	55,000	\$49,510
30% of Household Income	\$12,840	\$14,670	\$16,500	\$14,853
Per Month	\$1,070	\$1,223	\$1,375	\$1,238
<Less> Utility Allowance ²	(\$62)	(\$71)	(\$81)	(\$72)
Affordable Rent	\$1,008	\$1,152	\$1,294	\$1,166
 Affordable Rent, Annual	 \$12,096	 \$13,818	 \$15,528	 \$13,987
<Less> Operating Expenses	(\$7,200)	(\$7,200)	(\$7,200)	(\$7,200)
Net Revenue per Unit	\$4,896	\$6,618	\$8,328	\$6,787
 Capitalized Value (@ 6.0%)	 \$81,600	 \$110,300	 \$138,800	 \$113,120

Notes:

¹ Household size based on number of bedrooms plus one.

² Utility allowance assumes tenant pays for heat, water, hot water, cooking, range, and electricity.

Source: KMA Sensitivity Analysis, City of San Francisco Mayor's Office of Housing

**TABLE IV-5
AFFORDABLE SALES PRICE
UPDATED AFFORDABILITY GAPS FOR JOBS-HOUSING NEXUS
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO**

		<u>Studio</u>	<u>1 Bedroom</u>	<u>2 Bedroom</u>	<u>Average Condo</u>
100% SF Median					
Unit Mix		20%	35%	45%	100%
Annual Income Limit ¹		61,110	69,840	78,570	\$72,023
33% of Household Income		\$20,166	\$23,047	\$25,928	\$23,767
Annual Condo Association Fee	\$450	\$5,400	\$5,400	\$5,400	\$5,400
Property Taxes	1,144%	\$2,048	\$2,447	\$2,847	\$2,547
Available for P+I		\$12,719	\$15,200	\$17,681	\$15,820
Supportable Mortgage (10 yr avg rate ²)	6.89%	\$161,094	\$192,523	\$223,952	\$200,380
Down Payment	10%	\$17,899	\$21,391	\$24,884	\$22,264
Affordable Sales Price		\$178,993	\$213,914	\$248,836	\$222,645

Notes:

¹ Household size based on number of bedrooms plus one.

² Per the City of San Francisco Mayor's Office of Housing

Source: KMA, City of San Francisco Mayor's Office of Housing

APPENDIX

APPENDIX TABLE 1
2005 NATIONAL RESIDENT SERVICES WORKER DISTRIBUTION BY OCCUPATION
DIRECT EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Major Occupations (2% or more)	2005 National Resident Services Occupation Distribution ¹
Management occupations	3.3%
Business and financial operations occupations	2.1%
Community and social services occupations	2.9%
Education, training, and library occupations	5.9%
Healthcare practitioners and technical occupations	7.8%
Healthcare support occupations	3.9%
Food preparation and serving related occupations	15.9%
Building and grounds cleaning and maintenance occupations	2.6%
Personal care and service occupations	5.2%
Sales and related occupations	13.2%
Office and administrative support occupations	14.4%
Installation, maintenance, and repair occupations	4.0%
Production occupations	2.5%
Transportation and material moving occupations	5.4%
All Other Resident Services Related Occupations	<u>11.0%</u>
INDUSTRY TOTAL	100.0%

¹ Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

APPENDIX TABLE 2
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
Page 1 of 4			
<i>Management occupations</i>			
Chief executives	\$172,200	4.7%	0.2%
General and operations managers	\$120,400	31.5%	1.0%
Sales managers	\$119,400	4.7%	0.2%
Administrative services managers	\$91,500	4.4%	0.1%
Financial managers	\$122,600	5.6%	0.2%
Food service managers	\$49,300	8.4%	0.3%
Medical and health services managers	\$108,800	8.1%	0.3%
Social and community service managers	\$61,000	6.3%	0.2%
All other Management Occupations	\$110,000	26.4%	0.9%
Weighted Mean Annual Wage	\$108,300	100.0%	3.3%
<i>Business and financial operations occupations</i>			
Wholesale and retail buyers, except farm products	\$52,600	4.8%	0.1%
Claims adjusters, examiners, and investigators	\$58,000	10.2%	0.2%
Training and development specialists	\$62,000	4.7%	0.1%
Management analysts	\$90,300	4.3%	0.1%
Business operations specialists, all other	\$65,100	16.5%	0.3%
Accountants and auditors	\$67,800	16.9%	0.4%
Financial analysts	\$98,900	5.0%	0.1%
Insurance underwriters	\$62,800	4.4%	0.1%
All Other Business and financial operations occupations (Avg. All Categories)	\$67,600	33.3%	0.7%
Weighted Mean Annual Wage	\$67,600	100.0%	2.1%
<i>Community and social services occupations</i>			
Substance abuse and behavioral disorder counselors	\$37,100	4.4%	0.1%
Educational, vocational, and school counselors	\$52,000	4.9%	0.1%
Mental health counselors	\$52,100	5.5%	0.2%
Rehabilitation counselors	\$43,900	4.8%	0.1%
Child, family, and school social workers	\$46,300	12.0%	0.3%
Medical and public health social workers	\$55,600	5.5%	0.2%
Mental health and substance abuse social workers	\$38,800	7.4%	0.2%
Social and human service assistants	\$32,900	16.6%	0.5%
Community and social service specialists, all other	\$39,700	4.7%	0.1%
Clergy	\$53,700	14.7%	0.4%
Directors, religious activities and education	\$43,600	8.1%	0.2%
All Other Community and social services occupations (Avg. All Categories)	\$44,500	11.3%	0.3%
Weighted Mean Annual Wage	\$44,500	100.0%	2.9%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap1-2.xls; Ap fb2 Compensation; 4/5/2007; dd

APPENDIX TABLE 2
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ¹	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 2 of 4</i>			
<i>Education, training, and library occupations</i>			
Preschool teachers, except special education	\$30,700	14.0%	0.8%
Elementary school teachers, except special education	\$55,700	15.6%	0.9%
Middle school teachers, except special and vocational education	\$60,800	6.1%	0.4%
Secondary school teachers, except special and vocational education	\$61,600	9.7%	0.6%
Self-enrichment education teachers	\$46,700	4.5%	0.3%
Teachers and instructors, all other	\$50,000	5.5%	0.3%
Teacher assistants	\$31,800	17.9%	1.1%
All Other Education, training, and library occupations (Avg. All Categories)	<u>\$45,300</u>	<u>26.7%</u>	<u>1.6%</u>
Weighted Mean Annual Wage	\$45,300	100.0%	5.9%
<i>Healthcare practitioners and technical occupations</i>			
Physicians and surgeons, all other	\$114,200	4.2%	0.3%
Registered nurses	\$82,100	35.9%	2.8%
Pharmacy technicians	\$40,500	4.6%	0.4%
Licensed practical and licensed vocational nurses	\$53,200	11.0%	0.9%
All Other Healthcare practitioners and technical occupations (Avg. All Categories)	<u>\$75,300</u>	<u>44.3%</u>	<u>3.5%</u>
Weighted Mean Annual Wage	\$75,300	100.0%	7.8%
<i>Healthcare support occupations</i>			
Home health aides	\$22,600	22.6%	0.9%
Nursing aides, orderlies, and attendants	\$32,700	37.5%	1.5%
Medical assistants	\$36,300	21.1%	0.8%
Healthcare support workers, all other	\$40,200	4.3%	0.2%
All Other Healthcare support occupations (Avg. All Categories)	<u>\$31,300</u>	<u>14.5%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$31,300	100.0%	3.9%
<i>Food preparation and serving related occupations</i>			
First-line supervisors/managers of food preparation and serving workers	\$29,700	6.9%	1.1%
Cooks, fast food	\$20,200	6.4%	1.0%
Cooks, restaurant	\$25,600	7.6%	1.2%
Food preparation workers	\$21,500	7.4%	1.2%
Bartenders	\$21,100	4.6%	0.7%
Combined food preparation and serving workers, including fast food	\$20,600	22.0%	3.5%
Counter attendants, cafeteria, food concession, and coffee shop	\$20,000	4.3%	0.7%
Waiters and waitresses	\$19,100	21.6%	3.4%
Dishwashers	\$19,400	4.7%	0.7%
All Other Food preparation and serving related occupations (Avg. All Categories)	<u>\$21,400</u>	<u>14.5%</u>	<u>2.3%</u>
Weighted Mean Annual Wage	\$21,400	100.0%	15.9%

APPENDIX TABLE 2
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
Page 3 of 4			
<i>Building and grounds cleaning and maintenance occupations</i>			
First-line supervisors/managers of housekeeping and janitorial workers	\$43,600	4.7%	0.1%
Janitors and cleaners, except maids and housekeeping cleaners	\$25,300	48.0%	1.2%
Maids and housekeeping cleaners	\$26,500	30.0%	0.8%
Landscaping and groundskeeping workers	\$32,800	14.0%	0.4%
All Other Building and grounds cleaning and maintenance occupations (Avg. All Cat	<u>\$27,600</u>	<u>3.3%</u>	<u>0.1%</u>
Weighted Mean Annual Wage	\$27,600	100.0%	2.6%
<i>Personal care and service occupations</i>			
Amusement and recreation attendants	\$19,800	7.9%	0.4%
Hairdressers, hairstylists, and cosmetologists	\$34,000	15.9%	0.8%
Child care workers	\$26,200	19.8%	1.0%
Personal and home care aides	\$22,000	22.2%	1.2%
Recreation workers	\$29,700	5.7%	0.3%
All Other Personal care and service occupations (Avg. All Categories)	<u>\$26,200</u>	<u>28.6%</u>	<u>1.5%</u>
Weighted Mean Annual Wage	\$26,200	100.0%	5.2%
<i>Sales and related occupations</i>			
First-line supervisors/managers of retail sales workers	\$41,800	9.5%	1.3%
Cashiers	\$23,400	30.9%	4.1%
Counter and rental clerks	\$28,100	5.1%	0.7%
Retail salespersons	\$27,100	39.4%	5.2%
Sales representatives, wholesale and manufacturing, except technical and scientific	\$68,800	5.5%	0.7%
All Other Sales and related occupations (Avg. All Categories)	<u>\$30,000</u>	<u>9.7%</u>	<u>1.3%</u>
Weighted Mean Annual Wage	\$30,000	100.0%	13.2%
<i>Office and administrative support occupations</i>			
First-line supervisors/managers of office and administrative support workers	\$56,000	5.6%	0.8%
Bookkeeping, accounting, and auditing clerks	\$40,200	8.3%	1.2%
Customer service representatives	\$37,600	7.4%	1.1%
Receptionists and information clerks	\$30,200	8.2%	1.2%
Stock clerks and order fillers	\$28,200	10.1%	1.5%
Executive secretaries and administrative assistants	\$47,200	5.7%	0.8%
Medical secretaries	\$39,700	4.5%	0.6%
Secretaries, except legal, medical, and executive	\$39,100	9.0%	1.3%
Office clerks, general	\$29,900	13.5%	1.9%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$36,800</u>	<u>27.6%</u>	<u>4.0%</u>
Weighted Mean Annual Wage	\$36,800	100.0%	14.4%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap1-2.xls; Ap tb2 Compensation; 4/5/2007; dd

APPENDIX TABLE 2
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 4 of 4</i>			
<i>Installation, maintenance, and repair occupations</i>			
First-line supervisors/managers of mechanics, installers, and repairers	\$71,200	8.5%	0.3%
Automotive body and related repairers	\$50,300	12.2%	0.5%
Automotive service technicians and mechanics	\$51,500	30.5%	1.2%
Bus and truck mechanics and diesel engine specialists	\$46,800	5.1%	0.2%
Maintenance and repair workers, general	\$44,400	16.6%	0.7%
All Other Installation, maintenance, and repair occupations (Avg. All Categories)	<u>\$51,700</u>	<u>27.1%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$51,700	100.0%	4.0%
<i>Production occupations</i>			
First-line supervisors/managers of production and operating workers	\$57,800	6.0%	0.2%
Bakers	\$25,800	6.3%	0.2%
Butchers and meat cutters	\$34,600	5.4%	0.1%
Laundry and dry-cleaning workers	\$24,500	13.7%	0.3%
Pressers, textile, garment, and related materials	\$22,100	6.0%	0.2%
Sewing machine operators	\$19,100	12.1%	0.3%
Painters, transportation equipment	\$48,700	4.2%	0.1%
All Other Production occupations (Avg. All Categories)	<u>\$29,800</u>	<u>46.3%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$29,800	100.0%	2.5%
<i>Transportation and material moving occupations</i>			
Bus drivers, school	\$28,200	9.9%	0.5%
Driver/sales workers	\$30,500	8.5%	0.5%
Truck drivers, heavy and tractor-trailer	\$41,900	8.3%	0.4%
Truck drivers, light or delivery services	\$31,800	10.2%	0.5%
Taxi drivers and chauffeurs	\$25,500	4.1%	0.2%
Parking lot attendants	\$26,200	5.5%	0.3%
Cleaners of vehicles and equipment	\$24,500	12.6%	0.7%
Laborers and freight, stock, and material movers, hand	\$27,800	15.0%	0.8%
Packers and packagers, hand	\$19,100	7.4%	0.4%
All Other Transportation and material moving occupations (Avg. All Categories)	<u>\$28,500</u>	<u>18.5%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$28,500	100.0%	5.4%
			89.0%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² Occupation percentages are based on the 2005 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2005 Occupational Employment Survey data for San Francisco-San Mateo-Redwood City MD, California (San Francisco, San Mateo, and Marin Counties) updated by the California Employment Development Department to 2006 wage levels.

³ Including occupations representing 4% or more of the major occupation group

APPENDIX TABLE 3
2005 NATIONAL RESIDENT SERVICES WORKER DISTRIBUTION BY OCCUPATION
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Major Occupations (1% or more)	2005 National Resident Services Occupation Distribution ¹
Management occupations	4.0%
Business and financial operations occupations	3.5%
Computer and mathematical occupations	2.2%
Community and social services occupations	2.4%
Education, training, and library occupations	7.1%
Arts, design, entertainment, sports, and media occupations	1.4%
Healthcare practitioners and technical occupations	5.9%
Healthcare support occupations	2.9%
Protective service occupations	1.7%
Food preparation and serving related occupations	12.4%
Building and grounds cleaning and maintenance occupations	3.2%
Personal care and service occupations	3.9%
Sales and related occupations	11.2%
Office and administrative support occupations	15.7%
Construction and extraction occupations	1.7%
Installation, maintenance, and repair occupations	3.7%
Production occupations	2.3%
Transportation and material moving occupations	5.2%
All Other Resident Services Related Occupations	<u>9.7%</u>
INDUSTRY TOTAL	100.0%

¹ Distribution of employment by industry is per the IMPLAN model and the distribution of occupational employment within those industries is based on the Bureau of Labor Statistics Occupational Employment Survey.

Source: Bureau of Labor Statistics, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap3-4.xls; Ap tb3 Major Occupations Matrix; 4/5/2007; dd

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 1 of 5</i>			
<i>Management occupations</i>			
Chief executives	\$172,200	4.8%	0.2%
General and operations managers	\$120,400	27.8%	1.1%
Sales managers	\$119,400	4.3%	0.2%
Administrative services managers	\$91,500	4.4%	0.2%
Computer and information systems managers	\$133,300	4.4%	0.2%
Financial managers	\$122,600	6.7%	0.3%
Education administrators, elementary and secondary school	\$101,700	4.4%	0.2%
Food service managers	\$49,300	5.4%	0.2%
Medical and health services managers	\$108,800	5.4%	0.2%
Property, real estate, and community association managers	\$56,500	4.1%	0.2%
Managers, all other	\$110,000	5.4%	0.2%
All Other Management occupations (Avg. All Categories)	<u>\$111,800</u>	<u>23.0%</u>	<u>0.9%</u>
<i>Weighted Mean Annual Wage</i>	\$111,800	100.0%	4.0%
<i>Business and financial operations occupations</i>			
Claims adjusters, examiners, and investigators	\$58,000	6.5%	0.2%
Management analysts	\$90,300	7.9%	0.3%
Business operations specialists, all other	\$65,100	17.4%	0.6%
Accountants and auditors	\$67,800	19.6%	0.7%
Financial analysts	\$98,900	4.3%	0.2%
All Other Business and financial operations occupations (Avg. All Categories)	<u>\$71,400</u>	<u>44.2%</u>	<u>1.6%</u>
<i>Weighted Mean Annual Wage</i>	\$71,400	100.0%	3.5%
<i>Computer and mathematical occupations</i>			
Computer programmers	\$88,500	14.6%	0.3%
Computer software engineers, applications	\$99,400	15.9%	0.3%
Computer software engineers, systems software	\$98,600	9.5%	0.2%
Computer support specialists	\$61,600	17.0%	0.4%
Computer systems analysts	\$83,600	17.7%	0.4%
Network and computer systems administrators	\$81,100	8.5%	0.2%
Network systems and data communications analysts	\$79,900	6.0%	0.1%
All Other Computer and mathematical occupations (Avg. All Categories)	<u>\$84,100</u>	<u>10.7%</u>	<u>0.2%</u>
<i>Weighted Mean Annual Wage</i>	\$84,100	100.0%	2.2%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap3-4.xls; Ap tb4 Compensation; 4/5/2007; dd

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 2 of 5</i>			
<i>Community and social services occupations</i>			
Educational, vocational, and school counselors	\$52,000	7.4%	0.2%
Mental health counselors	\$52,100	4.8%	0.1%
Rehabilitation counselors	\$43,900	4.8%	0.1%
Child, family, and school social workers	\$46,300	13.5%	0.3%
Medical and public health social workers	\$55,600	5.0%	0.1%
Mental health and substance abuse social workers	\$38,800	6.7%	0.2%
Social and human service assistants	\$32,900	16.5%	0.4%
Community and social service specialists, all other	\$39,700	4.9%	0.1%
Clergy	\$53,700	12.2%	0.3%
Directors, religious activities and education	\$43,600	6.7%	0.2%
All Other Community and social services occupations (Avg. All Categories)	<u>\$44,800</u>	<u>17.4%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$44,800	100.0%	2.4%
<i>Education, training, and library occupations</i>			
Preschool teachers, except special education	\$30,700	8.4%	0.6%
Elementary school teachers, except special education	\$55,700	17.5%	1.2%
Middle school teachers, except special and vocational education	\$60,800	7.2%	0.5%
Secondary school teachers, except special and vocational education	\$61,600	11.4%	0.8%
Teachers and instructors, all other	\$60,000	6.2%	0.4%
Teacher assistants	\$31,800	16.5%	1.2%
All Other Education, training, and library occupations (Avg. All Categories)	<u>\$47,700</u>	<u>32.9%</u>	<u>2.3%</u>
Weighted Mean Annual Wage	\$47,700	100.0%	7.1%
<i>Arts, design, entertainment, sports, and media occupations</i>			
Floral designers	\$39,500	6.4%	0.1%
Graphic designers	\$60,700	5.2%	0.1%
Coaches and scouts	\$34,600	9.1%	0.1%
Public relations specialists	\$61,500	12.1%	0.2%
All Other Arts, design, entertainment, sports, & media (Avg. All Categories) ⁴	<u>\$49,600</u>	<u>67.3%</u>	<u>1.0%</u>
Weighted Mean Annual Wage	\$49,600	100.0%	1.4%
<i>Healthcare practitioners and technical occupations</i>			
Physicians and surgeons, all other	\$114,200	4.3%	0.3%
Registered nurses	\$82,100	36.1%	2.1%
Pharmacy technicians	\$40,500	4.6%	0.3%
Licensed practical and licensed vocational nurses	\$53,200	11.1%	0.7%
All Other Healthcare practitioners and technical occupations (Avg. All Categories)	<u>\$75,400</u>	<u>43.9%</u>	<u>2.6%</u>
Weighted Mean Annual Wage	\$75,400	100.0%	5.9%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap3-4.xls; Ap tb4 Compensation; 4/5/2007; dd

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 3 of 5</i>			
<i>Healthcare support occupations</i>			
Home health aides	\$22,600	22.2%	0.6%
Nursing aides, orderlies, and attendants	\$32,700	37.8%	1.1%
Medical assistants	\$36,300	20.5%	0.6%
Healthcare support workers, all other	\$40,200	4.7%	0.1%
All Other Healthcare support occupations (Avg. All Categories)	<u>\$31,300</u>	<u>14.9%</u>	<u>0.4%</u>
Weighted Mean Annual Wage	\$31,300	100.0%	2.9%
<i>Protective service occupations</i>			
Correctional officers and jailers	\$59,300	17.6%	0.3%
Police and sheriff's patrol officers	\$61,200	8.8%	0.1%
Security guards	\$26,400	47.9%	0.8%
Lifeguards, ski patrol, and other recreational protective service workers	\$24,800	4.3%	0.1%
Protective service workers, all other	\$55,600	5.3%	0.1%
All Other Protective service occupations (Avg. All Categories)	<u>\$38,700</u>	<u>16.1%</u>	<u>0.3%</u>
Weighted Mean Annual Wage	\$38,700	100.0%	1.7%
<i>Food preparation and serving related occupations</i>			
First-line supervisors/managers of food preparation and serving workers	\$29,700	6.9%	0.9%
Cooks, fast food	\$20,200	6.3%	0.8%
Cooks, restaurant	\$25,600	7.5%	0.9%
Food preparation workers	\$21,500	7.5%	0.9%
Bartenders	\$21,100	4.7%	0.6%
Combined food preparation and serving workers, including fast food	\$20,600	21.9%	2.7%
Counter attendants, cafeteria, food concession, and coffee shop	\$20,000	4.4%	0.5%
Waiters and waitresses	\$19,100	21.4%	2.6%
Dishwashers	\$19,400	4.6%	0.6%
All Other Food preparation and serving related occupations (Avg. All Categories)	<u>\$21,400</u>	<u>14.8%</u>	<u>1.8%</u>
Weighted Mean Annual Wage	\$21,400	100.0%	12.4%
<i>Building and grounds cleaning and maintenance occupations</i>			
First-line supervisors/managers of housekeeping and janitorial workers	\$43,600	4.4%	0.1%
Janitors and cleaners, except maids and housekeeping cleaners	\$25,300	51.1%	1.6%
Maids and housekeeping cleaners	\$26,500	20.8%	0.7%
Landscaping and groundskeeping workers	\$32,800	18.1%	0.6%
All Other Building and grounds cleaning and maintenance occupations (Avg. All Categories)	<u>\$27,900</u>	<u>5.5%</u>	<u>0.2%</u>
Weighted Mean Annual Wage	\$27,900	100.0%	3.2%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota (MPLAN) Group
Prepared by: Kayser Marston Associates, Inc.
Filename: 001-018 Tables Ap3-4.xls; Ap tb4 Compensation; 4/5/2007; dd

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
<i>Page 4 of 5</i>			
<i>Personal care and service occupations</i>			
First-line supervisors/managers of personal service workers	\$47,100	4.0%	0.2%
Ushers, lobby attendants, and ticket takers	\$19,600	4.5%	0.2%
Amusement and recreation attendants	\$19,800	7.8%	0.3%
Hairdressers, hairstylists, and cosmetologists	\$34,000	15.0%	0.6%
Child care workers	\$26,200	19.9%	0.8%
Personal and home care aides	\$22,000	20.6%	0.8%
Recreation workers	\$29,700	6.1%	0.2%
All Other Personal care and service occupations (Avg. All Categories)	<u>\$26,900</u>	<u>22.2%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$26,900	100.0%	3.9%
<i>Sales and related occupations</i>			
First-line supervisors/managers of retail sales workers	\$41,800	8.6%	1.0%
Cashiers	\$23,400	27.6%	3.1%
Counter and rental clerks	\$28,100	5.2%	0.6%
Retail salespersons	\$27,100	34.9%	3.9%
Sales representatives, wholesale and manufacturing, except technical and scientific	\$68,800	6.3%	0.7%
All Other Sales and related occupations (Avg. All Categories)	<u>\$30,600</u>	<u>17.5%</u>	<u>2.0%</u>
Weighted Mean Annual Wage	\$30,600	100.0%	11.2%
<i>Office and administrative support occupations</i>			
First-line supervisors/managers of office and administrative support workers	\$56,000	5.6%	0.9%
Bookkeeping, accounting, and auditing clerks	\$40,200	8.3%	1.3%
Customer service representatives	\$37,600	7.9%	1.2%
Receptionists and information clerks	\$30,200	6.5%	1.0%
Stock clerks and order fillers	\$28,200	7.4%	1.2%
Executive secretaries and administrative assistants	\$47,200	6.7%	1.0%
Secretaries, except legal, medical, and executive	\$39,100	9.2%	1.4%
Office clerks, general	\$29,900	14.1%	2.2%
All Other Office and administrative support occupations (Avg. All Categories)	<u>\$37,200</u>	<u>34.3%</u>	<u>5.4%</u>
Weighted Mean Annual Wage	\$37,200	100.0%	15.7%
<i>Construction and extraction occupations</i>			
First-line supervisors/managers of construction trades and extraction workers	\$82,800	12.8%	0.2%
Carpenters	\$52,300	31.7%	0.5%
Construction laborers	\$42,700	18.5%	0.3%
All Other Construction and extraction occupations (Avg. All Categories)	<u>\$55,700</u>	<u>37.0%</u>	<u>0.6%</u>
Weighted Mean Annual Wage	\$55,700	100.0%	1.7%

Sources: U.S. Bureau of Labor Statistics, California Employment Development Department, Minnesota IMPLAN Group
Prepared by: Keyser Marston Associates, Inc.
Filename: 001-018 Tables Ap3-4.xls; Ap tb4 Compensation; 4/5/2007; dd

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ³	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
Page 5 of 5			
<i>Installation, maintenance, and repair occupations</i>			
First-line supervisors/managers of mechanics, installers, and repairers	\$71,200	8.6%	0.3%
Automotive body and related repairers	\$50,300	9.7%	0.4%
Automotive service technicians and mechanics	\$51,500	24.8%	0.9%
Bus and truck mechanics and diesel engine specialists	\$46,800	4.8%	0.2%
Maintenance and repair workers, general	\$44,400	22.7%	0.8%
All Other Installation, maintenance, and repair occupations (Avg. All Categories)	<u>\$51,100</u>	<u>29.4%</u>	<u>1.1%</u>
Weighted Mean Annual Wage	\$51,100	100.0%	3.7%
<i>Production occupations</i>			
First-line supervisors/managers of production and operating workers	\$57,800	5.9%	0.1%
Team assemblers	\$29,600	5.8%	0.1%
Bakers	\$25,800	5.9%	0.1%
Butchers and meat cutters	\$34,600	4.5%	0.1%
Laundry and dry-cleaning workers	\$24,500	12.8%	0.3%
Pressers, textile, garment, and related materials	\$22,100	5.8%	0.1%
Sewing machine operators	\$19,100	9.5%	0.2%
Inspectors, testers, sorters, samplers, and weighers	\$34,600	4.7%	0.1%
Helpers—production workers	\$25,400	4.3%	0.1%
All Other Production occupations (Avg. All Categories)	<u>\$29,000</u>	<u>40.9%</u>	<u>0.9%</u>
Weighted Mean Annual Wage	\$29,000	100.0%	2.3%
<i>Transportation and material moving occupations</i>			
Bus drivers, school	\$28,200	10.4%	0.5%
Driver/sales workers	\$30,500	7.0%	0.4%
Truck drivers, heavy and tractor-trailer	\$41,900	8.9%	0.5%
Truck drivers, light or delivery services	\$31,800	10.2%	0.5%
Parking lot attendants	\$26,200	4.3%	0.2%
Cleaners of vehicles and equipment	\$24,500	9.9%	0.5%
Laborers and freight, stock, and material movers, hand	\$27,800	18.2%	0.9%
Packers and packagers, hand	\$19,100	7.1%	0.4%
All Other Transportation and material moving occupations (Avg. All Categories)	<u>\$29,000</u>	<u>24.0%</u>	<u>1.2%</u>
Weighted Mean Annual Wage	\$29,000	100.0%	5.2%
			90.3%

¹ The methodology utilized by the California Employment Development Department (EDD) assumes that hourly paid employees are employed full-time. Annual compensation is calculated by EDD by multiplying hourly wages by 40 hours per work week by 52 weeks.

² Occupation percentages are based on the 2005 National Industry - Specific Occupational Employment survey compiled by the Bureau of Labor Statistics. Wages are based on the 2005 Occupational Employment Survey data for San Francisco-San Mateo-Redwood City MD, California (San Francisco, San Mateo, and Marin Counties) updated by the California Employment Development Department to 2006 wage levels.

³ Including occupations representing 4% or more of the major occupation group

⁴ Includes Artists and Musicians which represent 5% and 16% of the occupation group respectively. The Occupational Employment Survey did not calculate annual

APPENDIX TABLE 4
AVERAGE ANNUAL COMPENSATION, 2006
RESIDENT SERVICES WORKER OCCUPATIONS
DIRECT, INDIRECT & INDUCED EMPLOYMENT IMPACTS WITHIN THE CITY OF SAN FRANCISCO
RESIDENTIAL NEXUS ANALYSIS
CITY OF SAN FRANCISCO, CA

Occupation ¹	2006 Avg. Compensation ¹	% of Total Occupation Group ²	% of Total Resident Services Workers
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wage and salary information for these occupations.

PRICEONOMICS

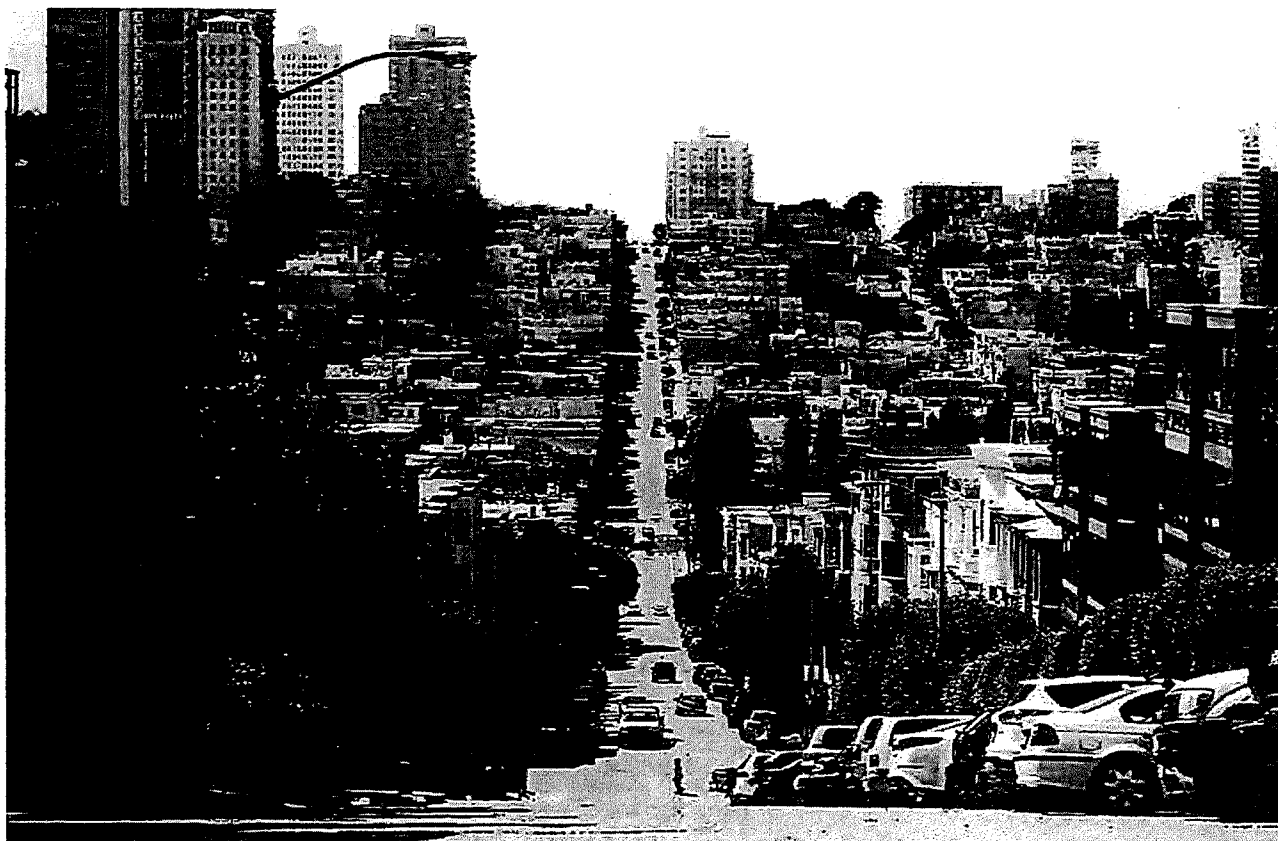
CONTENT TRACKER DATA STUDIO CONTENT MARKETING

Quantifying the Changing Face of San Francisco

By Dan Kopf · 740 views

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Articles like "Is San Francisco Losing Its Soul?" or "San Francisco's Alarming Tech Boom: What Is the Price of Change?" have become the norm for describing the city. As the refrain goes, the rising cost of living in San Francisco is forcing out the city's teachers, artists, and diversity, replaced by engineers and the 1% drawn by the tech boom.

Cities' demographics are always changing, but many believe San Francisco's transformation is uniquely extreme and damaging. Combine a booming economy with little housing development, and the increasing desire of young professionals to live in cities is a potent

recipe for drastic movements of people. It has led to a city that some of its residents find unrecognizable.

But how much of this is *sky is falling* hyperbole? Does the reality match the perception?

It's impossible to quantify the cultural changes to the city. But it is possible—using Census data—to test how much San Francisco's demographics have been altered by new arrivals.

From 2010 to 2014 – the most recent period from which detailed data is available – an annual average of about 60,000 people migrated to San Francisco and 60,000 migrated out. Since San Francisco has around 800,000 residents, that 60,000 represents about 7.5% of the population. The city's population grew only slightly during that period.

The difference between the 60,000 coming and going is the main factor that changes the demographic character of the city. It is also impacted by people getting older, dying, having children, or becoming wealthier or poorer due to the changes around them. But in and out migration is the most important factor.

So what are the most notable facts about these 60,000 people?

The American Community Survey, an annual collection of data from a representative sample of Americans, asks individuals about whether they migrated in the past year, and where they came from. This data allows us to identify San Francisco's comers and goers. (Though the small number of people who left for other countries are not included because they are not part of the survey.)

The basic trends are what any San Francisco resident might expect. The people moving in are more likely to have higher levels of formal education, and they tend to be younger, White and Asian. The people moving out are less likely to have completed college, and they tend to be older, African American and Hispanic.

Increased demand to live in San Francisco, and a housing supply that has barely budged, means change at a striking scale.



Workers at Google's offices near San Francisco

From Working Class to Ivory Tower

One of the most remarkable differences between the 60,000 moving in and the 60,000 moving out is just how many more of the new arrivals have completed some form of higher education.

San Francisco is the home of technological innovation. The city and the surrounding area are home to the headquarters of Apple, Facebook, Google, Twitter, Uber, and Tesla. Compared to the large manufacturers of the past, these high-growth tech companies have an unusual need for white-collar knowledge workers.

This demand is the most likely explanation for San Francisco's net increase of nearly 7,000 people per year—among those at least 22-years-old—with a college or postgraduate degree. This is in contrast to a net out migration of about 3,000 people without a college degree.

The table below displays an annual estimate of the net migration of people 22 to 49 who migrated in and out of the city. We chose this age group because this is the life period when adults are most likely to migrate. The numbers below are based on samples, so they are not exact. Generally, the net migration numbers in this article are likely to be accurate within 1,000 people.

The Annual Migration In and Out of SF by Education Attainment: Ages 22-49

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
Did Not Graduate High School	95,900	-1,300	-1.4%
High School Graduate	57,200	-1,700	-3.0%
College Graduate	168,400	4,500	2.7%
Post Graduate Degree	90,800	2,200	2.4%

It is important to remember that 4,500 additional college graduates does not mean that no college graduates left the city. In fact, 17,200 college graduates left for cheaper pastures. But another 21,700 college grads replaced them, leading to a net change of 4,500.

The Great Migration

San Francisco has long been one of the United States' most diverse cities. Since World War II, it has been a city with large Asian, Hispanic, White and Black populations. Yet the city is in danger of almost entirely losing one of those groups.

Perhaps no aspect of the annual migration in and out of San Francisco is as notable as the mass "exodus" of African Americans.

San Francisco was 13.4% African American in 1970, but its population as of 2016 is less than 6% Black. The population has steadily declined, and the trend seems likely to continue. From 2010-2014, there was annual net out migration of around 2,000 African Americans from the city. That represents a 4.6% decline of the population every year.

The Annual Migration In and Out of SF by Race/Ethnicity

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
White	342,100	2,500	0.7%
Asian	278,100	3,500	1.3%
Hispanic	126,200	-1,700	-1.3%
Black	48,400	-2,100	-4.6%
Other	35,100	-100	-0.3%

The story of San Francisco's declining black population is characterized more by a lack of in migration than an unusual amount of out migration. Just about 1 in 10 African Americans who live in San Francisco leave the city every year. This is not much greater than for Whites

or Hispanics. This out migration is in some ways positive, in part representing an ability to leave the city that was not possible in the days of stronger housing discrimination.

The issue is that unlike other groups, African Americans are not moving to the city. There are likely a variety of issues behind this lack of in migration. African Americans moving to the Bay Area may prefer local alternatives like Oakland that have larger African American communities, and San Francisco may not be as racially sensitive as locals like to think. In addition, the tech industry is notoriously lacking in diversity.

The Hispanic population is also declining, but not at quite the rate of the African American population. Both of these declines are particularly pronounced when we look at the key age group of 22- to 49-year-olds, the period when adults are most likely to migrate.

The Annual Migration In and Out of SF by Race/Ethnicity: Ages 22-49

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
White	192,900	3,000	1.6%
Asian	122,100	3,600	2.9%
Hispanic	64,900	-1,100	-1.7%
Black	17,100	-1,700	-9.9%
Other	15,400	-200	-1.3%

City of Men

San Francisco is a particularly male city. It is home to the Castro, a center of American gay male culture, and the city's main growth industry, tech, is heavily male.

The city was already unusually male in 2010, and the gender ratio skews more each year. Tech is a growing portion of San Francisco's economy, and men make up about 75% of the city's computer and math workers. That 75% ratio has been stable for years and has contributed to a growing wage gap between men and women in the city.

The table below shows a net in migration of 2,400 men per year, a 0.6% increase, while the female population remains the same. So essentially all of the small population increase in San Francisco from 2010 to 2014 came from men.

San Francisco Is Getting More Male

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
Male	420,500	2,400	0.6%
Female	406,400	-300	-0.1%

And just as we saw before with the trend for race and ethnicity changes, this is more striking for younger adults. Men in their 20s, 30s, and 40s are pouring into the city, increasing their total by 1.7% each year, while the number of women in this age group is barely changing. If that 1.7% growth continues for the next ten years, that would mean a nearly 20% increase in the number of young men.

Migration In and Out of SF by Sex: 22-49

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
Male	217,100	3,600	1.7%
Female	195,200	200	0.1%

The Kids Are Coming

Like many cities, San Francisco is getting younger.

After years of aging – the city was still getting older in the 2000s – San Francisco is getting younger in the 2010s. This is, in part, a manifestation of what the writer Alan Ehrenhalt calls The Great Inversion. This refers to the movement of young professionals into cities that have become more appealing due to the disappearance of “factory and warehouse grime and noise”, which is pricing out the working class and lower income families.

From 2010 to 2014, there was net annual in migration of 7,500 people 35 or under, and net out migration of over 5,000 for people 36 or over.

Migration In and Out of SF by Age

Based on American Community Survey Data: 2010-2014

Category	Total	Annual Net Migration	% Change
35 or Under	370,300	7,500	2.0%
36 or Over	456,600	-5,400	-1.2%

You might consider this normal. Of course young people come into the city for work and

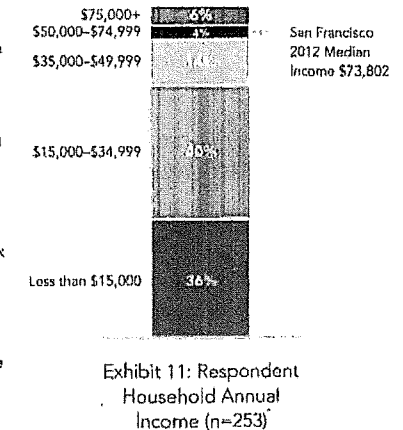
The Working Poor

Context

At the end of 2013, President Obama called income inequality "the defining challenge of our time." In contrast to the prevailing narrative of the "American Dream," in which anyone who works hard enough can get ahead, many people in the United States find themselves unable to find work or struggling as part of the growing "working poor"—they are employed but live below the poverty line. Just to pay basic expenses, respondents often work physically demanding, minimum wage jobs with limited benefits. The high cost of living and recent economic changes in the San Francisco Bay Area exacerbate these struggles and disparities. Bouncing back quickly from the Great Recession, the Bay Area has seen economic growth since 2009, in large part due to the technology industry which has fueled debate over the inequitable distribution of growing wealth. Respondents to the Neighborhood Survey were asked about employment, income and education to assess how the MPN fits into San Francisco's context of growth and questions of equity and economic justice.

Current Snapshot of the MPN

- Over 20 percent of MPN community respondents in the labor force were unemployed or looking for work (n=212). This excludes a third of respondents who reported staying home to care for their families or being retired. This rate is far greater than the city rate; May 2014 marked the lowest unemployment rate in San Francisco since the Great Recession—4.4 percent, which economists consider "full employment."¹²
- Over 90 percent of all surveyed households earn significantly less than the median household income in San Francisco¹³ (Exhibit 11), and over two-thirds of households earn less than \$50,000 annually (n=253).
- Most families are living in poverty. Based on household size (average 4.4 individuals) and income, over 65 percent of surveyed families were living below the federal poverty line (n=246). Using Public Policy Institute of California's more nuanced and county specific Poverty Measure this proportion jumps up to over 75 percent of households.¹⁴
- Job opportunities for the community are limited. Less than a third of MPN community respondents reported that there were local job opportunities for them and their neighbors (n=327). Almost half of those who had work were only employed part time, suggesting underemployment (n=328).
- Most respondents have relatively low educational attainment, but many individuals were taking steps to bolster their skills. Only 53 percent of respondents had received a high school diploma or GED. Less than half of those who graduated high school went on to higher



Surveyed Household Poverty Rate (n=246)

65%

Based on the 2014 US HHS Federal Poverty Guidelines

- Housing and housing related needs went unmet for families in the direst financial situations. Of the small percentage (22 percent) of households that reported going without basic needs in the last 12 months, 44 percent went without paying their rent or mortgage and 27 percent went without housing (n=71). From these data it is unclear how households that went without housing coped with this deficit; some may have stayed with family and friends while others may have been pushed into shelters or the street.
- Families in need of housing assistance are not sufficiently connected to services. Of the almost 30 percent of surveyed households that needed housing assistance (n=294) (e.g., tenant counseling, affordable housing and homeownership assistance, Section 8, foreclosure prevention) in the last 12 months, fewer than half received related services (n=290).

Key Takeaways

1. High housing costs reduce families' financial resources for meeting other basic needs, such as accessing healthy foods, health care, and child care. Furthermore, it can lead families to limit expenditures for enrichment activities that promote children's cognitive development.¹⁰
2. Without stable, affordable housing, families may have to increase the frequency of unwanted moves, which can disrupt home life and impede the continuity of educational instruction.
3. The lack of affordable housing can increase overcrowding in dwelling units, producing unhealthy living conditions that can have a negative effect on educational attainment and lead to poor educational outcomes.¹¹
4. Families forced out of the city to find affordable housing may lose health benefits (Healthy SF) which are critical for their well-being.

¹⁰ Newman, S. J., & Holupka, C. S. (2014). Housing affordability and investments in children. *Journal of Housing Economics*, 24, 89-100.

¹¹ Braconi, F. (2011). Housing and Schooling. *The Urban Prospect*.

¹² State of California Employment Development Department. (2014). Historical Data for Unemployment Rate and Labor Force.

¹³ U. S. Census Bureau. American Community Survey, 5-Year Estimates (2008-2012).

¹⁴ Bohn, S., Danielson, C., Levin, M., Mattingly, M., & Wimer, C. (2013). The California Poverty Measure.

1 [Establishing the Calle 24 ("Veinticuatro") Latino Cultural District in San Francisco]

2
3 **Resolution establishing the Calle 24 ("Veinticuatro") Latino Cultural District in San**
4 **Francisco.**

5
6 WHEREAS, The Calle 24 Latino Cultural District memorializes a place whose richness
7 of culture, history and entrepreneurship is unrivaled in San Francisco; and

8 WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District has deep Latino roots
9 that are embedded within the institutions, businesses, events and experiences of the Latino
10 community living there; and

11 WHEREAS, Because of numerous historic, social and economic events, the Mission
12 District has become the center of a highly concentrated Latino residential population, as well
13 as a cultural center for Latino businesses; and

14 WHEREAS, The boundary of the Calle 24 ("Veinticuatro") Latino Cultural District shall
15 be the area bound by Mission Street to the West, Potrero Street to the East, 22nd Street to the
16 North and Cesar Chavez Street to the South, including the 24th Street commercial corridor
17 from Bartlett Street to Potrero Avenue. Additionally, the Calle 24 ("Veinticuatro") Latino
18 Cultural District shall include La Raza Park (also known as Potrero del Sol Park), Precita Park
19 and the Mission Cultural Center because of the community and cultural significance
20 associated with these places; and

21 WHEREAS, Calle 24 ("Veinticuatro") Latino Cultural District's boundary demarcates the
22 area with the greatest concentration of Latino cultural landmarks, businesses, institutions,
23 festivals and festival routes; and

1 WHEREAS, The Latino population in the Mission, and in the Calle 24 ("Veinticuatro")
2 Latino Cultural District, represents a culturally diverse population with roots from across the
3 Americas; and

4 WHEREAS, According to 2012 Census data, within the Calle 24 ("Veinticuatro") Latino
5 Cultural District, 49% of the population self-identified as Latino; 38% identified as foreign-born
6 and 16% identified as linguistically isolated; and

7 WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District plays a significant role
8 in the history of San Francisco; and

9 WHEREAS, San Francisco has for centuries attracted people seeking refuge from war,
10 upheaval and poverty in their home countries; and

11 WHEREAS, The immigrant experience remains an integral part of California and San
12 Francisco's history, cultural richness and economic vibrancy; and

13 WHEREAS, From 1821 to 1848, the Mexican Republic controlled San Francisco and
14 the city was home to the Mexican governorship and many Mexican families; and

15 WHEREAS, Beginning in 1833, the Mexican government began to secularize mission
16 lands and distributed over 500 land grants to prominent families throughout California –
17 known as "Californios" – in an effort to encourage agricultural development; and

18 WHEREAS, Mexican land grants, such as Mission Dolores, Rancho Rincon de las
19 Salinas, and Potrero Viejo, include the geographic area that is now home to San Francisco's
20 Mission District and have directly influenced the Calle 24 ("Veinticuatro") Latino Cultural
21 District; and

22 WHEREAS, The Treaty of Guadalupe Hidalgo, ratified in 1848 ending the Mexican
23 American War, guaranteed Mexicans living in the ceded territory – including what would
24 become the State of California – full political rights, but such rights were often ignored,
25 resulting in the slow dissolution of lands owned by Californios; and

1 WHEREAS, San Francisco experienced several waves of immigration in the late
2 1800s, including massive migration from Mexico, Chile and Peru as well as migration from
3 Latin America during the Gold Rush; and

4 WHEREAS, Puerto Rican migration to San Francisco began in the 1850s and
5 increased in the early 1900s when Puerto Ricans relocated to California by way of Hawaii;
6 and

7 WHEREAS, San Francisco served as a refuge for Sonorans fleeing violence and
8 upheaval in their home country due to the Mexican Revolution of 1910; and

9 WHEREAS, Beginning in the 1930s, Mexican and Latin American families began
10 settling in the Mission District, building on the roots that had already been established nearly a
11 century before; and

12 WHEREAS, After World War II, the Mission District became the primary destination for
13 new arrivals from all regions of Latin America including Central America, Mexico, Venezuela,
14 Colombia, Ecuador, Peru, Brazil, Paraguay, Uruguay, Chile, Argentina, Cuba, Dominican
15 Republic, and Puerto Rico; and

16 WHEREAS, Throughout the 1970s and 1980s, Central American countries
17 experienced major political conflict and families fleeing from conflict immigrated to San
18 Francisco, greatly contributing to the Latino identity of the Mission District and the Calle 24
19 ("Veinticuatro") Latino Cultural District; and

20 WHEREAS, In 1989, in response to the increased immigrant populations, the City and
21 County of San Francisco adopted a Sanctuary Ordinance that prohibits its employees from
22 aiding Immigration and Customs Enforcement (ICE) with immigration investigations or arrests,
23 unless mandated by federal or state law or a warrant; and

24 WHEREAS, Chicano and Latino activism, arts, commerce, and culture have centered
25 in the Calle 24 ("Veinticuatro") Latino Cultural District since the 1940s; and

1 WHEREAS, The Mission District and Calle 24 ("Veinticuatro") were central to the
2 Chicano Movement – its art, music, and culture, as well as labor and community organizing to
3 battle the war on poverty; and

4 WHEREAS, Many of the Latino community-based organizations established within the
5 Calle 24 ("Veinticuatro") Latino Cultural District during 1960s and 1970s were an outgrowth of
6 social justice organizing; and

7 WHEREAS, Much of what makes the Calle 24 ("Veinticuatro") Latino Cultural District a
8 culturally-rich and recognizable place are the Latino businesses and community-based
9 organizations located along 24th Street; and

10 WHEREAS, Latino-based organizations were established on 24th Street to serve the
11 needs of the community and promote culture and include: Mission Neighborhood Centers
12 (1959), offering services targeted to Latina girls and young women, including homework
13 assistance, leadership programs and anti-violence education; Mission Education Projects Inc.
14 (1970s), providing educational and support services to youth and their families; Galería de la
15 Raza (1970), nurturing cultural icons Mujeres Muralistas (1972) and Culture Clash (1984),
16 helping to inspire the creation of the Mexican Museum and making a space for Latino artists
17 to create innovative new works, transforming Latino art in San Francisco; Mission Cultural
18 Center for Latino Arts (1977), promoting, preserving and developing Latino cultural arts; Calle
19 24 SF (formerly the Lower 24th Street Merchants and Neighbors Association) (1999),
20 advocating for neighborhood services, local businesses, arts and culture programs and
21 improved public spaces; Precita Eyes Mural Arts & Visitors Center (1977), offering mural
22 classes, tours, and lectures, as well as painting several murals within the Calle 24
23 ("Veinticuatro") Latino Cultural District; Mission Economic Cultural Association (1984),
24 producing many of the Latino festivals and parades, including Carnaval, Cinco de Mayo, and
25 24th Street Festival de Las Americas; Acción Latina (1987), strengthening Latino communities

1 by promoting and preserving cultural traditions, managing a portfolio of cultural arts, youth
2 programs, and media programs including *El Tecolote* newspaper, which upholds a nearly two-
3 century-long tradition of bilingual Spanish/English journalism in San Francisco; Brava Theater
4 (1996), portraying the realities of women's lives through theater by producing groundbreaking
5 and provocative work by women playwrights, including well-known Chicana lesbian
6 playwright, Cherrie Moraga, and hosting a variety of Latino cultural events; and

7 WHEREAS, Small and family-owned businesses, including restaurants, *panaderias*
8 (bakeries), jewelry shops and *botánicas* (alternative medicine shops), promote and preserve
9 the Latino culture within the Calle 24 ("Veinticuatro") Latino Cultural District; and

10 WHEREAS, Longtime Mexican and Salvadoran *panaderias* such as La Victoria (1951),
11 Dominguez (1967), La Reyna (1977), Pan Lido (1981), and La Mexicana (1989) have served
12 up sweet breads to generations of Mission residents and visitors; and

13 WHEREAS, Restaurants, like The Roosevelt (1922) (formerly Roosevelt Tamale
14 Parlor), Casa Sanchez (1924), and La Palma Market (1953), have sustained Latino culinary
15 traditions, and Café La Bohème (1973), one of the first cafes established in the neighborhood,
16 has served as both a meeting space and cultural venue among Latino activists, writers, poets
17 and artists; and

18 WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District is visually distinct
19 because of approximately four hundred murals adorning its buildings depicting the Latino
20 experience in San Francisco that have been painted throughout the Mission District by
21 Chicano, Central American, and other local artists who had few, if any, opportunities to exhibit
22 their work in galleries; and

23 WHEREAS, Balmy Alley has the highest concentration of murals in San Francisco and
24 the mural project there emerged out of the need to provide a safer passage for children from
25 the Bernal Dwellings apartments to "24th Street Place," an arts and education program located

1 at the intersection of the alley and 24th Street, and run by Mia Gonzalez, Martha Estrella and
2 Ana Montano; and

3 WHEREAS, The first mural painted in Balmy Alley was carried out in 1972 by the
4 Chicana artist collective, Mujeres Muralistas, and, in 1984, more than 27 muralists added to
5 the collection of outdoor murals in Balmy Alley, focusing on the conflicts in Central America,
6 expressing anger over human rights violations and promoting peace; and

7 WHEREAS, Within the Calle 24 ("Veinticuatro") Latino Cultural District, additional
8 notable murals include: Michael Rios' "BART" mural (1975), Daniel Galvez's "Carnaval" mural
9 (1983), Precita Eyes' "Bountiful Harvest" (1978) and "Americana Tropical" (2007), Mujeres
10 Muralistas' "Fantasy World for Children" (1975), Isaias Mata's "500 Years of Resistance"
11 (1992), Juana Alicia's "La Llorona's Sacred Waters" (2004), and the Galería de la Raza's
12 Digital Mural Project; and

13 WHEREAS, The York Mini Park grew from a vacant lot purchased by the City of San
14 Francisco in the 1970s to a park adorned by murals painted by Michael Rios (1974) and
15 Mujeres Muralistas (1975), as well as a mosaic of Quetzalcoatl that winds around the
16 playground created by Collete Crutcher, Mark Roller and Aileen Barr under the direction of
17 Precita Eyes (2006); and

18 WHEREAS, Annual festivals celebrating Latino culture, including Carnaval, Cinco de
19 Mayo, the Lower 24th Street Festival de Las Americas (formerly the 24th Street Festival),
20 Cesar Chavez Parade and Festival, Día de los Muertos Procession and Altars, and Encuentro
21 del Canto Popular, represent the culture within the Calle 24 ("Veinticuatro") Latino Cultural
22 District; and

23 WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District nurtured the
24 expansion of the Latino music scene from Latin jazz to Latin rock and pop music and the 24th
25

1 Street Festival (later known as Festival de las Americas) showcased musical talents including
2 Santana, Malo and Zapotec; and

3 WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District was witness to the
4 rise of the low-rider culture in the 1970s and, on weekends, Mission Street served as a
5 bumper-to-bumper low-rider parade route; and

6 WHEREAS, After San Francisco authorities attempted to suppress cruising in the
7 1970s, the low-riders moved to La Raza Park also known as Potrero del sol Park where the
8 low-rider clubs congregated in order to create a safe space for recreation; and

9 WHEREAS, Organized youth cleaned up La Raza Park and marched from the corner
10 of 24th Street and Bryant Streets to City Hall with Latin American flags and signs that read
11 "Build Us a Park," and, in response, San Francisco purchased the six-acre site with voter-
12 approved bond funds and created La Raza Park; and

13 WHEREAS, St. Peter's Church is an anchor of the Calle 24 ("Veinticuatro") Latino
14 Cultural District because of the spiritual services it has provided to the community and its
15 association with Los Siete de la Raza, the Mission Coalition of Organizations, the United
16 Farmworkers Movements, and the Central American Resource Center (CARECEN) of
17 Northern California, among other social justice efforts; and

18 WHEREAS, The 24th Street BART station plazas have long served as a popular arena
19 for public demonstrations, ranging from those organized by the Mission Coalition of
20 Organizations to those associated with the Central American Solidarity movements in the 1970s
21 and 1980s; and

22 WHEREAS, The two BART station plazas are popularly known as "Plaza Sandino" after
23 Nicaraguan revolutionary Augusto Cesar Sandino and "Plaza Martí" after Salvadoran leftist
24 leader Farabundo Martí; and
25

1 WHEREAS, A prominent feature of the Northeast 24th Street BART plaza is the 1975
2 mural painted by Michael Rios, which depicts the controversial impact of the 16th and 24th
3 Street BART stations that were constructed in the 1970s by hard working residents who
4 protested the extra sales tax that financed the rapid transit system; and

5 WHEREAS, Community leaders have long sought to preserve the culture and
6 community of Calle 24 ("Veinticuatro"); and

7 WHEREAS, In the 1990s, Supervisor Jim Gonzalez introduced a façade improvement
8 program and a Flags of the Americas Program wherein Mission artists created banners for
9 display within the neighborhood to call attention to its Latino heritage; and

10 WHEREAS, Supervisor Jim Gonzalez established the 24th Street Revitalization
11 Committee and made efforts to establish an Enterprise Zone for the Mission District; and

12 WHEREAS, In 2012, Mayor Edwin Lee's Invest In Neighborhoods Initiative selected
13 Calle 24 ("Veinticuatro") for its economic development program and the establishment of a
14 cultural district; and

15 WHEREAS, As part of a collaborative effort by Calle 24 San Francisco, the San
16 Francisco Latino Historical Society, San Francisco Heritage, Mayor Edwin Lee and Supervisor
17 David Campos worked together to create the Calle 24 ("Veinticuatro") Latino Cultural District
18 as part of an effort to stabilize the displacement of Latino businesses and residents, preserve
19 Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24
20 as a special place for San Francisco's residents and tourists, and ensure that the City of San
21 Francisco and interested stakeholders have an opportunity to work collaboratively on a
22 community planning process, which may result in the Designation of a Special Use District or
23 other amendment to Planning Code; now, therefore, be it

Exhibit 1: Resolution Establishing Calle 24 Latino Cultural District

http://www.sfbos.org/ftp/uploadedfiles/bdsupvrs/committees/materials/LU051914_140421.pdf

Exhibit 2: Report Prepared by Calle 24 Latino Cultural District Community Council

<http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf>

Exhibit 3: Why Creating and Preserving Affordable Homes Near Transit is an Effective Climate Change Strategy

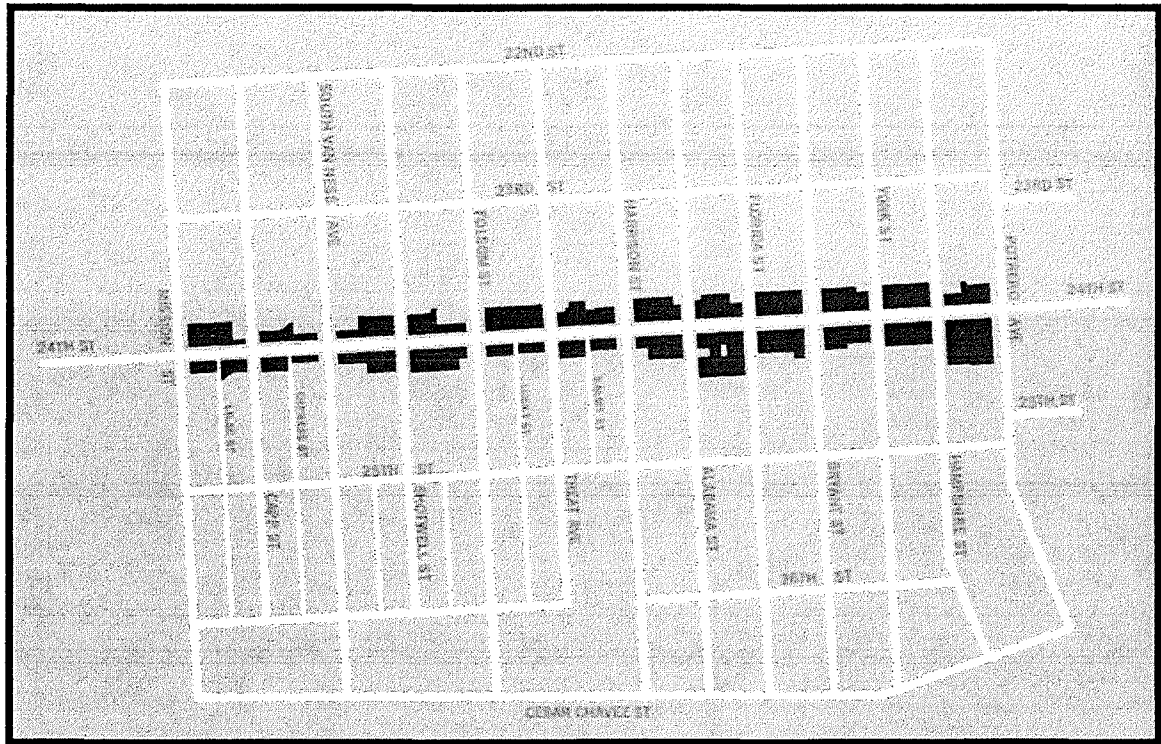
<http://chpc.net/wp-content/uploads/2015/11/4-AffordableTODResearchUpdate070114.pdf>



Calle 24 Latino Cultural District Report on the Community Planning Process



Report prepared by Garo Consulting
For the Calle 24 Latino Cultural District Community Council
December 2014



Calle 24 Latino Cultural District Report on the Community Planning Process

Report: Garo Consulting

Funding provided by the SF Mayor's Office of Economic and Workforce Development

December 2014

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EXECUTIVE SUMMARY

In 2014, with support from Supervisor Campos and advocacy by the community, the Calle 24 Latino Cultural District (LCD) was formed by a Board of Supervisors resolution. The planning process was initiated to get the community's input about how the LCD should be governed and how it should serve the community. Through a competitive process, consultants were hired to facilitate the planning process, engage community stakeholders, and gather input through a number of data collection activities including community meetings, one-on-one interviews, focus groups, and a review of other cultural district plans. The objectives of the planning process were: 1) To gather community input about the Latino Cultural District's purposes, strengths, opportunities, challenges, targeted strategies, and governance; 2) To review best practices employed by other designated cultural districts (e.g., Little Tokyo, Fruitvale, Japantown), and 3) To draft a final report with findings and recommendations.

Mission and Vision Statements

The Calle 24 Community Council adopted the following mission and vision statements as one outcome of the community planning process:

Mission: To preserve, enhance and advocate for Latino cultural continuity, vitality, and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

Vision: The Latino Cultural District will be an economically vibrant community that is inclusive of diverse income households and businesses that together compassionately embrace the unique Latino heritage and cultures of 24th Street and that celebrate Latino cultural events, foods, businesses, activities, art and music.

Calle24 Latino Cultural District Beneficiaries

Beneficiaries of the Latino Cultural District include individuals (e.g., LCD families, including traditional, non-traditional, and extended; artists; working people; residents; immigrants; youth; and elders), organizations (neighborhood businesses, arts and culture organizations, educational institutions, and community service agencies), and San Francisco and the general public.

Calle24 Latino Cultural District Purposes and Goals

The purposes of the LCD are to:

1. Strengthen, preserve and enhance Latino arts & cultural institutions, enterprises and activities
2. Encourage civic engagement and advocate for social justice
3. Encourage economic vitality and economic justice for district families, working people, and immigrants
4. Promote economic sustainability for neighborhood businesses and nonprofits
5. Promote education about Latino cultures

6. Ensure collaboration and coordination with other local arts, community, social service agencies, schools, and businesses

The goals of the LCD are to:

1. Create a safe, clean, and healthy environment for residents, families, artists, and merchants to work, live, and play.
2. Foster an empowered, activist community and pride in our community.
3. Create a beautiful, clearly designated Latino corridor along Calle 24, and preserve the unique beauty and cultures that identify Calle 24 and the Mission
4. Preserve and create stable, genuinely affordable and low-income housing in the District and related infrastructure.
5. Manage and establish guidelines for development and economic change in the District in ways that preserve the District's Latino community and cultures.
6. Foster a sustainable local economy that provides vital goods and services to the District and supports living Latino cultures.

Key Strategies and Program Areas

Through community input gathered during the planning process, the following key strategies and program activities were developed:

Key Strategies

- Create an organizational entity – a 501(c)(3) – to manage the LCD
- Create and leverage Special Use District designations
- Implement a Cultural Benefits District campaign and assessment
- Develop a community-wide communications infrastructure and promotion of the District through traditional and social media
- Collaborate with, connect, and support existing arts and cultures and other nonprofit service organizations in implementing the Latino Cultural District's mission, rather than replacing or competing with them
- Serve as a safety net for the District's traditional cultural-critical community events, such as Carnaval, Día de los Muertos, and the Cesar E. Chavez Holiday Celebration
- Generate sufficient resources to support creation and sustainability of the Latino Cultural District programs and activities
- Pursue social and economic justice fervently, and conduct its work with the Si Se Puede spirit of determination, collective strength, and compassion

Community input also helped define four program areas: land use and housing; economic vitality; cultural assets and arts; and quality of life, with related activities that are further discussed in the report. Finally, the community provided extensive input on the governance structure for the LCD, including the organizational structure, committee structure, member eligibility, and board size, composition, and conditions. The following report shares the results of the planning process.

1. INTRODUCTION

In May 2014, under the leadership of Supervisor Campos, the San Francisco Board of Supervisors approved a resolution (SF Heritage, 2014) to designate 24TH Street a Latino Cultural District (LCD). This unanimous vote was the result of a collaborative effort between Calle 24 SF, a neighborhood coalition of residents, merchants, non-profits in the area, the San Francisco Latino Historical Society, San Francisco Heritage, and the Offices of Mayor Ed Lee and Supervisor David Campos. A cultural district is a region and community linked together by similar cultural or heritage resources, and offering a visitor experiences that showcase those resources. The San Francisco Board of Supervisors resolution eloquently describes the rationale for the designation of this historic neighborhood as a Latino Cultural District:

Whereas, the Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco; and

Whereas, the Calle 24 (“Veinticuatro”) Latino Cultural District has deep Latino roots that are embedded within the institutions, events and experiences of the Latino community living there; and

Whereas, because of numerous historic, social and economic events, the Mission District has become the center of highly concentrated Latino residential population, as well as a cultural center of Latino businesses... (page 1, SF Heritage)

With the adoption of the Board of Supervisor’s resolution, the City and County recognized the significance of 24th Street to the City’s history and culture, while also acknowledging a number of significant factors impacting the Mission District and, in particular, the 24th Street area. Calle 24 (“Veinticuatro”) is a demographically diverse area, rich in Latino cultural heritage and assets (SF Office of Economic and Workforce Development, SF Planning Department, & LISC, 2014). As noted in the Lower 24th Street Neighborhood Profile, Calle 24 features over 200 small businesses (a majority of which are retail) and a high level of pedestrian traffic. Since 2006, sales tax revenue in the area has grown faster in this area than in the city overall, and the neighborhood is rich in community-based arts, cultural, and social service organizations. Approximately 23,000 people live in the neighborhood, with significant percentages of White, Latino, and other or mixed race individuals. (SF Office of Economic and Workforce Development, SF Planning Department, & LISC, 2014). A strong sense of community and history, many cultural events, the area’s walkability, its low vacancy rate, and destination as a Latino cultural center are among the area’s strengths. However, challenges include the increasing commercial rents, the lack of opportunities for youth, a fear of the “Mission” culture disappearing, an increase in gang violence and crime in general, the deterioration of sidewalks and storefronts, and a lack of lighting and nighttime activity. The pursuit of community-driven strategies to preserve the local history and culture and the development of partnerships between old and new businesses

and the various commercial and non-profit entities in the area were cited as important opportunities to seize.

As a backdrop to Calle 24 organizing the community to preserve the history and culture of the 24th Street corridor was the very recent history of the dot-com boom and the departure of 50,000 from the Bay Area because of the lack of affordable housing (Zito, 2000); approximately 10% of the Latino population left San Francisco in the early 2000s, making San Francisco one of the only U.S. cities to lose Latino/a residents (Census, 2000; Census, 2005). In her project collecting oral histories from Mission district residents about the neighborhood's gentrification, Dr. Mirabal found that many saw the loss of Latino residents, businesses, and culture not only as examples of gentrification but also as acts of cultural exclusion and erasure (Mirabal, 2009). As the technology sector began to boom again and the neighborhood began to quickly change, Calle 24 advocated for the successful designation of Calle 24 as a Latino Cultural District (LCD) to preserve and further develop the area's rich cultural heritage (see Appendix D for news articles describing the recent community transformation and advocacy for the LCD). This report describes the development of a plan for governance and implementation of the LCD.

2. APPROACH AND METHODOLOGY

To develop a plan for the Calle 24 Latino Cultural District, San Francisco's Mayor's Office of Economic and Workforce Development provided funding to Calle 24 SF. Calle 24 SF selected the Garo Group as consultants to facilitate a process of involving the community in the development of a plan for the Calle 24 Latino Cultural District (see Appendix B for a description and map of the LCD). This project was guided by a collaborative, participatory and inclusive approach to engage the community in articulating a vision and plan for the LCD. The planning process, coordinated and guided by the Calle 24 Planning Committee¹, began in July, 2014. The methods used in the planning process included the following: 10 in-depth interviews, four focus groups, one study session with experts in the field, 4 community meetings, and 1 Council retreat. The planning committee met regularly throughout the planning process to utilize community input to inform each step of the planning process. The figure below depicts the steps in the 6-month planning process.

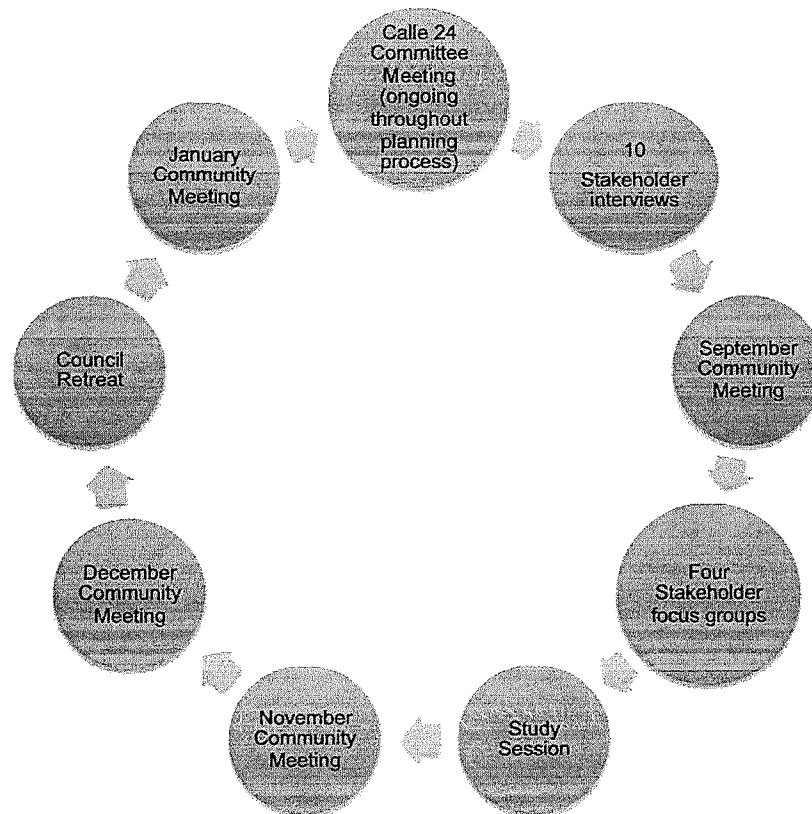


Figure 1: Overview of the Community Planning Process

¹ The Calle 24 Planning Committee includes Erick Argüello, Georgiana Hernández, Anastacia Powers-Cuellar, and Miles Pickering.

Key Stakeholder Outreach and Recruitment for Interviews and Focus Groups

The Calle 24 Planning Committee collaboratively brainstormed a list of key stakeholders (including residents, merchants, artists, non-profit service and arts organizations, etc.) to interview. Interviewees were contacted by phone or by email, and a date and time was agreed upon for them to be interviewed. All but three of the interviews were conducted by phone. Interviews were not audio recorded, but detailed notes were taken by the interviewer and edited immediately after the interview. The planning committee also felt it was important to have focus groups with each of the following stakeholder groups: residents, merchants, youth, and non-profit arts organizations. Recruitment for the focus groups was done through convenience and snowball sampling approaches. Members of the planning committee, who are also well-known and trusted community leaders, identified people from their social networks and these people invited others within their networks. For the youth focus group, two youth who were involved in the planning process contacted friends and neighbors living in the corridor. In addition, youth organizations such as Mission Girls were invited to participate. Erick Argüello of the planning committee, known to most local merchants, personally invited each merchant to attend. Stacie Powers Cuellar of the planning committee provided a list of all the artists and arts organizations in the corridor, and an email invitation was sent to all. Some of these artists invited others to attend. (See Appendix E for a full list of interviewees and focus group attendees.)

The Planning Team developed questions (see Appendix F for the interview and focus group guides) to explore the neighborhood's strengths and assets, challenges, as well as further understand critical opportunities for the LCD. Each of the group discussions was facilitated by members of the consulting team with a long history of experience in community development, community mediation and facilitation, and participatory research. Each group discussion had at least two members of the consulting team present, with 1-2 co-facilitators and a note taker. Notes from the interviews, focus groups, and community meetings were edited and analyzed using standard qualitative procedures. Themes were identified using individual and group responses to questions regarding cultural assets of the area, desired changes, vision for the LCD, and recommendations. Data collection related to vision of the LCD and challenges to be addressed was concluded when no new themes emerged, and the inventory of cultural resources in the Calle 24 corridor appeared to be complete.

The planning process was also informed by a review of other cultural district plans as well as a study session with experts from the Fruitvale and Little Tokyo Cultural Districts (see Appendix G for notes from the study session). Some of the plans reviewed included Creative Place making, Taos Arts and Cultural District Plan and Sustaining San Francisco's Living History Strategies for Conserving Cultural Heritage Assets (see Appendix C).

Three community meetings (open to the general public) and one Calle 24 Council retreat were also critical to the planning process (see Appendix I and J for community meeting agendas and notes and Appendix K for notes from the Council Retreat). These community meetings were designed to gather input from the broader community to inform the planning process and to share findings from the planning process. Outreach for the community meetings was done using Facebook, email, word-of-mouth, and handing out and posting flyers in the neighborhood. A Calle 24 Council retreat was held toward the end of the planning process in order to finalize decisions regarding governance and program activities as outlined in this report.

3. KEY FINDINGS

This section outlines the major findings from the interviews, focus groups, review of cultural district plans, study session and community meetings. Findings are organized according to strengths, challenges and opportunities for the Latino Cultural District. The themes identified here are those that emerged most often during the data gathering phase, and do not necessarily reflect the views of Calle 24.

Strengths

Throughout the planning process, a number of strengths of the Latino Cultural District emerged in two broad categories: **cultural assets and arts and community identity**. The community stakeholders who participated in discussions, interviews, and the community meetings identified a vast array of cultural assets and arts (see appendices K and L for a complete inventory of the cultural assets and art that emerged throughout the planning process). These included the iconic murals and other art, cultural events such as Carnaval and Día de Los Muertos, arts organizations such as Galería de la Raza and Precita Eyes, service non-profits, parks, businesses including incredible restaurants, churches. The other major theme that emerged in stakeholder discussions of the neighborhood strengths was the **community identity** or the spirit of Calle 24, including both tangible and intangible characteristics such as the demographic diversity, the strong community connections, the commitment to social justice, and the neighborhood's walkability, tree canopy and landscaping. A more detailed listing of tangible and intangible cultural assets is below.

Cultural Assets and Art

- Murals and art
- Cultural events
- Artists and arts organizations
- Latino business enclave
- Established community based organizations
- Thriving faith community
- Culinary destinations

Community Identity

- Long-term presence of families and historic or legacy businesses
- Commitment to social justice
- Strong community connections
- Local leadership
- Unique neighborhood character
- Strong sense of community, place and history
- Demographic diversity
- Strong core shopper base

- Cultural events
- Tourism
- Business ownership
- Character
- Walkability

Challenges

There were a few key challenges that emerged from the data gathering during the planning process. These challenges revolved around five key themes: the lack of affordable housing, rapid community transformation, tensions in the community, quality of life, and sustainability of the LCD. There were major concerns among all stakeholders about the **lack of affordable housing** and about the gentrification and recent eviction and displacement of long-time residents. A related theme was the rapid **community transformation** underway, with some saying they wanted to prevent another “Valencia” (referring to the way Valencia lost much of its Latino culture in the 1990s and 2000s). **Community relations**, often discussed as tensions between newcomers and old-timers, was another key challenge that emerged in many interviews, focus groups, and community meetings. Many mentioned that there often appears to be a division between the predominantly Latino, long-time residents, and the newer, predominantly White, residents. One person mentioned feeling an increased police presence to address the fear of “brown boys”. The cultural differences between old and new can be challenging, and many of those who have lived in the neighborhood for years struggle with how to integrate newcomers and “*convince them that Brava, Galería de la Raza, Acción Latina and the fish market are all important*”. Challenges affecting residents’ **quality of life** also emerged frequently; these included things such as gang violence, liquor stores, broken sidewalks, lack of public spaces, lack of police presence, etc. Finally, a few of the often-mentioned challenges revolved around the implementation and **sustainability of the LCD**. The limited resources (lack of funding and staff) to develop and maintain a governance structure and implement all the desired activities of the LCD were discussed by many. These themes are elaborated below.

Lack of Affordable Housing

- Evictions and displacements
- Inadequate rent control
- Rapid gentrification
- Housing/building code violations

Community Transformation

- Rapid transformation of neighborhood without a plan (“not another Valencia”)

- Loss of historical businesses, residents and services
- Unaffordable commercial rents (difficult for long time tenants to pay)
- Increase in health code and building code violations
- Fear of “Mission” culture disappearing
- Loss of historical establishments

Community Relations

- Tension between the old and the new (lack of integration)
- Partnership challenges with City/County
- Lack of opportunities for youth
- Frictions with new residents and businesses

Quality of Life

- Lack of public spaces and seating
- Lack of signage, dilapidated structures, dirty gates drawn during day
- Gang violence and fear of gangs limiting activity
- Insufficient police vigilance (beat cops rarely seen)
- Too many liquor stores
- Dirty, broken sidewalks; public spaces, trees overgrown
- Poor lighting, dark at night, increased perception of unsafe
- Homeless populations

Sustainability

- Limited resources to sustain the LCD
- Building a sustainable governance model
- Lack of resources to hire full time LCD Coordinator

Opportunities

Throughout the data gathering process, many opportunities for the LCD emerged. These are organized according to five key areas: 1) land use design and housing; 2) economic vitality; 3) cultural assets and arts; 4) quality of life; and 5) governance. In the area of **land use design and housing**, recommendations had to do with land use and other policies to help preserve and further develop cultural assets, the preservation and development of affordable housing, and strategies to promote property ownership, particularly for Latino residents and businesses. **Economic vitality** revolved around opportunities and strategies to promote the economic viability and growth of businesses and organizations, particularly those with historic and cultural significance in the District. Stakeholders discussed many opportunities related to the preservation and promotion of **cultural assets and arts**. **Quality of life** opportunities included things that focused on improving the physical appearance and accessibility of the District, particularly things that promote the Latino Cultural District (e.g., way finding, visual

cues, etc.). Finally, a key opportunity that emerged throughout the planning process and ultimately became a priority in community discussions was the development of a **governance** structure to oversee and manage the Latino Cultural District. The opportunities in each of these key areas are listed in more detail below.

1) Land use design and housing

- Work with Building and Planning Developments to create new land use policies to support cultural assets. Integrate SF Heritage frameworks and language for designation and support of Cultural Heritage Assets.
- Explore Special Use District, Business Improvement District, and Community Benefit District creation. Connect with community-based efforts that have successfully adopted these tax increment measures: Castro Community Benefit District and Fruitvale Business Improvement District.
- Pursue community-driven strategies to preserve local history and culture. Continue partnerships with SF Heritage and universities to capture history and preserve it for future generations.
- Protect existing parking.
- Regulate rents for housing and cultural spaces and explore models that preserve historical residents and merchants.
- Programs to provide financial and legal assistance to residents, businesses and organizations/tenants' rights. Enforce HUD Fair Housing laws.
- Advocate for the development of affordable housing (for example, through early identification of sites that may be available for development and small sites development where existing units can be converted to affordable housing).
- Advocate for rent regulation for tenants, businesses, and non-profits. Engage diverse neighborhood stakeholders (residents, businesses, and non-profits) in affordable housing movement.
- Advocate for a moratorium on Ellis evictions.
- Educate community about local, state, federal housing laws and housing assistance programs (e.g., DALP).
- Identify funding sources and strategies to develop and purchase properties (e.g., affordable housing trust fund controlled by Mayor's Office on Housing; foundations; technology industry; land trust models, utilizing cooperative development strategies such as tenants' collective to purchase properties; eminent domain, interim controls (for businesses)).
- Seek help from the city and others to help legacy institutions such as the Mission Cultural Center and Galería de la Raza purchase their buildings.
- Promote Latino ownership of businesses.
- Create artist-centered housing (artist-in-residence; work/live space; community service with art work, NPS structure) as well as housing.
- Identify strategies to decrease ability of speculators/developers to come in and sweep up real estate as soon as it becomes available (right of first refusal for locals, long-term residents).

- Develop innovative land use in line with LCD (some possibilities include pedestrian only spaces or zones on certain days/develop walkability; development of open space like a zocalo / picnic areas with grills).

2) Economic Vitality

- Create electronic tools to assist businesses and promote arts.
- Promote branding: logos and plaques to identify CHAs, signage to designate the LCD area, aesthetic, cultural demarcations unique to the LCD, and the development of consistent marketing of cultural activities.
- Increase business engagement: increase the engagement of local businesses in the development of the LCD, improve communication between businesses, schedule meetings at times that are convenient to local businesses, ensure that businesses have reasons to participate and are motivated to participate, and create a community through common activities and interests.
- Promote preservation: ensuring the survival and viability of tangible CHAs, developing protocols for the designation of CHAs, developing strategies to stabilize residential and commercial rents and leases, developing warning system to alert businesses and non-profits about expiring leases, and continuing façade improvement following LCD standards and design. A key priority under preservation is to conduct a SWOT analysis to determine strengths, weaknesses, opportunities and threats facing historic and legacy businesses.
- Increase capacity building: create technical assistance initiatives to help businesses improve their capacity through marketing, social media, market segmentation, strategic planning, and financial management. Strategies to strengthen the capacity of local businesses include: providing assistance to help businesses survive and expand, tailoring assistance to needs of businesses (e.g., individual, traditional, virtual), creating business incubators and accelerators, forming information technology team to support legacy businesses, providing businesses with demographic and market data to help them develop better goods and services, and creating directories and other databases with information that could be of value to local businesses.
- Articulate a legislative agenda: explore and promote designation of parts or the entire LCD as a Business Improvement District (BID), Special Use District or Community Benefit District. Two other ideas include the creation of community debit cards for legacy businesses as well as the creation of community banks or credit unions.
- Identify opportunities to leverage Mission Promise investments to support the Mission's neighborhood.
- Create loan programs targeting historical business and renters.
- Develop partnership opportunities between longtime businesses and new businesses, and between businesses and arts organizations.

3) Cultural Assets and Arts

- Organize advocacy efforts to identify available resources, preservation priorities, and facilities for arts programming.
- Use technology to promote LCD (e.g., create electronic calendar of cultural events that can also be printed and distributed).
- Educate new residents on CHAs (develop social connections; provide opportunities for new residents to volunteer and get involved; integrate an educational component in cultural events; create welcome packet and neighborhood newsletter; bulletin boards at CHAs).
- Learn about models that balance beautification and preservation.
- Regulate rents for housing (to help artists stay in the area) and cultural spaces/facilities.
- Leverage potential of LCD to preserve local businesses & non-profits and protect residents from displacement.
- Recognize San Francisco and LCD as a safe haven for immigrant artists.
- Invite tourism to the LCD, but avoid the commercialization/"Disneyland" effect (develop self-guided tours educating people about cultural history of area, Mayan kiosks, "This is 24th Street" events to reinforce identity and educate new residents, classes).
- Programs to provide financial and legal assistance to residents, businesses, and organizations/tenants' rights.
- Promote architectural features that emphasize the Latin American "feel" (e.g., arches at 24th/Potrero & 24th/Mission, *papel picado*, murals, Mayan kiosks).
- Create arts spaces (i.e. Gum Wall and other spaces for youth) as well as community spaces for dialogue regarding gentrification, hate tagging, historical values, traditions, discrimination in businesses, etc.

4) Quality of Life

- Capital improvements; prune trees, fix broken sidewalks, add pedestrian lighting, landscaping.
- Define off-hour truck loading times to reduce day-time parking problems.
- Promote free shuttle and pedestrian traffic (walkability) for the LCD.
- Facilitate access to LCD from Valencia to 24th Street.
- Create visual, tangible elements (e.g., flags, maps, way finders).
- Storefront façade improvement (e.g., murals on every façade along 24th Street, window art, for example utilizing art created by local artists or schoolchildren; colors, flowers, lights; "Welcome" signs in Spanish/English).
- Prevent chain and high-end restaurants from coming into neighborhood.
- Conduct awareness campaign about health and building codes.

5) Governance

- Create strong governance structure to manage LCD.
- Implement and execute LCD branding.

4. VISION, MISSION, PURPOSES & GOALS

The planning process engaged key stakeholders in defining and articulating a vision, mission, purpose statement, targeted beneficiaries, and goals that could guide the implementation of the Calle 24 Latino Cultural District. These strategic planning elements are outlined below.

Mission and Vision Statements

The mission statement developed through the planning process is: To preserve, enhance and advocate for Latino cultural continuity, vitality, and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

The vision statement developed is: The Latino Cultural District will be an economically vibrant community that is inclusive of diverse income households and businesses that together compassionately embrace the unique Latino heritage and cultures of 24th Street and that celebrate Latino cultural events, foods, businesses, activities, art and music.

Beneficiaries of the Latino Cultural District include individuals (e.g., LCD families, including traditional, non-traditional, and extended; artists; working people; residents; immigrants; youth; and elders), organizations (neighborhood businesses, arts and culture organizations, educational institutions, and community service agencies), and San Francisco and the general public.

Purposes and Goals

The purposes of the LCD are to:

- Strengthen, preserve and enhance Latino arts & cultural institutions, enterprises and activities
- Encourage civic engagement and advocate for social justice
- Encourage economic vitality and economic justice for district families, working people, and immigrants
- Promote economic sustainability for neighborhood businesses and nonprofits
- Promote education about Latino cultures
- Ensure collaboration and coordination with other local arts, community, social service agencies, schools, and businesses

The goals of the LCD are to:

1. Create a safe, clean, and healthy environment for residents, families, artists, and merchants to work, live, and play.
2. Foster an empowered, activist community and pride in our community.

3. Create a beautiful, clearly designated Latino corridor along Calle 24, and preserve the unique beauty and cultures that identify Calle 24 and the Mission
4. Preserve and create stable, genuinely affordable and low-income housing in the District and related infrastructure.
5. Manage and establish guidelines for development and economic change in the District in ways that preserve the District's Latino community and cultures.
6. Foster a sustainable local economy that provides vital goods and services to the District and supports living Latino cultures.

5. PROPOSED PROGRAMS AND STRATEGIES

Findings from the data gathering activities conducted throughout the planning process led to the development of the following key strategies for the LCD to prioritize. In addition, these four program areas (and related activities) will be the focus of the LCD: 1) land use design and housing; 2) economic vitality; 3) cultural assets and arts; 4) quality of life.

Program area 1: Land Use Design

The LCD wishes to utilize land use design as a tool to promote housing and commercial stability of historical assets and demographic diversity. The planning process identified a long list of potential actions within this priority and the recommended next step should be to establish a process to analyze the feasibility of various options.

Program area 2: Economic Vitality

The LCD recognizes the importance of sustaining the business vitality of the District by first acknowledging the challenges affecting the stability of historical businesses. The LCD wants to clearly delineate the differences in priorities of new and historical businesses.

Program area 3: Preservation, Revitalization and Restoration of Cultural Assets

The LCD wishes to recognize, promote and preserve cultural assets unique to the Latino Cultural District. The planning process created an inventory of close to 60 cultural assets. One crucial next step to operationalize this priority is the creation of protocols to clearly identify what constitutes a Cultural Historical Assets (CHAs). San Francisco Heritage suggests the use of this terminology to describe “the practices, representations, expressions, knowledge, skill- as well as the instruments, objects, artifacts and cultural spaces associated therewith- that communities, groups, and in some cases, individuals recognize as part of their cultural heritage. This intangible heritage, transmitted from generation to generation, is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provides them with a sense of identify and continuity, thus promoting respect for cultural diversity and human creativity.”

Program area 4: Quality of Life

Calle 24 recognizes that preserving positive quality of life indicators is as important as affecting negative quality of life indicators. LCD will foster further dialogue to spell out strategies for preserving and improving quality of life.

Key Strategies

1. Create an organizational entity – a 501(c)(3) – to manage the activities of the Latino Cultural District
2. Create and leverage Special Use District designation

3. Implement a Cultural Benefits District campaign and assessment
4. Develop a community-wide communications infrastructure and promote the District through traditional and social media
5. Collaborate with, connect, and support existing arts and cultures and other nonprofit service organizations in implementing the Latino Cultural District's mission, rather than replacing or competing with them
6. Serve as a safety net for the District's traditional cultural-critical community events, such as Carnaval, Día de los Muertos, and the Cesar E. Chavez Holiday Celebration
7. Generate sufficient resources to support creation and sustainability of the Latino Cultural District programs and activities
8. Pursue social and economic justice fervently, and conduct its work with the Si Se Puede spirit of determination, collective strength, and compassion

Program Activities

1) Land Use Design and Housing

- Design Special Use District campaign
- Advocate for genuinely affordable and low-income housing in the District and related infrastructure, including promoting education about financial literacy, home ownership, and tenants' rights
- Advocate for certificates of preference that would allow long-time residents who have been forced out of the District by waves of gentrification to return to new housing opportunities in the District
- Advocate for height limits and design guidelines
- Engage in activism and advocacy to ensure that new development is responsive to and reflective of the Latino Cultural District

2) Economic Vitality

- Provide technical and lease assistance to small businesses
- Create culturally relevant business attraction and retention strategies
- Provide district event support
- Implement neighborhood enhancements (such as arches, tiles, banderas, and/or plaques that identify the District, much as Chinatown's arches and architecture distinguish it from surrounding neighborhoods)
- Help preserve local businesses and attract new ones

3) Cultural Assets and Arts

- Participate in and support traditional culture-critical community events, such as Carnaval, Día de Los Muertos, and the Chavez Holiday Celebration

- Identify and preserve cultural assets
- Create corridor monuments, arts projects, a walk of fame, light pole signs, and the like
- Foster collaboration among the arts organizations

4) Quality of Life

- Ensure the safety of the neighborhood
- Abate graffiti
- Develop a neighborhood-based communications infrastructure, and promote the District through traditional and social media
- Preserve street parking, public transit, and walking options
- Preserve open space, light, air, (trees, vegetation?)

6. ORGANIZATIONAL STRUCTURE & GOVERNANCE

Structure

The LCD will be managed by a nonprofit organization 510(c)(3), the Calle 24 Council, which will be incorporated as a membership organization.

The follow committee structure of the 501(c)(3) is recommended.

Executive Committee: An executive committee will be comprised of officers of the Calle 24 Council.

Advisory Committees:

Advisory committees will be comprised of at least one board member and other members. All committees will recruit youth in order to cultivate new generations of leaders. Suggested advisory committees include:

- Land Use Design and Housing
- Cultural Assets and Arts
- Quality of Life and Neighborhood Enhancements
- Economic Vitality
- Nominating Committee

Governance

One must meet one or more of the following qualifications to become a member of the Council:

- Live and/or work in the Mission for ten or more years; or
- Born and raised in the Mission; or
- History of activism in support of the Latino Cultural District's mission; and
- Have served reliably on one of the organization's committees for at least one year.

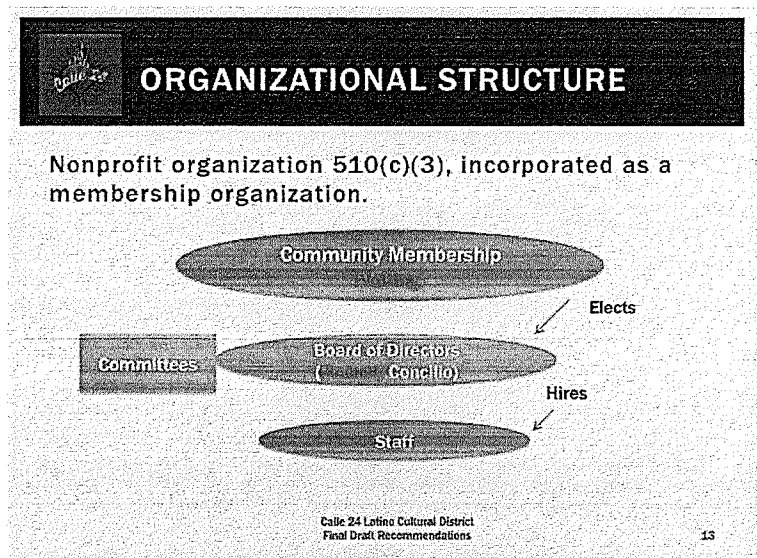


Figure 2: Calle 24 Organizational Structure

Membership Eligibility

There will be no charge for membership on the Council. To be eligible for membership, one must:

- Participate on one of the committees and/or volunteer for one of the endorsed events (e.g., Cesar Chavez Festival; Carnaval) or with one of the neighborhood nonprofits)
- Support the mission and vision of the organization
- Reflect Calle 24 constituencies
- Adhere to a code of good conduct and nonprofit best practices

Board Size/Composition

The Board should be comprised of no fewer than 9 individuals, with a maximum number to be determined. The Board composition should include:

- A majority of Latino/as (% to be determined)
- Long-term residents: 15 (?) or more years (% to be determined)
- At least one youth (ages 24 or under)
- Representation from all the constituencies the Latino Cultural District is designed to benefit

7. CONCLUSION

The resolution that San Francisco's Board of Supervisors unanimously passed in May 2014 to designate the 24th Street corridor as the Latino Cultural District offers community residents and other stakeholders a unique opportunity to preserve and advance the rich legacy of Latino culture within the neighborhood. As stated in the resolution, "[...] the Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco..." The community planning process undertaken by the Calle 24 Council during the last six months of 2014 sought to solicit and distill a wide range of ideas about the strategies and actions the Council should pursue to achieve its mission to preserve, enhance and advocate for Latino cultural continuity, vitality and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

The findings from the community planning process reflect a clear consensus on the goals for the LCD, including the desire to create a safe, clean and healthy environment for residents, families, artists and merchants to work, live and play; the desire to create stable and affordable housing for working-class families; the desire to manage and establish guidelines for economic development and land use that preserve the District's Latino community and cultures; the desire to foster a sustainable local economy that provides vital goods and services; and the desire to create a beautiful, clearly designated Latino corridor along Calle 24 that exemplifies the cultural and artistic richness of San Francisco's Latino communities.

Key to achieving these goals will be the creation of an organizational infrastructure that can support the strategies adopted by the Council. Over the next few years, the Council will incorporate as a charitable, nonprofit organization and begin to pursue and leverage Special Use District designation, followed by neighborhood organizing to launch a Cultural Benefits District campaign and assessment that could potentially offer the district a source of long-term financial support. The Council will work to implement community programs that focus on land use design and housing, economic vitality, cultural assets and arts, and quality of life issues.

The community planning process undertaken by the Calle 24 Council represents just the first step in a journey that neighborhood residents and merchants, with support from city officials, are taking to preserve the authenticity and legacy of Latino culture along the 24th Street corridor. The Council looks forward to implementing the strategies outlined in the report. The vigor of our stride, given the fast pace of gentrification, will be key to the success of this endeavor.

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Appendix A - Calle 24 Council Members

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
Subject: Analysis of Small Business Displacement
Date: October 10, 2014



Summary of Requested Action

You requested that the Budget and Legislative Analyst assess the level of displacement of small businesses and commercial spaces over the last twenty years, specifically considering businesses that have been open for at least five years. The request specified that in addition to citywide trends to assess the patterns of displacement in two commercial corridors, the Mission and Castro/Upper Market. In addition, you asked that our office determine the average rate of change in commercial property value.

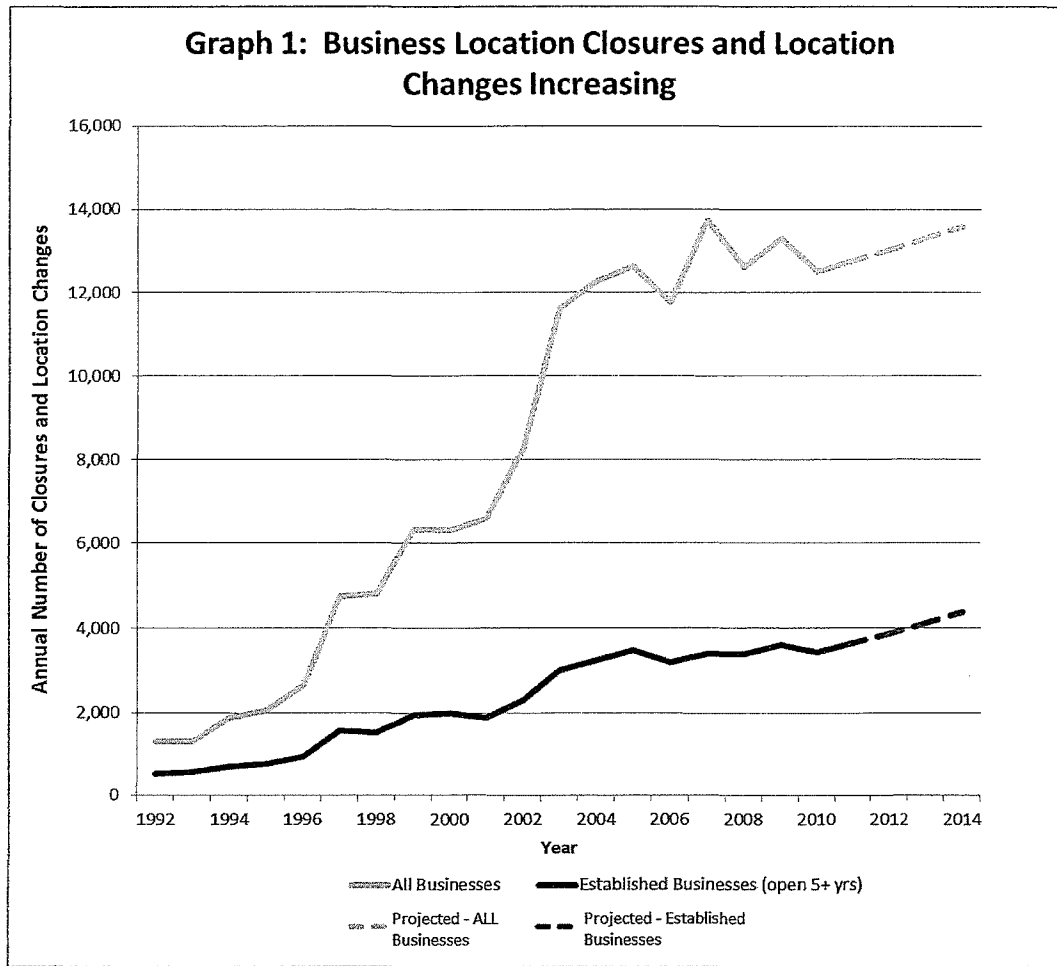
For further information about this report, contact Fred Brousseau at the Budget and Legislative Analyst's Office.

Executive Summary

- Business closures and location changes occur in San Francisco for a variety of reasons, including moving to a new location to expand, moving to avoid unsustainable rent increases, to scale back a business, going out of business due to retirement or being bought out, and others. The rate of business turnover due to these and other causes steadily increased in San Francisco during the twenty years between 1992 and 2011 and, from available data, appears likely to continue its upward trend through 2014 and beyond.
- Measured in openings, closures and location changes, business turnover increased not only for all types of businesses Citywide over the twenty year period ending in 2011, but also for established businesses, or those operating for five years or more in the same location. As a result, the composition of businesses and business types in many areas has changed considerably over the years reviewed.
- Between 1992 and 2011, business closures and location changes of all businesses rose by 883.6 percent from 1,298 in 1992 to 12,767 in 2011, the most recent year for which complete closure data was determined to be available due to lags in businesses reporting closures to the City and County of San Francisco.
- For established businesses, or businesses open for at least five years at the same location, business closures and location changes increased from 518 in 1992 to 3,657 in 2011, an increase

of 606 percent. The rate of closures and location changes for established businesses increased to 20.6 percent relative to all business openings between 2009 and 2011, higher than the 20 year median rate of 15.3 percent between 1992 and 2011.

- During the same time period as an increasing number of established businesses have closed or changed locations, commercial property sales rates in San Francisco have also risen, from \$189.50 per square foot in 1999 to \$675.10 per square foot in 2013, an increase of 256.3 percent, according to Assessor-Recorder's Office data. Analyses by a number of real estate brokerage service firms predict a continuation of this trend through 2014 and beyond.
- Based on data analyzed and forecasts of the San Francisco commercial real estimate market reviewed for this report, the Budget and Legislative Analyst projects that, if current trends continue, 4,378 established businesses, or those in business at the same location for five or more years, will close or change locations in 2014, up from 4,123 such projected occurrences in 2013.
- If the same trends continue for the five years beyond 2014, the Budget and Legislative Analyst projects the closure or change of location for 5,910 established businesses in 2019, an increase of 38.1 percent over the projected 4,378 closures and changes of location for established businesses in 2014.
- The Budget and Legislative Analyst analyzed business openings, closures and location changes from 1992 to 2011 for two commercial corridors: Lower 24th Street and the Castro/Upper Market areas. Though the activity in both areas was more volatile year-to-year because a small number of openings, closings or location changes can have a bigger impact in these smaller areas, the same general pattern as the Citywide trends were found, with an increasing number of business closures and location changes in more recent years, including for established businesses in the same location for five or more years.



Source: Business Registration Certificate Records, San Francisco Treasurer and Tax Collector's Office

It is important to note that there are limitations in the data made obtained this analysis. Without a comprehensive study or additional data, the Budget and Legislative Analyst cannot address with full certainty why these changes occurred. This limits the Budget and Legislative Analyst to only measuring the rate of business closures and location changes over time, without regard to business size, and comparing these to the number of business openings. Furthermore, the data collected for 2012, 2013 and 2014 is incomplete due to a lag in businesses reporting their closure or location change to the Treasurer and Tax Collector's Office, the source of the business opening and closure data used for this analysis. Therefore, this analysis focused primarily on 1992 to 2011, although the available data for 2012, 2013, 2014 is included in Appendix 2 for reference.

Rate of Business Closures and Location Changes are on the Rise Citywide

During the 20-year period between 1992 through 2011 the annual citywide volume of business openings and business closures and location changes has increased substantially. The number of business openings per year recorded by the Treasurer and Tax Collector's Office increased from 3,956 in 1992 to 17,754 in 2011, an increase of 348.8 percent. During the same time, business closings and location changes increased from 1,298 in 1992 to 12,767 in 2011, an increase of 883.6 percent.

This rate of turnover reflects a dynamic business sector in San Francisco, with a high number of new businesses opening each year, and many existing businesses closing or changing location. Business openings and locations are recorded by the Treasurer and Tax Collector's Office of the City and County of San Francisco when new businesses obtain their business registration certificates and closings or location changes are recorded when businesses file documentation that they have discontinued operations at a particular location. The Treasurer and Tax Collector's Office does not require that businesses report the reason for discontinuing their operations at a certain location. As a result, reported closures and location changes include all of the possible reasons for location closings or changes such as a business ceasing its operations at a location entirely, moving to another location in San Francisco or moving to a location outside San Francisco. The closure or location change may be the result of business failure, owner retirement, moving to another location to expand, moving to another location to lower costs such as rent, taxes or labor costs, moving to be closer to customers or other causes.

To make the data more comparable year-to-year, the Budget and Legislative Analyst measured the relationship of business closings or location changes to business openings as a ratio (see Table 1 column "Ratio of Closed to Open"). As can be seen in Table 1, there have been some variations year to year but, overall, the rate of business closures and location changes has trended upward as a share of business openings over the twenty year period.

Table 1: Rate of Business Closures and Location Changes on the Rise between 1992 and 2011

YEAR	Business Locations Opened	Business Locations Changed and Closed (ALL)	Ratio of Closed to Opening
1992	3,956	1,298	32.8%
1993	4,356	1,302	29.9%
1994	6,188	1,889	30.5%
1995	6,809	2,052	30.1%
1996	8,342	2,654	31.8%
1997	9,843	4,747	48.2%
1998	10,522	4,823	45.8%
1999	12,782	6,334	49.6%
2000	12,950	6,312	48.7%
2001	13,214	6,588	49.9%
2002	16,977	8,244	48.6%
2003	17,561	11,621	66.2%
2004	18,082	12,270	67.9%
2005	18,242	12,625	69.2%
2006	17,838	11,762	65.9%
2007	27,119	13,733	50.6%
2008	17,165	12,605	73.4%
2009	17,541	13,315	75.9%
2010	17,658	12,506	70.8%
2011	17,754	12,767	71.9%

Source: Business Registration Certificate Records, San Francisco
Treasurer Tax Collector's Office

Comparing the Closed to Opening ratios for select years within the twenty year period shows that there has been more turnover in the business sector in San Francisco during that period and that the rate of business closures and location changes has increased. Table 2 shows that the median percentage of businesses closings or location changes relative to openings was 39.3 percent between 1992 and 2001, but a higher 68.6 percent between 2002 and 2011, and an even higher 71.9 percent for the just the three years between 2009 and 2011.

Table 2: Rate of Business Closures and Location Changes for Selected Years

Median CLOSE TO OPEN 1992 to 2001	39.3%
Median CLOSE TO OPEN 2002 to 2011	68.6%
Median CLOSE TO OPEN 2009 to 2011	71.9%

Rate of Established Business Closures and Location Changes Rising

While there has been a higher rate of business turnover for all businesses in the City in recent years, the number of businesses operating five years or more, or “established businesses” for the purposes of this report, also closed or changed locations in increasing numbers and at higher rates between 1992 and 2011, according to the Treasurer and Tax Collector’s Office’s business registration certificate database. Classified as established businesses by the Budget and Legislative Analyst to signify their tenure in their locations, the number of businesses open five or more years increased over the twenty year period from 518 in 1992 to 3,657 in 2011, or by 606 percent. The number of annual closures and location changes of established businesses relative to business openings increased to 20.6% in 2011 from 13.1% in 1992, a 57.3% increase.

Table 3: Rate of Business Closures and Location Changes of Established Businesses, 1992 to 2011

YEAR	All Business Locations Opened	Established Businesses ¹ Closed or Changed Location	Ratio of Closed to Opening
1992	3,956	518	13.1%
1993	4,356	550	12.6%
1994	6,188	693	11.2%
1995	6,809	760	11.2%
1996	8,342	930	11.1%
1997	9,843	1565	15.9%
1998	10,522	1517	14.4%
1999	12,782	1941	15.2%
2000	12,950	1997	15.4%
2001	13,214	1871	14.2%
2002	16,977	2296	13.5%
2003	17,561	3019	17.2%
2004	18,082	3258	18.0%
2005	18,242	3488	19.1%
2006	17,838	3197	17.9%
2007	27,119	3406	12.6%
2008	17,165	3398	19.8%
2009	17,541	3624	20.7%
2010	17,658	3444	19.5%
2011	17,754	3657	20.6%

Source: Business Registration Certificate Records, San Francisco Treasurer and Tax Collector’s Office

¹ Established Businesses: those open in the same location for five or more years.

Comparing the Closed to Opening ratios for established businesses for select years within the twenty year period between 1992 and 2011 shows the increase in the rate of established business closures and location changes during that period. Table 4 shows that the median percentage of established businesses closings or location changes relative to openings was 13.7 percent between 1992 and 2001, but a higher 18.6 percent for the more recent 2002 through 2011, and an even higher 20.6 percent for just the three years between 2009 and 2011. In other words, established businesses have comprised a higher percentage of businesses closing or changing location in recent years.

Table 4: Rate of Business Closures and Location Changes for Selected Years for Established Businesses

Median CLOSE TO OPEN 1992 to 2001	13.7%
Median CLOSE TO OPEN 2002 to 2011	18.6%
Median CLOSE TO OPEN 2009 to 2011	20.6%

Commercial Real Estate Prices Increasing As Well

There are many factors that impact the longevity and location choices of businesses. Real estate prices and commercial rental rates have a bearing on businesses' costs and their ability to maintain their operations. In data made available from the Assessor-Recorder's and the Treasurer and Tax Collector's Offices, it can be seen that the cost of non-residential real estate and the increase in business closures and location changes have been rising together instep.

Based on our analysis of data provided by the Office of the Assessor-Recorder, the average price for all commercial real estate increased by 256.2% between 1999 and 2013, from \$189.50 per square foot in 1999 to \$675.10 in 2013, the highest level in the 14 year period. The median annual rate of change during that period was seven percent.

Spanning the period from 2002 through 2011, the median Closed to Opening ratio of all businesses City-wide grew to 68.6 percent, up from 39.3 percent during the previous ten year period. While there appears to be a relationship between price and business closures and location changes, data available for this analysis is not sufficient to confirm the extent to which price drives the rate of business closures and location changes. At best, the Budget and Legislative Analyst can infer some degree of link between the two factors, given the assumption that rapidly changing costs can outpace some businesses' ability to adapt. However, without a more comprehensive study or precise data the Budget and Legislative Analyst cannot assert the causes of and links between these trends.

**Table 5: Commercial Real Estate
Prices Continued to Rise between
1999 and 2013**

Year	Average of Price Per Square Foot	Annual Rate of Change
1999	\$ 189.5	
2000	\$ 293.4	54.8%
2001	\$ 288.7	-1.6%
2002	\$ 237.0	-17.9%
2003	\$ 236.4	-0.2%
2004	\$ 292.8	23.9%
2005	\$ 282.1	-3.7%
2006	\$ 322.1	14.2%
2007	\$ 604.9	87.8%
2008	\$ 374.7	-38.1%
2009	\$ 229.4	-38.8%
2010	\$ 374.9	63.4%
2011	\$ 311.7	-16.9%
2012	\$ 514.8	65.1%
2013	\$ 675.1	31.1%

Source: Budget and Legislative Analyst's
calculations of data provided by the San
Francisco Office of the Assessor-Recorder

Near-term Prices Increasing Further

There have been many recent reports on rising commercial real estate prices in the City. The most recent data from the Office of the Assessor-Recorder supports these observations. In the recent period of 2011 to 2013, prices have increased at a median annual rate of 31.1 percent and reached a level beyond their 2007 pre-recession peak, as shown in Table 5.

Other sources confirm this trend and show continued price growth into 2014. According to figures published by LoopNet.com, an online commercial real estate listing service, the asking sale and rent price of commercial property have been on the rise in 2014. For example, between August 2013 and August 2014, the asking price for leased office space citywide rose by 15.3 percent, industrial leases Citywide rose 46.0 percent, and retail leases Citywide rose by 16.0 percent. Similarly, during the same period the asking sale price of office property Citywide rose by 2.3 percent, and retail Citywide by 24.1 percent (industrial property for sale wasn't reported at the City level by this source).¹

Part of the explanation for the increasing prices in the analyses reviewed by the Budget and Legislative Analyst is a shortage of supply. This trend is highlighted in a recent publication on retail property in San

¹ http://www.loopnet.com/San-Francisco_California_Market-Trends

Francisco, by Cushman & Wakefield, a commercial real estate service provider. The report shows a strikingly low citywide retail vacancy rate of 1.9 percent during the first quarter of 2014.² This is low compared to the national retail vacancy rate reported at 4.4 percent in the second quarter of 2014.³ Similarly, office property in San Francisco had a relatively low citywide vacancy rate of 8.9 percent in the second quarter of 2014.⁴ This also is low compared to the national rate reported in the second quarter of 2014 at 15.1 percent.⁵ In all other commercial retail property categories, San Francisco is reported to have higher demand and lower supply than the national averages.

In the same reports, both retail and office property in San Francisco are forecast by Cushman & Wakefield to continue to grow in demand and realize further declines in vacancy rates. Retail property in particular is forecast to see continued demand with limited new supply anticipated. The Cushman and Wakefield report concludes with the remarks “as the lack of available space coincides with strong demand from tenants for that limited space, rents will continue their upward trend.”⁶ If these forecasts are realized, the Budget and Legislative Analyst anticipates that commercial real estate prices and commercial rents will continue to grow. This would likely continue to apply pressure on businesses, and could perpetuate the trend of increasing business closures and location changes, including for established businesses that have been open and in their current locations for five or more years.

Projecting Forward

As discussed further in Appendix 1, the business registration certificate data provided by the Treasurer and Tax Collector’s Office from 2012, 2013, and 2014 is incomplete as it does not account for all business closures and location changes during those years due to the fact that closure and location change reports are not provided to the Office for all businesses until two to three years after they have closed or changed locations. However, to consider what would happen if recent business closure and location change trends continued at their current rate, the Budget and Legislative Analyst has prepared projections for 2012-2014 and for the five year period between 2015 and 2019 based on the median annual rate of change of the Closed to Opening ratio for 2009 to 2011. For all businesses the median was 2.1%, but for the established businesses it was a larger 6.2%. These rates of annual change were used by the Budget and Legislative Analyst to project business closures and location changes through 2014 and for the five year period ending in 2019 (see Table 6).

If the conditions that drove the increasing business location changes and closures between 2009 to 2011 persist the Budget and Legislative Analyst expects the Closed to Opening ratio to continue rising into 2014 and through 2019. This seems likely assuming the 2009 to 2011 conditions are at least in part driven by commercial real estate prices, which are in turn expected to continue to rise in the short-term. Under these circumstances, we expect more businesses will change and close locations as commercial real estate prices continue to rise.

² http://www.cushmanwakefield.com/~media/marketbeat/2014/07/SanFrancisco_AMERICAS_MarketBeat_Retail_Q12014.pdf

³ http://www.cushmanwakefield.com/~media/marketbeat/2014/08/US_AMERICAS_MarketBeat_Retail_Q22014.pdf

⁴ http://www.cushmanwakefield.com/~media/marketbeat/2014/07/SanFrancisco_Americas_MarketBeat_Office_Q22014.pdf

⁵ http://www.cushmanwakefield.com/~media/marketbeat/2014/07/US_AMERICAS_MarketBeat_Office_Q22014.pdf

⁶ http://www.cushmanwakefield.com/~media/marketbeat/2014/07/SanFrancisco_AMERICAS_MarketBeat_Retail_Q12014.pdf

**Table 6: Actual and Projected Business Closures and Location Changes Compared to Business Location Openings, all Commercial Businesses and those Opened Five Years or More (Established Businesses)
1992-2011 Actual and Projected for 2012 through 2019**

	YEAR	Business Locations	Business Locations	Business Locations	Close:Open	Close:Open
		Opened	Changed or Closed (ALL)	Changed or Closed (Established Businesses)	Ratio For Year	Ratio For Year
	1992	3,956	1,298	518	32.8%	13.1%
	1993	4,356	1,302	550	29.9%	12.6%
	1994	6,188	1,889	693	30.5%	11.2%
	1995	6,809	2,052	760	30.1%	11.2%
	1996	8,342	2,654	930	31.8%	11.1%
	1997	9,843	4,747	1565	48.2%	15.9%
	1998	10,522	4,823	1517	45.8%	14.4%
	1999	12,782	6,334	1941	49.6%	15.2%
	2000	12,950	6,312	1997	48.7%	15.4%
	2001	13,214	6,588	1871	49.9%	14.2%
	2002	16,977	8,244	2296	48.6%	13.5%
	2003	17,561	11,621	3019	66.2%	17.2%
	2004	18,082	12,270	3258	67.9%	18.0%
	2005	18,242	12,625	3488	69.2%	19.1%
	2006	17,838	11,762	3197	65.9%	17.9%
	2007	27,119	13,733	3406	50.6%	12.6%
	2008	17,165	12,605	3398	73.4%	19.8%
	2009	17,541	13,315	3624	75.9%	20.7%
	2010	17,658	12,506	3444	70.8%	19.5%
	2011	17,754	12,767	3657	71.9%	20.6%
Projected	2012	17,872	13,033	3,883	72.9%	21.7%
Projected	2013	17,992	13,305	4,123	74.0%	22.9%
Projected	2014	18,112	13,583	4,378	75.0%	24.2%
Projected	2015	18,232	13,867	4,649	76.1%	25.5%
Projected	2016	18,354	14,156	4,937	77.1%	26.9%
Projected	2017	18,476	14,451	5,242	78.2%	28.4%
Projected	2018	18,600	14,753	5,566	79.3%	29.9%
Projected	2019	18,724	15,061	5,910	80.4%	31.6%

Source: Actual data 1992-2011 from Treasurer and Tax Collector's Office Business Registration Certificate Database. Projections for 2012-2019 by Budget and Legislative Analyst

Budget and Legislative Analyst

Two Commercial Corridor Study Areas

Business openings and closures and location changes were analyzed by the Budget and Legislative Analyst for two San Francisco commercial corridors. The areas are based on two of the 25 commercial corridors identified and studied by the Office of Economic Workforce Development's (OEWD) Invest in Neighborhoods program. The OEWD's mission is to "... support the ongoing economic vitality of San Francisco."⁷ The Invest In Neighborhoods "program is an interagency partnership to strengthen and revitalize neighborhood commercial districts around San Francisco, according to OEWD. The initiative, currently being piloted in 25 commercial districts, aims to strengthen small businesses, improve physical conditions, increase quality of life, and increase community capacity."⁸ In order to lend better data comparability, and take advantage of the research already available from the initiative, the Budget and Legislative Analyst selected two of the 25 study areas: the Lower 24th Street and the Castro/Upper Market corridor.

Lower 24th Street

Graph 2: Area Included in Lower 24th Street Commercial Corridor Study Area



Source: OEWD Invest In Neighborhoods Program

The OEWD's profile of the Lower 24th Street's commercial corridor notes the area's diversity of small businesses, many of which serve local residents and the predominantly Latino community. The profile also notes the area has "proven attractive to new residents and new businesses." Within the report it cites "increasing commercial rents" as a challenge that is "difficult for longtime residents to pay." The combination of increasing interest, diversity of longstanding small businesses, and the report of increasing rents makes the corridor of interest for this analysis. Table 7 presents trends observed by the

⁷ OEWD.org

⁸ investsf.org

Budget and Legislative Analyst in the data extracted from the Treasurer and Tax Collector's business registration certificate database.

As shown in Table 7, the overall number of businesses opening and closing is smaller for this area than at the Citywide level so greater volatility is seen over the period as a few additional openings or closings in an individual year has greater effects on opening and closing rates. However, even given that difference, the general trend over the twenty year period in the Lower 24th Street area has been increasing numbers of business closures and location changes relative to business openings, including for established businesses, or those operating in the same location for five years or more.

Table 7: Rate of Business Closures and Location Changes: Lower 24th St. Corridor

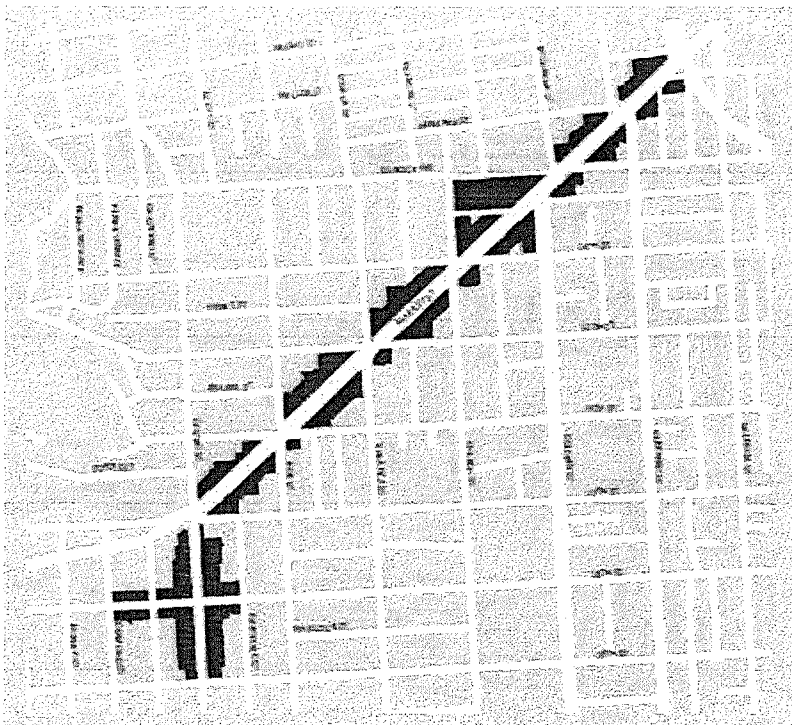
YEAR	Business Locations Opened	Business Locations Changed or Closed (All)	Ratio of Closed to Open (All)	Business Locations Changed or Closed (Established)	Ratio of Closed to Open (Established)
1992	17	6	35.3%	0	0.0%
1993	12	3	25.0%	0	0.0%
1994	13	2	15.4%	0	0.0%
1995	14	10	71.4%	2	14.3%
1996	20	8	40.0%	3	15.0%
1997	17	7	41.2%	4	23.5%
1998	18	5	27.8%	2	11.1%
1999	18	11	61.1%	4	22.2%
2000	28	9	32.1%	4	14.3%
2001	20	7	35.0%	4	20.0%
2002	37	11	29.7%	3	8.1%
2003	30	27	90.0%	11	36.7%
2004	29	29	100.0%	13	44.8%
2005	31	23	74.2%	10	32.3%
2006	33	22	66.7%	5	15.2%
2007	44	25	56.8%	11	25.0%
2008	30	25	83.3%	6	20.0%
2009	33	23	69.7%	6	18.2%
2010	34	32	94.1%	10	29.4%
2011	34	26	76.5%	7	20.6%

Source: Business Registration Certificate Records, San Francisco Treasurer and Tax Collector's Office

Castro/Upper Market

The OEWD's profile of the Castro/Upper Market commercial corridor notes the area's significance as serving local residents and being an international cultural destinations as "one of the nation's first and largest gay neighborhoods." The report cites a slightly different challenge for businesses in the neighborhood as "a number of long term vacancies; some landlords are absentee and/or seem to be holding out for high rents." This suggests that property owners anticipate an increase in rents on the horizon, although the time frame is not mentioned. The OEWD report was published in February 2013, so their data primarily considers past trends regarding property and does not address if the mentioned increase has fully materialized. As the recent Cushman and Wakefield reports mention, commercial real estate is in demand and was in short supply during the first half of 2014.

Graph 3: Area Included in Castro/Upper Market St. Commercial Corridor Study Area



Source: OEWD Invest In Neighborhoods Program

Table 8: Rate of Business Closures and Location Changes: Castro/Upper Market

YEAR	Business Locations Opened	Business Locations Changed or Closed (All)	Ratio of Closed to Open (All)	Business Locations Changed or Closed (Established)	Ratio of Closed to Open (Established)
1992	26	8	30.8%	0	0.0%
1993	33	8	24.2%	3	11.5%
1994	53	14	26.4%	5	15.2%
1995	55	17	30.9%	5	9.4%
1996	73	27	37.0%	12	21.8%
1997	84	32	38.1%	12	16.4%
1998	83	32	38.6%	7	8.3%
1999	105	60	57.1%	16	19.3%
2000	82	39	47.6%	12	11.4%
2001	82	49	59.8%	12	14.6%
2002	93	72	77.4%	25	30.5%
2003	115	78	67.8%	37	39.8%
2004	99	86	86.9%	41	35.7%
2005	130	81	62.3%	29	29.3%
2006	121	82	67.8%	30	23.1%
2007	165	76	46.1%	19	15.7%
2008	128	108	84.4%	37	22.4%
2009	123	94	76.4%	28	21.9%
2010	121	111	91.7%	30	24.4%
2011	146	105	71.9%	32	26.4%

Source: Business Registration Certificate Records from the San Francisco Treasurer and Tax Collector's Office

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Similar to the findings for the Lower 24th Street, commercial corridor, business opening, closure and location change data for the Castro/Upper Market corridor shows that number and rate of business openings and closures and location changes have increased during the twenty year period reviewed through 2011, including increased closures and location changes for established businesses, or those in businesses for five years or more.

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APPENDIX 1: LIMITATIONS OF BUSINESS PERMIT DATA

The Business Registration Certificate Records used in this report were provided by the Treasurer and Tax Collector's Office of San Francisco. Their records begin in 1968 and continue to June 15th 2014. Following this date, the Treasurer and Tax Collector's Office has begun migrating to a new collection system that is not currently available for analysis and comparison with the legacy data they provided. The legacy data they provided represent digitized and more recent digital records of information gathered when businesses apply for Business Registration Certificates with the Treasurer and Tax Collector's Office. The change of location data is gathered from subsequent forms filed to notify the Treasurer and Tax Collector's Office that the business location has closed or changed. While this data is very robust there are some notable limitations to its utility in our analysis. It is important to note these limitations as they constrain the conclusions we are able to draw from the data at hand.

Location Change and Close Data Could Represent Many Things

Unfortunately, the location change and close date could represent many things and these details are not tracked. For example, simply knowing that a business location changed or closed could represent any of the following:

- The business location and entity permanently closed.
- The business entity owns and operates multiple locations and one closed but another opened.
- The business changed locations.
- The business reorganized as a corporation, which triggered a change in the records but the business stayed generally the same.
- The business was sold to a new owner, which triggered a change in the records, but the business stayed generally the same.

Furthermore, even if it is known that a business location truly closed there is no data regarding why the business closed. Businesses can close for any number of reasons such as insolvency, the retirement of the owner, increase in cost (such as rising rents), a sale of the business, and many more. Without this knowledge it is difficult to infer much beyond the overall rates of change among business locations.

There Is No Detailed Information on the Type of Business

The businesses included are inclusive of all types of businesses. Since the Treasurer and Tax Collector's Office doesn't track business type for its tax and fee collections, the data includes every type of business from a small family owned restaurant, large multi-national corporate chain, an apartment building registered as a business, to an independent contractor working out of their home office. More detailed records of various types of businesses, their sizes, number of employees and nature of their operations do exist. However, given the time and resource constraints of this report it was not feasible to acquire, validate, and join these datasets effectively with the Business Registration Certificate data that is available. This could be pursued further, but it would necessitate additional time and resources to manage the analysis of these large confidential datasets from various agencies.

Without details on who is being affected it is difficult to conclude the nature of the patterns. The rise in closures may be due to a certain type of business, a certain size of business, or businesses with a certain number of employees.

Data from 2012, 2013, and 2014 Excluded Due to Incomplete Collections

The data available does not provide a reliable real-time monitor of business closures. The Budget and Legislative Analyst's Office excluded data from 2012, 2013, and 2014 in our primary analysis because it is incomplete (see Appendix 2 Table 9). The incomplete data is due to the nature of the location change and closure forms collected by the Treasurer and Tax Collector's Office. The Treasurer and Tax Collector's Office reports that the forms are not submitted in real-time as a business changes location or closes, and they can sometimes lag for several years. According to the Treasurer and Tax Collector's Office, many businesses when closing or changing locations may not always file the appropriate paperwork notifying the Treasurer and Tax Collector's Office of the closure or location change. However, when the business receives their bill in the following billing cycle they are often prompted to submit their forms indicating their location change or the closure of the business. This seems plausible, as businesses may be preoccupied with a move, legal matters, or the closure of their business.

The Treasurer and Tax Collector's Office reports that this reporting delay is often exacerbated when businesses that have closed or changed location may overlook or not receive the following year's business permit renewal bill. This could be due to a complete change in business location, mailing address, or any number of reasons following the close or location change of their business. In these instances, the Treasurer and Tax Collector's Office initiates their collections process and submits the overdue fees to their Bureau of Delinquent Revenue, which operates as the City's collection agency. The Bureau begins an effort to contact the business and to collect the delinquent debt. The Treasurer and Tax Collector's Office reports using a number of methods, including "skip tracing", which seeks to identify the businesses' new address and contact information. If the business has truly closed these efforts could take some time. The Treasurer and Tax Collector's Office reports that eventually most closed businesses are contacted by the Bureau, and the closed business submits their closure forms to avoid accruing further fees and delinquencies. The Treasurer and Tax Collector's Office estimates this often happens within six months, and that they usually collect at least \$20 million in delinquent business fees per year.

For the purposes of measuring the rate of business location closures, the Budget and Legislative Analyst's estimates that this lag in submission of closure forms can persist in the location closure data for upwards of two years. This accounts for the time delay between annual billing cycles, and instances when the collection process exceeds six months. As a result, we are not confident in the location closure data available for 2013 and much of 2012. Given this uncertainty, we have primarily presented data ending in 2011 in our calculations and graphs.

Taken at face value, the trends observed in the 2012, 2013 and 2014 data suggest a decline in the volume of business location closures or changes. While this conflicts with the anecdotal reports and

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patterns of previous years, The Budget and Legislative Analyst's Office cannot confirm the completeness of the data. That limits our analysis to retrospectively analyzing trends of recent history and considering their potential impact on current and future trends. Given all of the various caveats to the data available, any conclusions we or others can make are based on limited historical data, which is not necessarily an indicator of future trends.

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APPENDIX 2: SOURCE DATA INCLUDING INCOMPLETE YEARS

**Table 9: Actual and Projected Business Closures and Location Changes Compared to Business Location Openings, all Commercial Businesses and those Opened Five Years or More (Established Businesses).
Includes Incomplete Data Collected In 2012-2014**

YEAR	Business Locations Opened	Business Closed or Location Changed (ALL)	Business Closed or Location Changed (Established Businesses)	Close:Open Ratio For Year	Close:Open Ratio For Year
1992	3,956	1,298	518	32.8%	13.1%
1993	4,356	1,302	550	29.9%	12.6%
1994	6,188	1,889	693	30.5%	11.2%
1995	6,809	2,052	760	30.1%	11.2%
1996	8,342	2,654	930	31.8%	11.1%
1997	9,843	4,747	1565	48.2%	15.9%
1998	10,522	4,823	1517	45.8%	14.4%
1999	12,782	6,334	1941	49.6%	15.2%
2000	12,950	6,312	1997	48.7%	15.4%
2001	13,214	6,588	1871	49.9%	14.2%
2002	16,977	8,244	2296	48.6%	13.5%
2003	17,561	11,621	3019	66.2%	17.2%
2004	18,082	12,270	3258	67.9%	18.0%
2005	18,242	12,625	3488	69.2%	19.1%
2006	17,838	11,762	3197	65.9%	17.9%
2007	27,119	13,733	3406	50.6%	12.6%
2008	17,165	12,605	3398	73.4%	19.8%
2009	17,541	13,315	3624	75.9%	20.7%
2010	17,658	12,506	3444	70.8%	19.5%
2011	17,754	12,767	3657	71.9%	20.6%
Incomplete 2012	17,374	11,382	3,804	65.5%	21.9%
Incomplete 2013	16,390	8,618	3,004	52.6%	18.3%
Incomplete 2014	6,807	2,339	820	34.4%	12.0%

Source: Actual data 1992-2011 from Treasurer and Tax Collector's Office Business Registration Certificate Database. Projections for 2012-2014 by Budget and Legislative Analyst. Incomplete data 2012-2014 from Treasurer and Tax Collector's Office Business Registration Certificate Database.



WHY CREATING AND PRESERVING AFFORDABLE HOMES NEAR TRANSIT IS A HIGHLY EFFECTIVE CLIMATE PROTECTION STRATEGY



ABOUT **CHPC**

THE STATE CREATED THE CALIFORNIA HOUSING PARTNERSHIP CORPORATION 25 YEARS AGO AS A PRIVATE NONPROFIT ORGANIZATION WITH A PUBLIC MISSION: TO MONITOR, PROTECT, AND AUGMENT THE SUPPLY OF HOMES AFFORDABLE TO LOWER-INCOME CALIFORNIANS AND TO PROVIDE LEADERSHIP ON AFFORDABLE HOUSING FINANCE AND POLICY. SINCE 1988, THE CALIFORNIA HOUSING PARTNERSHIP HAS ASSISTED MORE THAN 200 NONPROFIT AND LOCAL GOVERNMENT HOUSING ORGANIZATIONS TO LEVERAGE MORE THAN \$5 BILLION IN PRIVATE AND PUBLIC FINANCING TO CREATE AND PRESERVE 20,000 AFFORDABLE HOMES.

WWW.CHPC.NET

ABOUT **TRANSFORM**

TRANSFORM PROMOTES WALKABLE COMMUNITIES WITH EXCELLENT TRANSPORTATION CHOICES TO CONNECT PEOPLE OF ALL INCOMES TO OPPORTUNITY, KEEP CALIFORNIA AFFORDABLE AND HELP SOLVE OUR CLIMATE CRISIS. WITH DIVERSE PARTNERS WE ENGAGE COMMUNITIES IN PLANNING, RUN INNOVATIVE PROGRAMS AND WIN POLICY CHANGE AT THE LOCAL, REGIONAL AND STATE LEVELS.

WWW.TRANSFORMCA.ORG

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Executive Summary

California is currently debating how to invest greenhouse gas (GHG) cap-and-trade auction proceeds so that they result in real, quantifiable and verifiable greenhouse gas reductions.

A new analysis of data from Caltrans' California Household Travel Survey (CHTS) completed in February 2013 shows that a well-designed program to put **more affordable homes near transit** would not just meet the requirements set by the California Air Resources Board (ARB), but **would be a powerful and durable GHG reduction strategy** – directly reducing driving while creating a host of economic and social benefits.

Conducted by the nationally recognized Center for Neighborhood Technology (CNT), the analysis identified 36,000-plus surveyed households that had provided all relevant demographic and travel data and divided them into five income groups, living in three types of locations based on their proximity to public transportation:

- **Transit-Oriented Development (TOD) as defined by the California Department of Housing & Community Development (HCD)** requires homes be built within a 1/4 mile radius of a qualifying rail or ferry station or bus stop with frequent service.
- **TOD as defined by the Sustainable Communities and Climate Protection Act of 2008 (SB 375)** requires housing to be built within a 1/2 mile radius of a rail or ferry station, or a bus stop but with lesser frequencies than HCD's definition.
- **Non-TOD** areas that do not meet either of these definitions.

Here are two key findings:

- Lower Income households drive 25-30% fewer miles when living within 1/2 mile of transit than those living in non-TOD areas. When living within HCD's 1/4 mile of frequent transit they drove nearly 50% less.
- Higher Income households drive more than twice as many miles and own more than twice as many vehicles as Extremely Low-Income households living within 1/4 mile of frequent transit. This underscores why it is critical to ensure that low-income families can afford to live in these areas.

In response to soaring demand from Higher Income households for condos and luxury apartment developments near public transit, there has been a surge of new development. The CNT report shows the tremendous greenhouse gas reductions the state can achieve by ensuring that more low-income households can also live in these areas through investment of cap-and-trade auction proceeds.

DESIGNING A CAP-AND-TRADE INVESTMENT PROGRAM THAT MAXIMIZES GHG REDUCTIONS

The CNT analysis provides robust evidence that an investment by the state in the creation and preservation of affordable housing located within 1/4 mile of frequent transit can dramatically reduce GHGs.

Using conservative assumptions, TransForm and the California Housing Partnership calculated that investing 10% of cap and trade proceeds in HCD's TOD Housing program for the three years of FY 2015/16 through FY 2017/18 would result in 15,000 units that would remove **105,000,000 miles of vehicle travel per year** from our roads.

Over the 55-year estimated life of these buildings, this equates to eliminating **5.7 billion miles of driving off of California roads. That equates to over 1.58 million metric tons of GHG reductions, even with cleaner cars and fuels anticipated.**

What's more, the State can significantly increase these GHG reductions. The savings in miles driven described above is based solely on location and income, but HCD has a variety of ways their program could further reduce GHGs such as giving priority to developers who provide free transit passes for residents, adjacent carsharing pods, and bicycle amenities.

Finally, TransForm and CHPC offer a methodology for verifying and reporting the reductions.

Introduction

California has been a leader on climate change since passing AB 32, the California Global Warming Solutions Act in 2006.

Recognizing that transportation-related GHGs accounted for 37% of California's total GHGs, the legislature also passed SB 375 in 2008. The primary aim of this law is to reduce the amount people drive and associated GHGs by requiring the coordination of transportation, housing, and land use planning at a regional scale.

Ensuring that households of all incomes, and especially lower-income households who use transit most, are able to live near transit and jobs is crucial to the GHG reduction framework set up by SB 375. Yet the law does not provide any new financial resources to make the production and preservation of affordable homes near transit feasible.

AB 32 enabled the California Air Resources Board (ARB) to use market mechanisms to support reductions in GHGs. With the auction of greenhouse gas pollution allowances now taking place every quarter, state leaders are debating how to invest greenhouse gas cap-and-trade auction proceeds so that they result in real, quantifiable and verifiable greenhouse gas reductions.

In May 2013, ARB released its Cap-and-Trade Auction Proceeds Investment Plan, which identified "priority State investments to achieve GHG reduction goals and produce valuable co-benefits." ARB recommended that Sustainable Communities and Clean transportation receive the largest investment amount.

Importantly, ARB also recognized that the creation and preservation of affordable homes near transit should be part of this investment strategy, specifically naming the Department of Housing and Community Development's Transit-Oriented Development Housing program (HCD TOD) as an existing program that would be able to carry out a GHG reduction program relatively quickly and efficiently.

This report begins with CNT's analysis demonstrating for the first time the interrelationship between income and living in close proximity to transit, as defined by the HCD TOD criteria as well as by the SB 375 criteria.

The report then uses this information to calculate the GHG savings that would result from investing a portion of the cap-and-trade auction proceeds in affordable TOD homes over the next three years.

The key to CNT's ability to analyze these critical relationships is excellent, recent, statewide data made available by the California Household Travel Survey (CHTS) in 2013. The CHTS data, the collection of which was coordinated by Caltrans with support from a host of state and regional agencies, consists of one day travel surveys from over 40,000 households from all 58 counties in California and was collected from February 2012 through January 2013. CNT identified 36,197 household surveys from the CHTS that contained all relevant household demographic, location, and travel information needed for this analysis. A final report from CNT with additional data is anticipated in June 2014.

DEFINING TRANSIT-RICH AREAS AND STUDY METHODOLOGY

To determine accepted definitions of transit-rich areas, CNT worked with CHPC, TransForm and other experts to review California law and programs. Two well-used definitions were identified. The first is used by the California Department of Housing and Community Development (HCD) in its Transit-Oriented Development (TOD) Housing Program and the second is from the language of SB 375 defining High-Quality Transit Areas (HQTAs).

- **HCD TOD Areas** - HCD's TOD Housing Program Guidelines define TOD areas as being within 1/4 mile of a qualifying rail or ferry station or a bus stop with ten minute headways during the peak period defined as 7am to 10pm and 3pm to 7pm on weekdays. For any transit stop to qualify, it must offer hourly service on weekday evenings from 7pm to 10pm and have at least ten trips on both Saturday and Sunday. (TOD Housing Program: Third Round Guidelines, 2013.)
- **High Quality Transit Areas (HQTAs)** - SB 375 defines HQTAs as the area within 1/2 a mile of a rail or ferry station, regardless of service frequency at that station, as well as all bus stops with at least 15-minute headways during the peak period, as defined above.

CNT identified these geographies using its proprietary AllTransit™ database, which is based on the general transit feed specification (GTFS). AllTransit™ is the most comprehensive repository of GTFS data because CNT compiles publicly available feeds, acquires feeds that exist but are not publicly available, and codes its own feeds where none exist or are available. Areas that do not meet either of these definitions are defined as "non-TOD".

INCOME CATEGORIES

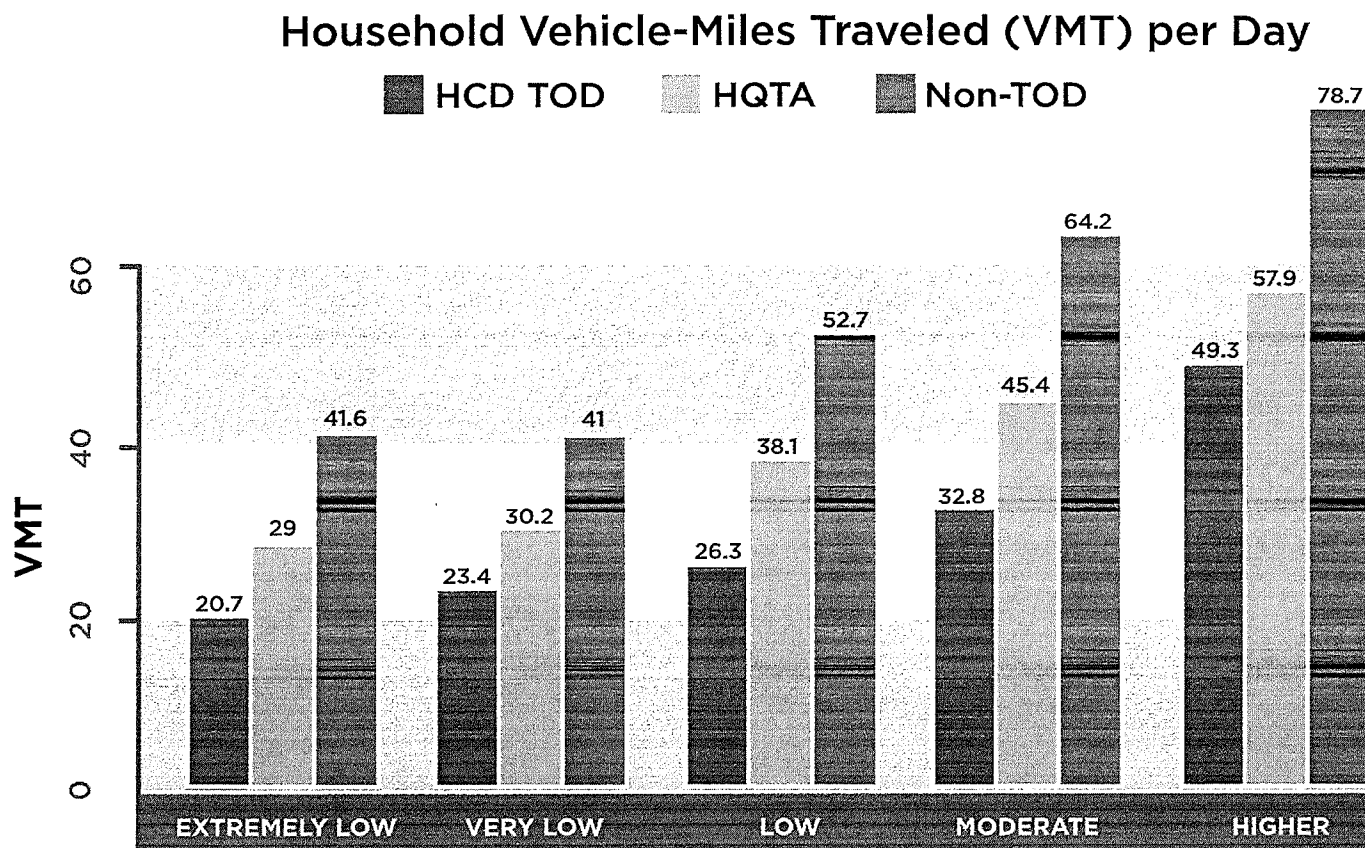
CNT categorized surveyed households using U.S. Department of Housing and Urban Development (HUD) income categories in order to compare households across all of California, which has wide variation in local incomes and housing costs. HUD publishes an annual listing of income thresholds based on the area Median Family Income (MFI) for each county by metropolitan area and includes adjustments for household size. HUD includes three lower income categories in this annual spreadsheet and CNT added two additional categories for moderate and higher income households based on the same assumptions used to calculate the lower income categories:

- **Extremely Low-Income (ELI)** – Households earning 30% or less of MFI
- **Very Low-Income (VLI)** – Households earning 50% or less of MFI
- **Low-Income (LI)** – Households earning 80% or less of MFI
- **Moderate Income** – Households earning between 80% and 120% of MFI
- **Higher Income** – Households earning more than 120% of MFI

INITIAL RESULTS

Preliminary findings from CNT's analysis of the CHTS reveal that living in proximity to transit-rich areas and household income are two major factors that impact the number of household trips as well as household vehicle miles traveled (VMT).

FIGURE 1. Household VMT per Day



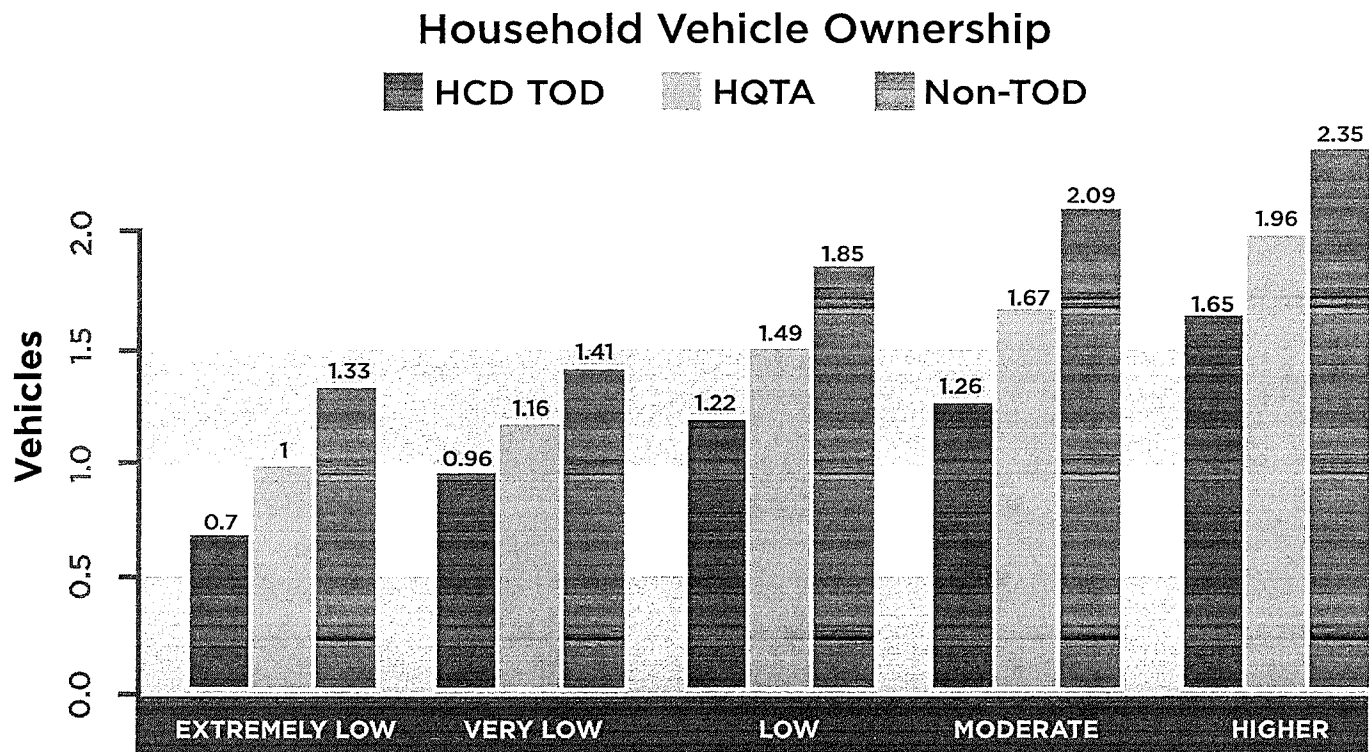
HUD Income Threshold

VEHICLE MILES TRAVELED (VMT)

The report data clearly shows that all income groups experience significant differences in average daily VMT depending on where they live. The difference in VMT for households living in HCD TOD areas compared to those in non-TOD areas range from 50% fewer VMT for Extremely Low-Income (ELI) to 37% fewer for Higher income households. All income groups living in HQTAs have 25-30% lower VMT than similar-income households living in non-TOD.

Extremely Low-Income households living in HCD-TOD areas have by far the lowest VMT of any household group, logging only 20.7 VMT per day on average, almost 60% less than the 49.3 average VMT of Higher income households also residing in HCD TOD areas.

FIGURE 2. Household Vehicle Ownership



HUD Income Threshold

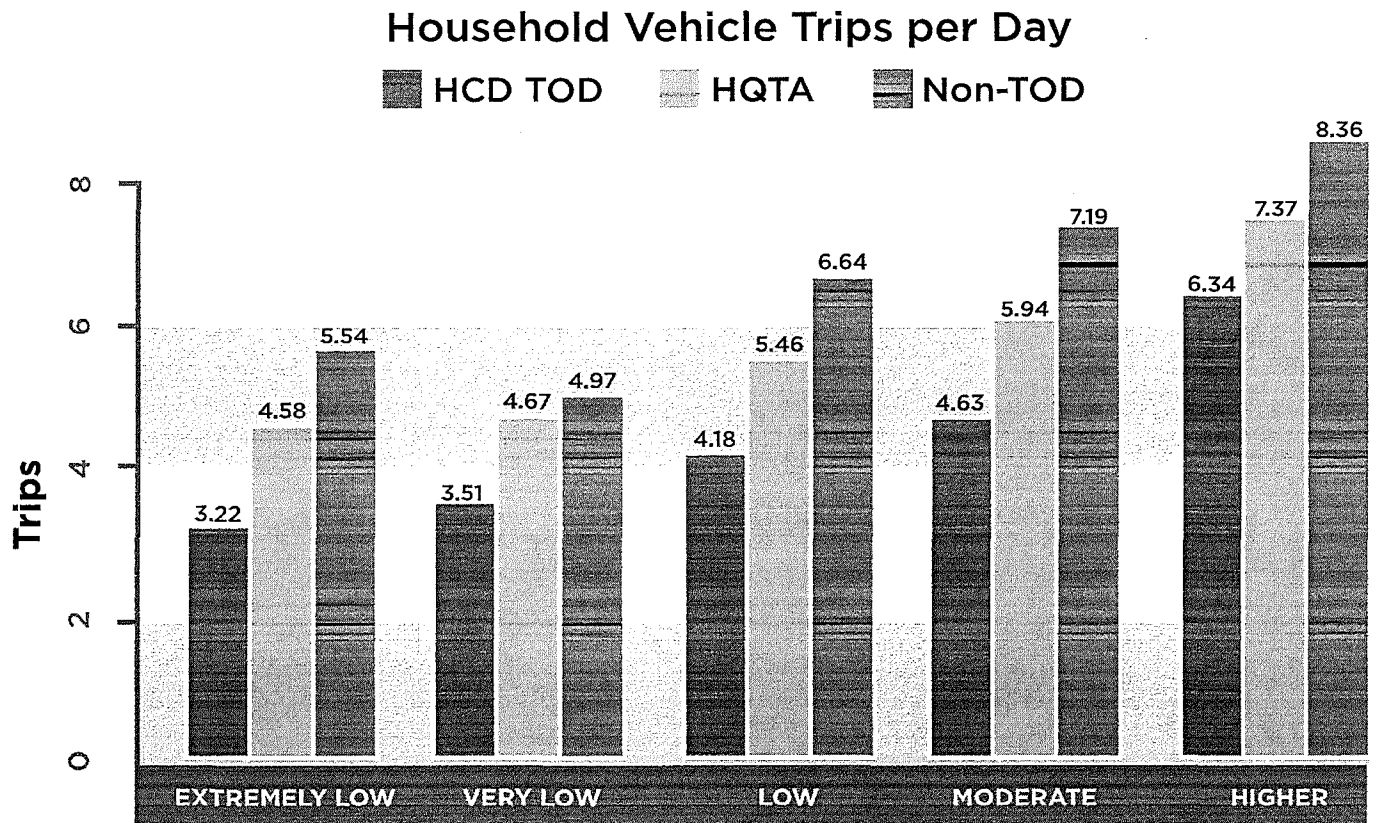
VEHICLE OWNERSHIP

The biggest single determinant of VMT—and therefore GHG emissions—is ownership of a private vehicle. Within the HCD TOD areas, all income groups own cars at a rate that is at least 30% lower than non-TOD areas. However, Extremely Low-Income households particularly economize on vehicle ownership when living in TOD. On average, these households own only 0.70 vehicles per household – less than half the number of cars owned by Higher Income households (1.65 vehicles per household).

The chart below demonstrates that, contrary to popular perception, lower income households have relatively high car ownership when they lack access to transit. This finding is significant because it indicates the large financial savings that lower income households can accrue by being able to avoid vehicle ownership by living near transit.¹ Transportation costs, primarily those associated with vehicle purchase, maintenance and operations, are the second highest household cost after housing.² In other words, providing affordable TOD homes not only lowers GHGs but also reduces both transportation and housing costs while providing strong access to services and employment opportunities.

There are other benefits of low-vehicle ownership rates. For example, vehicles take up significant space in the form of parking and street space. Locating affordable homes near transit allows communities to maximize the beneficial uses of these areas as shown in graphic on page 13.

FIGURE 3. Household Vehicle Trips per Day



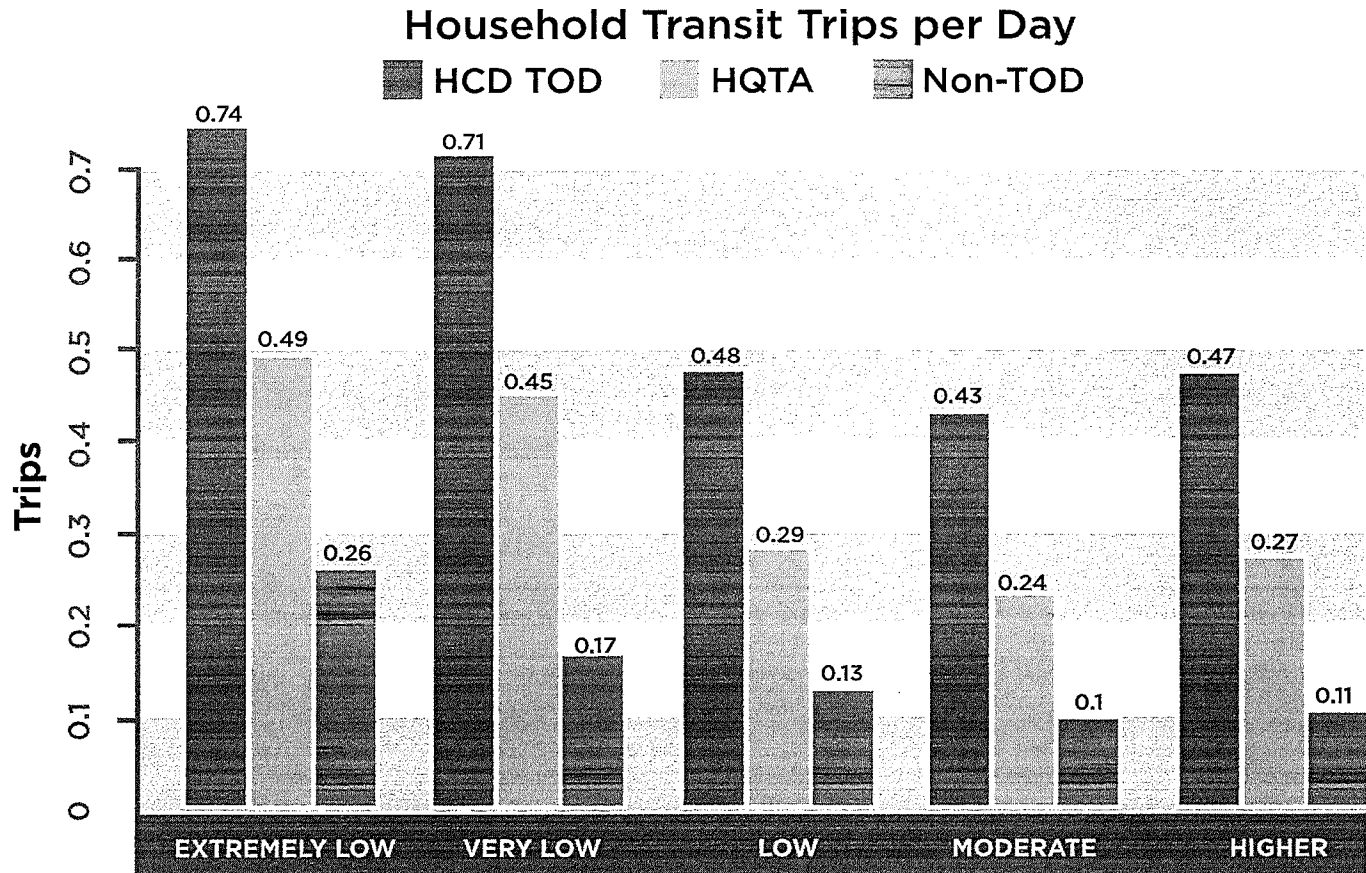
HUD Income Threshold

VEHICLE TRIPS

Income and location also have a significant correlation with the number of vehicle trips that are made. Figure 4, below, shows that households of all incomes make fewer vehicle trips when they live in HCD TOD areas compared to non-TOD locations. On average, Extremely Low Income households make only 3.22 vehicle trips per day – roughly half the number of trips made by Higher Income households (6.34 trips) in HCD TOD areas.

Fewer vehicle trips means not only fewer vehicle miles traveled but also less congestion and fewer vehicles idling in stop-and-go traffic. Congested driving conditions due to more vehicles on the road result in higher GHG emissions and criteria air pollutants. Reducing the number of trips in highly populated areas also has beneficial air quality impacts and can improve bicycle and pedestrian safety.³

FIGURE 4. Household Transit Trips per Day



HUD Income Threshold

TRANSIT TRIP FINDINGS

From a transportation investment policy and planning perspective, it is important to know that households in transit-rich areas not only drive less, but also use transit more. In this regard the findings on differences based on both location and income are profound:

Households living in HCD TOD areas use transit at rates that are triple or quadruple the rates of households living in non-TOD areas. The transit trip bonus⁴ is much higher, however, for the groups making less than 50% of median income. Extremely Low Income and Very Low Income households living in a HCD TOD take transit 50% more than their neighbors from higher income brackets.

Designing a Cap-and-Trade Investment Program that Maximizes GHG Reductions

The California Department of Housing and Community Development (HCD) developed a program for funding affordable homes near transit, with the first rounds of funding. Initially funded by the passage of Proposition 1C in 2006 this Transit-Oriented Development Housing Program (TOD) is now depleted.

The TOD Housing program was designed with the specific goals of increasing public transit ridership, minimizing automobile trips, and promoting GHG reductions. This report demonstrates that HCD's TOD program is an excellent starting point for an affordable housing program that is focused on maximizing GHG reductions.

Some strong key attributes of the existing HCD TOD program include:

- location within 1/4 mile of frequent transit;
- strong access to services and job centers;
- serving households at lower income levels;
- offering additional points for:
 - free or discounted transit passes to residents;
 - innovative parking, including allowing shared parking between different; uses and
 - offering dedicated spaces for carsharing vehicles.

CREATING AN EVEN MORE TRANSFORMATIVE AFFORDABLE TOD HOME PROGRAM

If funding for HCD's TOD program is to be focused on further increasing GHG benefits, both for residents and for the surrounding community, the program could consider potential changes that include providing additional incentives to developers who are proposing to include more GHG-reducing measures. These measures can include:

Focus on housing more ELI and VLI households. The HCD TOD program currently sets a minimum of 15% of all units be made affordable to low income households with maximum points awarded for applicants increasing this level to 25%. However, there are no requirements to serve ELI or VLI households, per se. Now that we have new data showing the GHG associated with housing these income groups, we propose that the HCD TOD program provide incentives to developers to provide at least 10% of the homes affordable to ELI households and provide maximum points for developers willing to go above the current 25% maximum. In recognition of the greater costs involved in producing housing affordable to these lower income households, HCD TOD should consider increasing loan and grant amounts accordingly.

Free transit passes. Studies have shown that free transit passes lead to much higher transit ridership and lower GHGs. For example, a survey of 1,500 low income renters found that 64% use a transit pass more than four times per week, and 22% said their passes reduce the number of cars owned in their household.⁵



Car share vehicles on site, with free membership for residents. Car sharing dramatically reduces vehicle ownership and trips, especially in areas with strong access to transit.⁶ Yet there have been few models of long-term agreements to provide on-site carsharing. TransForm's GreenTRIP program has worked with City CarShare, Zipcar and affordable housing developers to arrange for long-term agreements for pods in or adjacent to new developments. To maximize GHG benefits and get additional points, developers could be encouraged to have electric vehicles, or at least high mileage hybrid cars, carshare pods.

Create space for bike sharing. By 2015 there will be bike sharing programs in the four major regions of California. The evidence of bike sharing's benefits and what it takes to do it well (especially the need for a larger scale) is growing by the month.⁷ Creating the space for bike share pods adjacent to new developments is critical.

Other innovative trip reduction strategies. Providing amenities like bicycle-fixing stations, pedestrian trunks to support walking to shopping, and travel kiosks that have real-time travel information will also help reduce VMT.

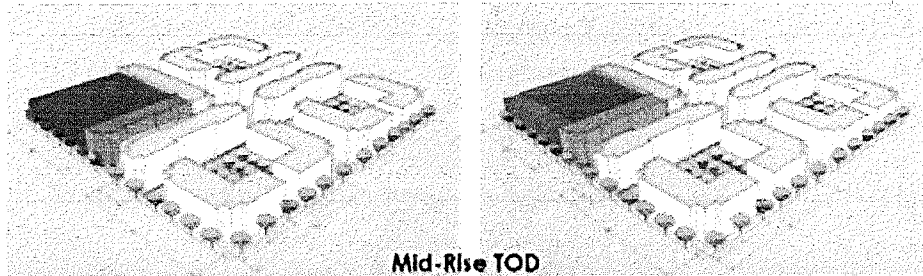
Less Parking: An example of the additional benefits of affordable homes near transit.

CNT's analysis shows that Higher Income households living in HCD TOD areas have vehicle ownership rates of 1.65 vehicles/household. In comparison, extremely low income households only own on average 0.7 vehicles/household. While there are several benefits of lower vehicle ownership, the reduced need for parking is a significant one. We have developed a graphic representation showing the reduced parking needed for a hypothetical development near transit and the increase in the number of homes that can be provided.

By designating 100% of the homes as "affordable" for Extremely Low-Income households, in a prototypical eight-acre development site with an initial plan of 875 units in six-story buildings and 1.65 parking spaces per unit (parking in red), the parking can be reduced to 0.7 spaces/unit. Within the exact same building envelope the developer can add 146 units to the same building envelope (seen as green). The number of spaces can be further reduced by adding the trip reduction strategies mentioned above.

1.65 PARKING SPACES PER UNIT

vs. 0.7



	1.65 HIGHER INCOME	0.7 EXTREMELY LOW-INCOME	CHANGE
Units	875	1,021	+146
Parking Spaces	1,444	715	-729
Parking Cost (\$20,000/space)	\$28.8	\$14.3m	-\$14.5m

Estimating the future GHG reduction benefits of building affordable transit-oriented development

For this analysis, we assume that a new affordable unit will be occupied by a household moving from a location less accessible by transit. While it can not be guaranteed that new units will be occupied by a mover of this type, each new unit represents an addition to the total supply of housing near transit and an additional household living near transit that otherwise would not be able to afford to do so.

We focus our calculations on Extremely Low-Income and Very Low-Income households because public investment is most essential to building and preserving homes for these income groups. We assume that homes in affordable TOD would serve 50% ELI households and 50% VLI households.

We also assume that public investment in affordable TOD would be focused in areas meeting HCD's TOD program criteria.

The average difference in daily VMT for ELI and VLI households living in HCD TOD areas vs. non-TOD is **-19.25 VMT per day**. The annual difference is **-19.25 VMT x 365 = -7,026.3 VMT**.

If 10% of cap-and-trade funds are invested in affordable TOD as currently proposed, an average of \$250 million per year will be invested in each of the three fiscal years running from 2015/2016 through 2017/2018. (This assumes total cap-and-trade allocation of \$2 billion the first year, rising by \$500 million per year)

Using HCD's current TOD program guidelines, we assume that each building would get the maximum of \$50,000 per unit from these cap-and-trade funds. In the past, each affordable unit receiving funding has been required to remain affordable for 55 years, so we keep that timeframe as the durability of the program.

Using these conservative assumptions, investing 10% of cap-and-trade proceeds in HCD's TOD program would result in 15,000 transit-connected homes that would remove **105,000,000 miles of vehicle travel per year** from our roads.

Over the 55-year estimated life of these buildings, this equates to eliminating **5.7 billion miles of driving off of California roads. That equates to over 1.58 million metric tons of GHG reductions, even with cleaner cars and fuels anticipated⁸.**

WHY THIS GHG CALCULATION IS CONSERVATIVE

The GHG benefits stated above are conservative in several ways. Most importantly, the estimate only includes direct GHG reductions from the difference in location, when in reality it will be possible to estimate additional benefits due to these factors:

- On-site trip reductions strategies that are part of HCD's TOD program.
- Access to new carshare, or through new local services (if applicable).
- Low-income households, on average, own less efficient vehicles that generate more GHGs⁹. As new vehicles quickly increase their efficiency, especially the more expensive hybrids and electric vehicles, that differential is likely to increase.
- Homes for low-income families are more compact, meaning a greater density of homes and a better use of these limited areas¹⁰.

HOW TO BEST VERIFY ACTUAL GHG REDUCTIONS?

To analyze actual reductions of vehicle miles travelled and GHGs we recommend that HCD and ARB design a monitoring program that could include travel diary surveys, or sample trip generation studies (using black pneumatic tubes). While HCD would need to ensure proper design and implementation of these methods, they all are feasible to get a good estimate of VMT.

Finally, we suggest that firm commitments for on-site trip reduction strategies be developed. TransForm's GreenTRIP program now works to get these commitments written into the conditions of approval for the project, for example.

CONCLUSIONS

The findings of this report make clear the powerful way in which living close to transit and household income affect household travel behaviors. Increasing the amount of housing in transit-rich areas for households of all income levels can help reduce the state's GHG emissions. While private equity markets are actively investing in transit-oriented residential development for Higher Income households, there is next to no private capital to meet the need to preserve and create homes in transit-rich areas that are affordable to Low Income households.

Investing cap-and-trade funds in affordable TOD will ensure that the state captures the full GHG reduction benefits possible from the integration of land use, housing, and transportation planning. These benefits include:

- Reducing VMT for low income households by nearly 50% from non-TOD locations and achieving levels of VMT 60% below those of higher income households also living in TOD.
- Reducing car ownership by .63 vehicles per household, or more than one car for every two low income households, and freeing up land used for parking to create housing and public space.
- Decreasing vehicle trips and increasing transit trips, helping to ease congestion and increase transit ridership by at least 50% more than the ridership achieved by Higher Income households.
- Lowering household transportation costs and providing improved access to jobs and services.

Furthermore, affordable housing developers have a proven track record of implementing transportation demand management strategies like those structured into the HCD TOD program including: reduced parking, free transit passes for residents, and bike and car share on site. With these policies in place, the production and preservation of affordable TOD homes funded through cap-and-trade will reduce VMT by millions of miles per year, offering an important tool in California's efforts to reduce GHG emissions.

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7. ITDP concludes that Bike-share systems should aim for four daily uses per bike to maximize the public cost-benefit. ITDP, *The Bike Share Planning Guide*. 2013. <https://go.itdp.org/display/live/The+Bike+Share+Planning+Guide>
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CHANGE IN THE NEIGHBORHOOD

3B. Mission Street: 2012 Public Life Demographics

POPULATION

62,105

vs. 807,755 Citywide

POPULATION DENSITY

47  per acre

vs. 27 Citywide

MEDIAN AGE

35.9

vs. 35 Citywide

NO. OF HOUSEHOLDS

25,680 

vs. 340,839 Citywide

MEDIAN HOUSEHOLD INCOME

\$75,269

vs. \$73,877 Citywide

EDUCATION

Over half of the adult population graduated from college.

NO. OF HOUSING UNITS

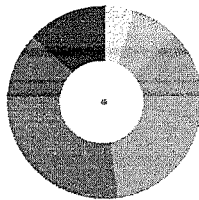
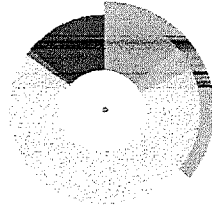
28,085

vs. 375,861 Citywide

RESIDENTIAL DENSITY

21  units per acre

vs. 12 Citywide



% OF HOUSEHOLDS WITHOUT A CAR

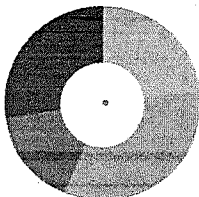
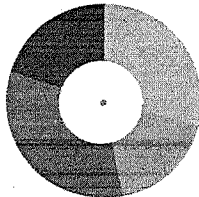
36%

vs. 47% Citywide

UNEMPLOYMENT

7%

vs. 8% Citywide



RACE / BACKGROUND

	CITYWIDE	MISSION STREET
White	51%	68%
Black	6%	4%
Asian	33%	14%
Native American / Hawaiian or Pacific Islander	1%	1%
Other / Two or More	9%	14%
% Latino	15%	36%
Male / Female Ratio	51/49%	54/46%
Foreign Born	36%	36%
Linguistic Isolated Households	13%	14%

AGE

Under 5	4%	5%
5 to 17	9%	8%
18 to 34	30%	35%
35 to 59	37%	39%
60 and over	20%	13%

HOUSEHOLDS

Family Households	32%	28%
Single-Person Households	39%	44%
Non-Family Households	28%	27%
Average Household Size	2.4	2.3
Average Family Household Size	3.5	3.3

INCOME

Median Family Household Income	\$99,610	\$73,185
Per Capita Income	\$47,278	\$44,772
% Poverty	13%	14%
Unemployment	8%	7%

EDUCATION

High School or Less	28%	29%
Some College / AA Degree	20%	18%
College Degree	32%	33%
Post Graduate	20%	20%

HOUSING

Renting Households	57%	64%
Rental Vacancy Rate	3.4%	3%
Median Rent	\$1,389	\$1,279

HOUSING TYPE

Single Family Housing	32%	23%
2 - 4 Units	22%	33%
5 - 9 Units	10%	16%
10 units or more	36%	27%

Source: 2007–2011 American Community Survey (Census tracts used to approximate Mission Street study area based on a quarter-mile buffer)

(¼ mile corridor from South Van Ness Avenue to Randall Street)

MISSION

CHANGE IN THE NEIGHBORHOOD

3A. Mission Street : 2000 Public Life Demographics

POPULATION

65,289

vs. 776,733 Citywide

POPULATION DENSITY

49  per acre

vs. 26 Citywide

MEDIAN AGE

33

vs. 36.5 Citywide

NO. OF HOUSEHOLDS

24,791 

vs. 192,743 Citywide

MEDIAN HOUSEHOLD INCOME

\$50,676

vs. \$70,117 Citywide

EDUCATION

A little under half of the adult population graduated from college.

NO. OF HOUSING UNITS

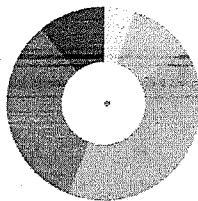
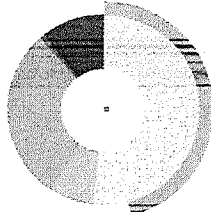
25,632

vs. 358,699 Citywide


RESIDENTIAL DENSITY

19  units per acre

vs. 12 Citywide



% OF HOUSEHOLDS WITHOUT A CAR

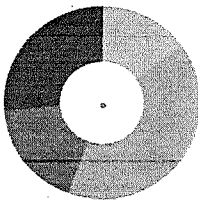
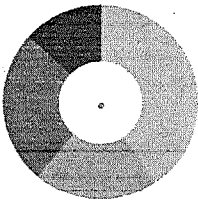
63% 

vs. 45% Citywide

UNEMPLOYMENT

4% 

vs. 6.6% Citywide



RACE / BACKGROUND

	CITYWIDE	MISSION STREET
White	50%	55%
Black	8%	8%
Asian	31%	31%
Native American / Hawaiian or Pacific Islander	1%	1%
Other / Two or More	11%	11%
% Latino	14%	46%
Male / Female Ratio	51/49%	54/46%
Foreign Born	34%	42%
Linguistic Isolated Households	13%	14%

AGE

Under 5	5%	5%
5 to 17	9%	11%
18 to 34	29%	40%
35 to 59	37%	33%
60 and over	19%	11%

HOUSEHOLDS

Family Households	74%	42%
Single-Person Households	69%	35%
Non-Family Households	94%	58%
Average Household Size	2.4	2.3
Average Family Household Size	3.5	3.3

INCOME

Median Family Household Income	\$36,665	\$49,051
Per Capita Income	\$44,373	\$24,880
% Poverty	11.4%	15.7%
Unemployment	6.6%	4%

EDUCATION

High School or Less	29%	41%
Some College / AA Degree	20%	21%
College Degree	32%	26%
Post Graduate	19%	13%

HOUSING

Renting Households	56%	79%
Rental Vacancy Rate	4%	1.8%
Median Rent	\$1,220	\$998

HOUSING TYPE

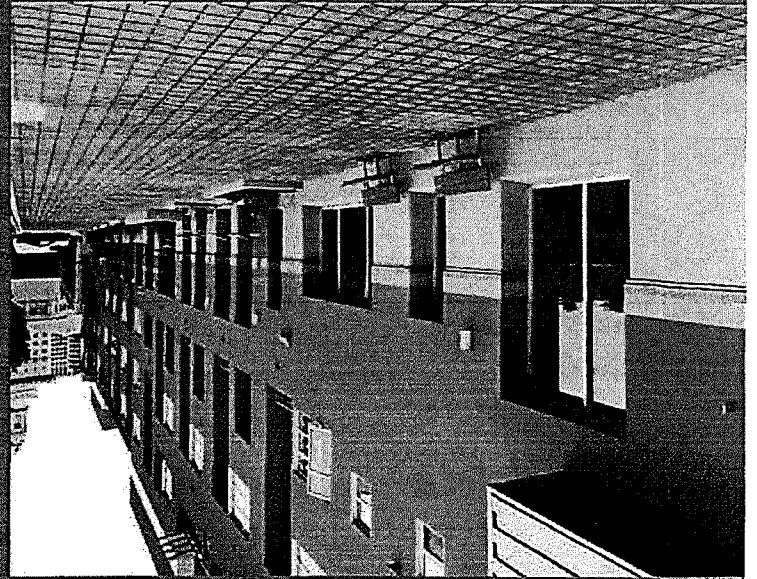
Single Family Housing	34%	15%
2 - 4 Units	21%	40%
5 - 9 Units	10%	18%
10 units or more	35%	26%

Source: 2007-2011 American Community Survey (Census tracts used to approximate Mission Street study area based on a quarter-mile buffer)

(¼ mile corridor from South Van Ness Avenue to Randall Street)

A Survey of Residents in Five East Bay Properties

TRANSIT ORIENTED DEVELOPMENT AND AFFORDABLE HOUSING



Association of
Bay Area Governments



Resources for
Community Development



Association of Bay Area Governments
MetroCenter
101 8th Street, Oakland, CA 94607
Phone 510-464-7900
www.abag.ca.gov

Resources for Community Development
2220 Oxford Street, Berkeley, CA 94704
Phone 510-841-4410
<http://www.rcdhousing.org/>

Transit Oriented Development and Affordable Housing: A Survey of Residents in Five East Bay Properties

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Director of Resident Services

Michael Nobles

Foreword

This report presents key findings from a collaborative effort between the Association of Bay Area Governments (ABAG) and Resources for Community Development (RCD—a nonprofit affordable housing development company with over 2,000 units in the San Francisco Bay Area) to study the effects of Transit Oriented Development (TOD) locations on residents of affordable housing. The findings and analysis were first presented at the Association of Collegiate Schools of Planning conference, in the companion working paper entitled, “Effects of TOD Location on Affordable Housing Tenants: Travel Behavior, Access to Jobs and Services.”

This research project was conceived in 2011, through discussions among Dan Sawislak, Executive Director of RCD, Cynthia Kroll, originally as Staff Research Director at the University of California Berkeley’s Fisher Center for Real Estate and Urban Economics and then as Chief Economist at ABAG, and Vanitha Venugopal of the San Francisco Foundation about the impact of RCD’s TOD properties on residents’ quality of life and travel patterns. This pilot project, under management of Cynthia Kroll and Daniel Sawislak, surveyed residents at five RCD TOD and non-TOD properties. Participation was completely voluntary, and over 200 households responded.

Acknowledgments

Graduate students and faculty from UC Berkeley’s College of Environmental Design also contributed to the project. Jonathan Malagon, a Master’s student in Berkeley’s City and Regional Planning Department, provided initial design and pretesting of the survey. Carlo De La Cruz devoted his summer internship and client project for the Masters of City Planning degree to this study, acting as survey manager for the implementation and analysis phases. UC Berkeley Professors Karen Chapple and Carolina Reid and RCD board member Marian Wolfe (also principal of Vernazza Wolfe Associates) reviewed the survey instrument and drafts at several stages. James Pappas, California Housing Partnership Corporation, and Robert Calkins, Contra Costa County, provided suggestions on project and survey design.

ABAG and RCD staff participated at all stages of the project. Pedro Galvao and Christy Leffall provided early conceptual input and the literature review and were part of the survey team, which also included Wally Charles, Carlo De La Cruz, Cynthia Kroll, Yeni Magana, and Bobby Lu. Sabrina Butler and Olivia King explained the operations of RCD and helped identify the properties included in the survey or pretesting. June Cummings, Michael Gliksohn and Michael Nobles were instrumental in the logistics of conducting surveys at RCD properties. In addition, property management staff of the John Stewart Company, including Sara Cha, Agueda Gomez, Wally Palega, and Morgan Or, provided essential support in working with residents and community members at each site. Members of other organizations also assisted in outreach and engagement with residents, including Anna Ybarra with Bridge Point Church and Rosemary Hatcher with Contra Costa Interfaith Housing. Liz Eckstein of RCD provided editorial input, and Leah Zippert and Victoria Rutherford of ABAG contributed to the format and design of the final document.

Special thanks to the RCD residents for sharing their experiences and opinions with us.

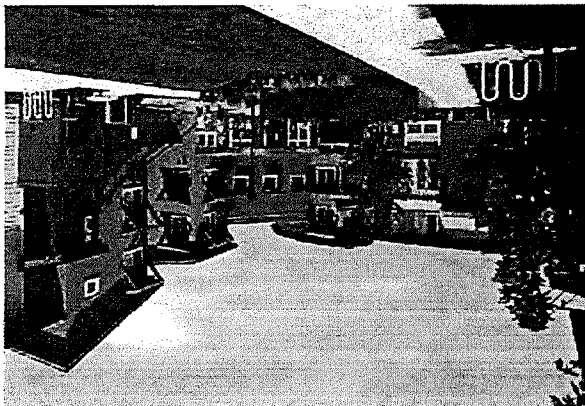
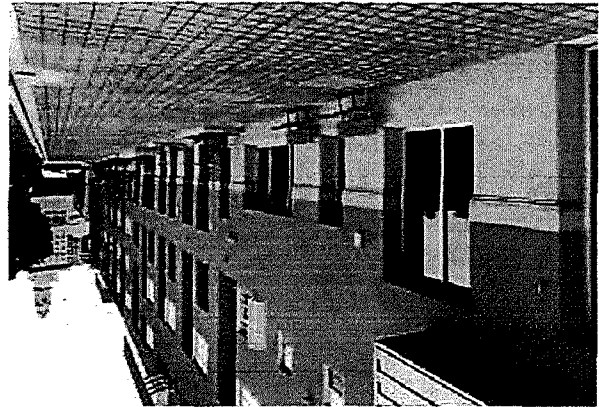
We are grateful for support for this research from the San Francisco Foundation, the Ford Foundation, and the Association of Bay Area Governments Finance Authority.

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EXECUTIVE SUMMARY

Funding for affordable housing development in California is in the midst of a sea change. The Affordable Housing and Sustainable Communities program (AHSC), built on Cap and Trade revenues, is currently one of the few sources for affordable housing in California to replace dollars no longer available as redevelopment set-asides. This new funding comes with strong requirements for sustainability features in site selection, including a focus on Transit Oriented Development (TOD).

Two decades of research now demonstrate environmental, economic and social benefits are possible when housing is located near transit, but also show automobile use may continue even in TOD locations. Less research to date has explored whether TOD location of affordable housing can meet broader goals of increasing the stock of affordable housing and providing other social and economic equity advantages, while reducing GHG emissions from travel.

This study by the Association of Bay Area Governments (ABAG) and Resources for Community Development (RCD) examines the potential social, economic and environmental benefits accrued when affordability is paired with TOD by comparing affordable TOD housing and suburban non-TOD affordable housing. The study was conducted over the course of six months with responses from over 200 households at five affordable housing developments.

This report summarizes survey results, including residents' travel patterns, perceived changes in access to employment, satisfaction with nearby amenities, and improvements in quality of life since moving to the property. (See Key Survey Findings below). The report describes potential implications for policy makers and housing advocates and recommends strategies for producing greater sustainable (reductions in GHGs) and equitable (deeper levels of affordability) outcomes. (See Policy Implications below).

Key Findings

- Residents of the properties in TOD sites use public transit more and car travel less than their counterparts in locations farther from transit options. Walking and biking are also options chosen when amenities are nearby.
- Among survey respondents, lower income households, in both TOD and non-TOD locations, drive less and take transit more frequently than higher income households. Higher income households travel further distances for work, school and recreational activities compared to their lower income neighbors.
- Households are sensitive to travel costs. The property with higher cost parking and fewer spaces had lower rates of car ownership and use, yet some households expected to reduce bus use following a transit system fare increase. Residents near free shuttle service

rode the bus at a rate similar to those in the two TOD properties.

- Residents traveled the greatest distances to work, to places of worship and for medical care. Of all amenities, residents were least likely to change place of worship or medical services after moving into the RCD property.
- The great majority of residents reported that access to jobs was the same or easier after moving to an RCD property. Respondents were no more likely to report access to jobs improved in TOD sites compared to non-TOD sites.
- Most of the households surveyed had previously lived in the same city or a neighboring city. A much smaller share came from a further away, at times moving closer to a job or schooling.

Policy Implications

- Affordable TOD housing is an effective strategy for reducing GHG emissions and reduction in VMT.
- The environmental, economic and social benefits of TOD are strengthened by focusing on deeper levels of affordability, providing options for extremely low-income and very low-income households.
- Programs to increase the cost of vehicle ownership in TOD locations or boost convenience of transit beyond TOD locations can improve access or encourage households toward travel modes that reduce vehicle miles traveled in private vehicles.
- Affordable TOD is not the only mechanism to achieve both environmental and quality of life outcomes. By locating housing near work, retail, schools and recreation, reductions in GHG emissions and VMT are possible in both urban and suburban locations.
 - Affordable housing projects near amenities like grocery stores, parks and schools can produce significant VMT reduction, even outside of TOD locations.
 - Innovative programs such as free shuttle connections to bus and BART service can boost ridership by residents of affordable housing properties more distant from transit services.
- Social and economic ties may lead households qualified for housing assistance to seek opportunities close to their existing residences. **We need solutions for developing new affordable properties even where communities are not close to TOD.** Programs such as AHCS could incorporate alternative strategies to address the state's sustainability goals and meet the need for more affordable housing in locations around the state that do not meet the strict qualifications of TOD to qualify for funding.
- Employment issues are not resolved by transit accessibility alone, but a combination of travel alternatives, a denser population of employers, and property and community assistance services can improve employment options for affordable housing residents.

I. INTRODUCTION

Funding for affordable housing development in California is in the midst of a sea change. Local redevelopment agencies were previously the single largest locally generated source of funds available to California communities for affordable housing. With the termination of redevelopment and the emergence of the state's Cap and Trade revenues, including the Affordable Housing and Sustainable Communities Program (AHSC), developers are more than ever looking for opportunities to link affordable housing with Greenhouse Gas (GHG) reduction strategies to help achieve sustainability goals set forth as part of California's Greenhouse Gas Emission Reduction program (SB 862).¹

Once viewed as a secondary benefit of smart design, housing located near transit is now viewed as a significant component in achieving the State's goal of reducing GHG emissions to pre-1990 levels by 2020. For many advocates and affordable housing developers, transit oriented development (TOD) is not simply the preferred model, but one of the only viable options for developers competing for existing funds (both Federal and State) for affordable housing.

As developers and local jurisdictions compete for Greenhouse Gas Reduction funds and other financing subsidies, it will be important to fully understand the benefits and implications of using affordable TOD as either a sustainable (reduction

of GHG) or equitable (quality of life) strategy. Extensive research on the effects of TOD on residents' travel patterns has shown the potential benefit of lowering GHG emissions through reduced vehicle miles traveled (VMT). Research is at an earlier stage of study on the relationship between TOD-located affordable housing and GHG or VMT reduction, as well as the potential quality of life benefits of affordable TODs.

This study illustrates the experiences of more than 200 households in five San Francisco Bay Area affordable housing developments categorized as either TOD or non-TOD based on their proximity to major transit lines. The study identifies benefits achieved through the creation and preservation of affordable housing near transit, and also reveals possible strategies to reduce GHG emissions in non-TOD affordable housing sites.

The results contribute to the growing evidence that affordable TOD is an effective strategy for the reduction of GHG emissions and VMT for residents of affordable housing. The diverse experiences of residents in the properties surveyed also indicates that other viable strategies can bring a portion of the benefits of affordable TOD in places where transit options are limited. The development of housing within amenity and service rich areas (including retail, recreation, religious, and employment

¹ California's redevelopment-linked Tax Increment Financing provided \$1.7 billion in funding for affordable housing for the 2005/06 and 2006/07 fiscal years. In that same timeframe, Low Income Housing Tax Credits provided over \$3.7 billion in financing and \$5.2 billion in housing vouchers. Although LIHTC far exceeds the total amount of funds generated through Redevelopment in that year, TIF was the single largest source of funds generated within California.

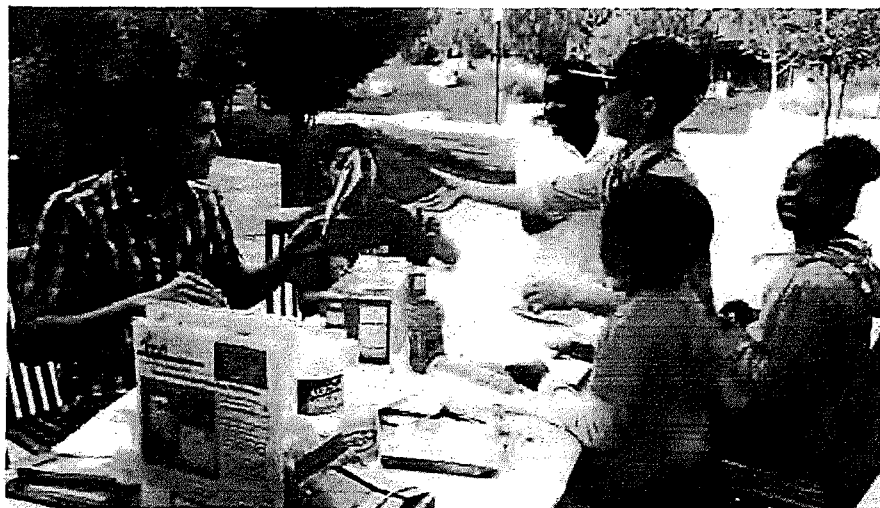
opportunities) that do not qualify as TOD can also produce significant benefits, improving both the quality of life for residents and meeting sustainability goals by reducing GHGs through reduced VMT. Thoughtful site selection remains a critical strategy for housing developers, sustainability advocates, and residents alike.

This research concludes at a time when California, a leader in green and sustainable policies, is once again a leader in rising housing costs, exacerbating the competition for existing affordable housing. Among developers, this has led to increased competition for land, driving up construction costs, as well as increased competition for funding and financing for affordable housing development. The result is a housing affordability crisis affecting more and more low and moderate-income households in urban and suburban communities.

Although this report focuses on potential benefits from locating affordable housing near transit, a discussion of affordable housing and TOD is

framed by the larger context in California to develop greater amounts of housing for people at low to moderate income levels. The study results show the value and utility of affordable housing combined with accessibility to transit and services as a strategy that impacts both greenhouse gas reduction and housing affordability in California.

Section 2 of this report describes how the sites were selected for the survey and provides additional background on the properties and their resident mix. Section 3 summarizes the significant responses to the survey, organized by major findings related to research questions. This is the heart of the report, with major subsections on car ownership and usage, public transit usage, distances traveled, and quality of life related responses. Section 4 discusses the implications of the survey results considering the broader context of the community setting, while Section 5 provides concluding policy implications and recommendations.



Survey sites reflect a mix of property and resident characteristics

2. RESEARCH APPROACH AND SURVEY DESIGN

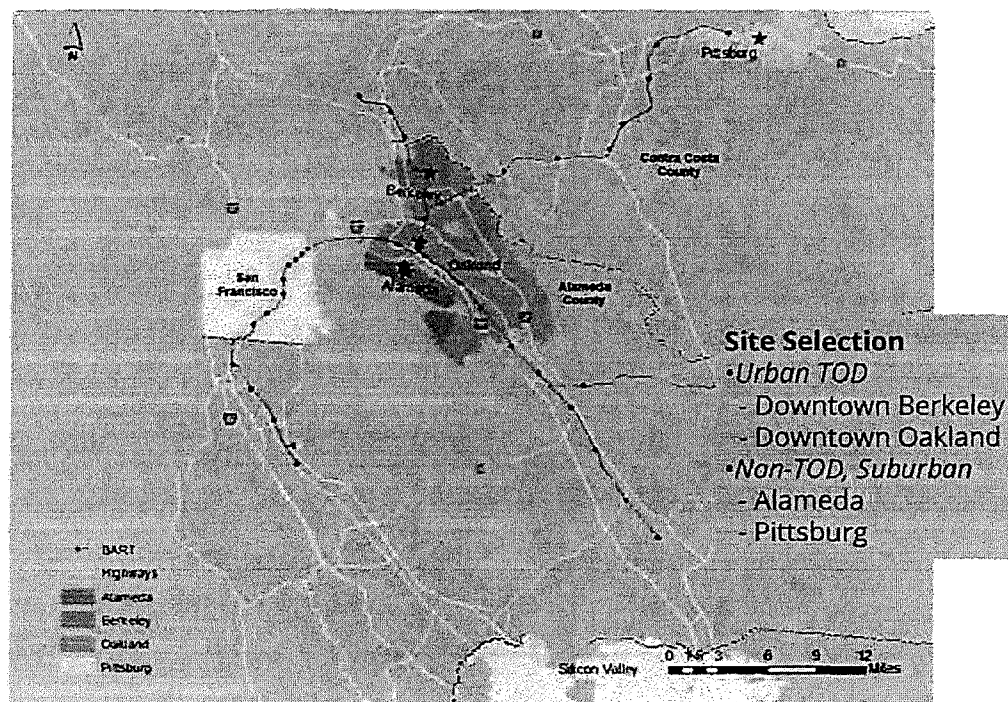
This project centered on the design and administration of a short survey of residents intended to collect information on:

- Household travel patterns
- Ease of accessing services and job opportunities
- Residents' satisfaction with the location and convenience of their current housing.

Background information provided by the households and RCD added context to the responses. The survey also provided several

opportunities for residents to respond to qualitative or open-ended questions.

The five properties located in four cities in the study sample have a mix of attributes and characteristics, with regard to accessibility of the location, surrounding amenities in the area, and the demographics of resident households. Two of the properties are in TOD locations (Downtown Berkeley and Downtown Oakland). Three are not in TOD locations—two in the City of Alameda and one in the City of Pittsburg.



Survey design began in the fall of 2013 and included several stages of review and pretesting. A final design for the survey was completed by the spring of 2014. Implementation and administration of the survey took place during the summer of 2014. Appendix A provides an extended discussion of the project methodology and survey design. The research approach supplemented survey responses with informal conversations and observations during survey periods and with demographic information provided by the property management company. Our research asked the following questions:

- Do residents at affordable TOD housing sites travel less distance to work, school and services than residents of affordable housing sites in other locations?
- Do residents of affordable housing sites at TOD locations make greater use of public transit than residents of affordable housing sites in other locations?
- Do residents of affordable housing sites at TOD locations have greater access to services (medical, groceries, etc.) and to enhanced employment opportunities (larger pool of jobs to choose from, higher salaried jobs, faster to find a job) than residents of affordable housing at other locations?
- How are other advantages or challenges provided by living in affordable properties affected by property location?

The detailed data collected allows for more nuanced analysis within these research questions on effects of household characteristics and trip type on mode choice and distance traveled. Open ended qualitative responses further expand on some of the findings from the survey. For additional in-depth reporting of the survey methodology, structure and results, refer to the companion working paper entitled, "Effects of TOD Location on Affordable Housing Residents: Travel Behavior, Access to Jobs and Services."

RCD Property Characteristics in the Context of Transit Oriented Development

The survey was conducted across five properties located in four cities in Alameda and Contra Costa counties. The four cities vary in density, ethnic and racial demographics, as well as median income and percentage of people who are low income. Although each city, and by extension each property, varies in its specific characteristics and demographic composition, selection of the five sites focused on the ability to distinguish each site as a TOD or non-TOD property, as well as the type of location in a region wide context (downtown, more central suburban location, more distant suburban location). Observation of the sites as well as resident responses later highlighted additional location advantages and characteristics of each site and each city.

Defining Transit Oriented Development

For the purposes of this study, TOD was defined using the California Department of Housing and Community Development (HCD) definition in its Transit-Oriented Development Housing Program. Developments were categorized as TOD if they were within one quarter mile of a qualifying rail or ferry station or bus stop with ten minute headways during the peak period². The two downtown urban sites in our study, Berkeley and Oakland, both qualify as TOD sites by HCD's standards.

The Berkeley Site – Downtown, Urban TOD

The Berkeley site is located within the central downtown business district. It is less than two blocks from Bay Area Rapid Transit (BART) and bus lines, as well as many of the city's main public attractions and amenities. Within a 10-15 minute walk residents can access movie theatres, the main public library, convenience stores and pharmacies, grocery stores, restaurants, and other recreational and retail stores. Moreover, the site is located immediately adjacent to the UC Berkeley campus, the largest employer in the East Bay, providing additional access to potential resources and employment opportunities.

The property is part of a larger sustainable development that includes the David Brower Center, a nonprofit office space, art gallery, and conference center. The Berkeley property is the only one in the study without free parking for residents and with less than one parking spot available per unit.

Oakland – Downtown, Urban TOD

The Oakland site is comparable to Berkeley for its proximity to nearby transit and downtown amenities and services. The site is within two blocks of BART and bus, and a short walk from the main business district. The site is part of the growing investment and expansion of downtown Oakland, located in the newly redeveloped 'Uptown' neighborhood. Nearby services and amenities include access to Lake Merritt, retail stores and restaurants, art galleries, community

² Peak period is defined as 7am to 10am and 3pm to 7pm on weekdays. For any transit stop to qualify, it must offer hourly service on weekday evenings from 7pm to 10pm and have at least ten trips on both Saturday and Sunday. (TOD Housing Program: Third Round Guidelines, 2013)

spaces, and the Oakland Ice Center. Other services include an Alameda County Social Services offices located two blocks away, as well as several city, county and state offices that provide important resources for individuals and families on public assistance.

Although the property is categorized as TOD due to its access to transit, the property offers each household one free parking space. Within a half mile of Oakland's Chinatown and Koreatown neighborhoods, the location offers easy access to many of the ethnic grocery stores and business frequented by residents.

Alameda – Central, Suburban non-TOD

The Alameda sites were developed as part of the city's plan to convert and develop the Alameda Naval Air Station and Fleet and Industrial Supply Center. The two properties surveyed are located within a few blocks of each other and are within walking distance to Alameda Landing, a newly developed entertainment and shopping center. At the time of this study the Alameda Landing development was partially completed, with main anchor retail stores such as Target open for business and other business and retail stores slated for opening within the next year.

The Alameda properties do not qualify as TOD under HCD's criteria, although the area has enough transit access to qualify as a Priority Development Area identified in Plan Bay Area, the Bay Area's Sustainable Community Strategy. The nearest BART station is located two miles away in Oakland and the closest bus stop is half a mile away from the two sites. Two free shuttle services, with stops within a mile of the sites, link Alameda to the Lake Merritt and 12th Street BART stations in Oakland. Although the sites are not located within the city's main business district, they are

close to recreational and education facilities. The nearest education facilities, College of Alameda and the Ruby Bridges Elementary School, are both within a half mile, while other middle and high schools are less than a mile away from the property. In addition, parks and recreational trails are located within a mile of the properties, providing access to green space for residents. Both locations include an ample supply of free street parking in addition to free, dedicated parking spaces for residents.

Pittsburg – Outlying, Suburban non-TOD

Pittsburg is about a 30 mile drive northeast from Oakland, almost 40 miles from San Francisco. The Pittsburg site is characterized by its proximity to Highway 4 as well as a large shopping plaza. Although the highway acts as a physical barrier to a number of amenities and services located on the opposite side of the highway, the site itself is none the less near retail and service amenities. A number of food establishments and grocery stores are within a quarter mile of the property along the major avenue leading to the highway. Several religious and educational amenities are also nearby. Two religious organizations are within a half mile of the property, while education facilities (Los Medanos Elementary, Heights Elementary, and Pittsburg High) are within one mile.

The Pittsburg site had the largest number of families with children among the five sites. In fact, residents under the age of 18 outnumbered adult residents, contributing to the strong need and interest in the after school program. Like the Alameda sites, it also has one free parking space assigned to each unit, in addition to free street parking.

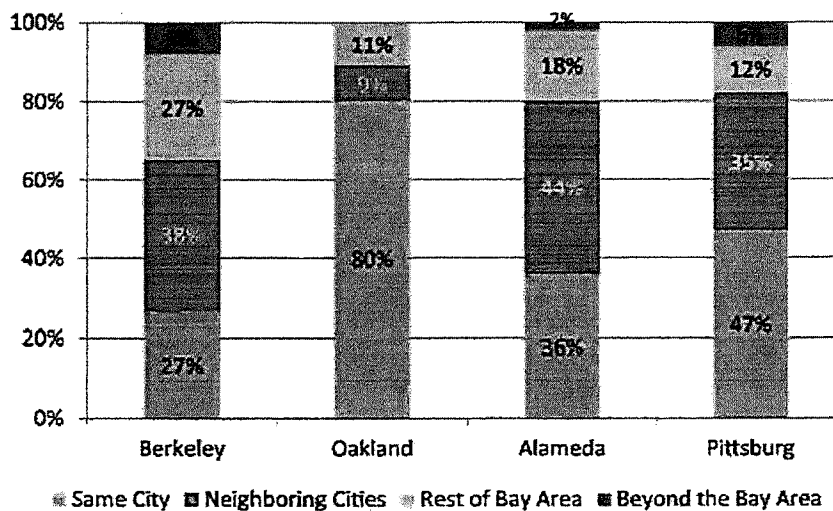
Other Variations Among Sites

In order to compare survey results across geographies and properties, sites selected have similar characteristics, including the number of units, the range of incomes served, and on-site amenities provided, which include services and property management offices, laundry, community room, computer room, and shared open space. All sites were newly constructed between 2006 and 2010.

Although this study controlled for external variables such as neighborhood characteristics, level of subsidies, and residential characteristics, each property and its surrounding environment inevitably produced a unique context that informed and affected the everyday travel patterns and perceptions of residents. Two significant variations among properties include the community from which the household moved and the language mix spoken at the property.

Despite the lottery system used by the property owner and management company in allocating units, the properties tended to draw from nearby communities. Each property had a large proportion of residents that previously lived in the same city where the property is located, with neighboring cities providing the majority of the other residents, as shown in Figure 1. Anecdotal remarks by many of the residents pointed to the prevalence of households that were long term residents of the city or region, prior to moving. Some residents cited their desire to stay close to family and friends as a motivating factor for staying within the same city or area. They were also more likely to become aware of nearby housing opportunities.

Figure 1: Previous Place of Residence of Survey Respondents by Property City



Source: ABAG and RCD Survey, July and August 2014

This characteristic of the properties has implications for both responses and policy. The previous residence of the person providing survey responses influenced the benefits experienced of moving to an area with greater access and opportunities for employment and transit. In terms of policy, residents' travel patterns as well as satisfaction with their location should be viewed in the context of the alternatives offered within the city and neighboring cities more broadly.

The language mix spoken at the property presented some challenges in administering the survey. Of the responding households, about one third spoke a language other than English at home. Most frequently mentioned were Spanish (10 percent), Arabic (eight percent) and Chinese (seven percent), but 13 percent reported speaking

another language, among which were Tagalog, Farsi, Greek, Czech, Amharic, Somali, Vietnamese, Cambodian, Burmese, Mongolian, Punjabi, Nepali, Hindi, and Korean. About 80 percent of foreign language households also had at least one English speaker in the household, although in some cases, these were the children of the household, with the parent relying on the child to translate if necessary. The survey was conducted in three languages, English, Spanish and Chinese, with other households included where someone in the household or a neighbor could translate from English. Thus it is possible the responses exclude households speaking less common languages without English speakers in the household. (Overall response rates are described in Appendix B)



The survey was conducted in three languages.

Affordability in the Region and the RCD Properties Surveyed

The California Context

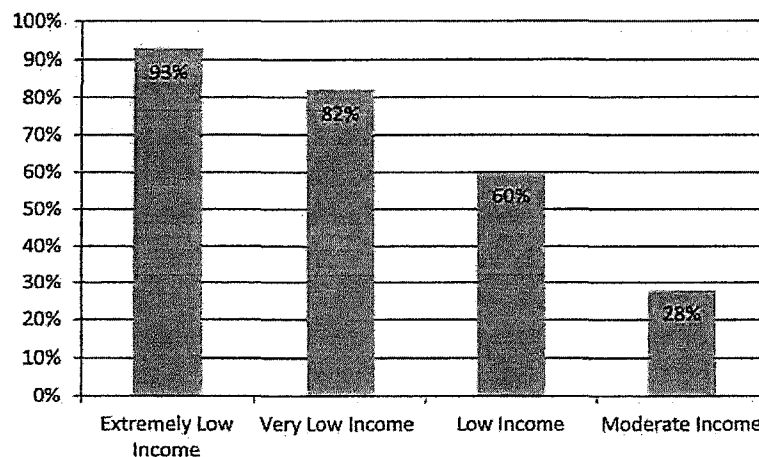
According to a recent report by the Legislative Analyst's Office, housing costs in California, for both ownership and rental, continue to outpace the rest of the country, especially in coastal areas such as the Bay Area.³ Although the cost of housing varies throughout the state, a majority of California communities are well above the U.S. average of \$840 per month for rental units. Around the time of the survey, California's average monthly rent was about \$1,240, fifty percent higher than the rest of the country. Coastal Metro areas such as San Francisco are more than double the state average and about six times higher than Bakersfield, the state's least expensive metro. Oakland and other East Bay communities similarly have higher average monthly rent costs (\$1,390 per month) than the California and national averages.

The high cost of housing can be attributed to many factors, including the desirability of living

in coastal communities such as the Bay Area and the ongoing shortfall in the development of new housing, both affordable and market rate, to keep up with growing demand. As housing costs rise for renters and owners, the pressure on existing housing will only continue to exacerbate the current affordability crisis, disproportionately affecting households with the least financial resources, the extremely low income and very low income households.

Facing increased demand for affordable and adequate housing paired with a constrained housing supply, rising costs, and limited incomes, many households respond with a combination of trade-offs. These often include spending a larger share of income on housing, postponing or foregoing homeownership, living in more crowded or substandard housing, commuting further to work each day, or sometimes choosing to work and live elsewhere. Although the high cost of housing affects all communities and households of all incomes, it affects lower income households at greater rates. Figure 2 illustrates the share of California working families that spend more than 50 percent of their income on housing by income category.

Figure 2 – Housing Cost Burden by Income Category • (Based on Percent of Area Median Income)



Source: Center for Housing Policy tabulations of 2012 American Community Survey Public Use Microdata Sample.

³ Legislative Analyst's Office Report, California's High Housing Costs: Causes and Consequences, 2015

Income Levels at Survey Properties

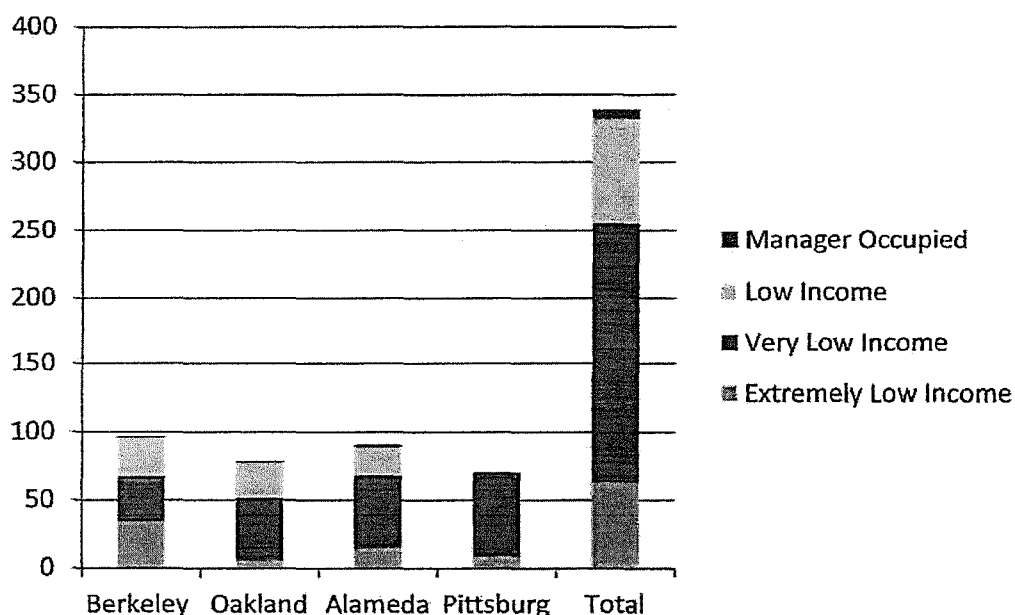
The properties in the study serve a range of income types, but with the exception of units set aside for management and maintenance of the properties all units are designated for families below moderate income levels. Figure 3 illustrates the number of units in each property and their affordability criteria. Households need only meet the restrictions on income upon the time of application and eligibility certification. Therefore, it is not a perfect representation of the actual household income for the residents, but the data does illustrate the mixture of affordability at each site. Berkeley is notable as having the largest number of units dedicated to extremely low income households, but also has almost equal

numbers of households categorized each as very low and low income. Apart from the Berkeley property, units at all of the other properties were primarily designated for very low income households. However, because residents do not need to move if incomes rise, some of the survey respondents fall into the moderate income range.



Throughout the report, key findings are presented by TOD v.s. non-TOD location and by income category.

Figure 3: Units by Property Location and Income Category • (Based on Percent of Area Median Income)



Source: Compiled by ABAG from property data provided by RCD.

In addition to the income restrictions for each unit, reported annual income was used to determine a household's appropriate income category. Information on household income was drawn from data collected during the recertification process in which a household must report its annual income, but was added to the survey data only after randomly assigned identification numbers to units allowed separation of all identifiable information from the units personal and financial information. ABAG and RCD categorized surveyed households using U.S. Department of Housing and Urban Development (HUD) income categories for the San Francisco Bay Area region. HUD publishes an annual listing of income thresholds for each county based on the metropolitan area Median Family Income (MFI), adjusted for household size. Based on HUD's income categories and survey

responses, this report defines four categories for a household's affordability threshold:

- Extremely Low-Income – Households earning 30 percent of MFI and below
- Very Low-Income – Households earning between from above 30 percent to 50 percent of MFI
- Low-Income – Households earning from above 50 to 100 percent of MFI
- Moderate/Higher-Income – Households earning more than 100 percent of MFI.

Our analysis used these income categories to examine differences in residents' travel pattern and other significant behaviors or perceptions by income. Throughout this report, key findings are presented by property location and type (e.g., TOD vs non-TOD, Berkeley vs Pittsburg) or by income categories (e.g., extremely low income vs higher income).

3. KEY FINDINGS

Residents of affordable TOD housing drive less and travel shorter distances than residents of sites with less transit access. Where BART or bus transit is available, residents will take advantage of it. Yet it is also true that owning a car makes it more likely a resident will choose to drive to a destination, and inexpensive, available parking makes it more likely a resident will own a car. Nevertheless, both the TOD and non-TOD properties offered residents improved access to services relative to their prior locations, and residents often chose a mode of travel other than driving to reach nearby services.⁴

The subsections that follow describe survey results on car ownership and use, public transit use, distance traveled, amenities, and quality of life.

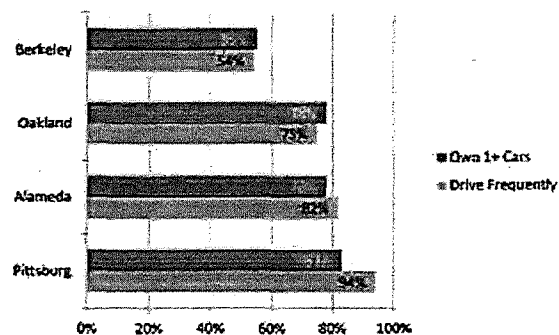
Car Ownership and Use

Our findings indicate that the biggest single determinant of VMT—and therefore GHG emissions—is the ownership of a private vehicle. With the exception of Berkeley, which had restricted parking, ownership rates among the properties were similar (see Figure 4).

Vehicle ownership increased the likelihood that households travel by car on a regular basis. However, residents living in TOD were less

likely than their non-TOD counterparts to use a car during the week. Only 54 percent and 75 percent of residents living in the Berkeley and Oakland TOD sites, respectively, reported using a car regularly during the week, compared to 81 percent and 94 percent for residents of Alameda and Pittsburg properties, respectively. This trend of greater car use for non-TOD resident remained significant when controlling for car ownership. Residents of affordable TODs own and use cars at a lower rate than residents in non-TOD sites.

Figure 4 – Car Ownership and Use by City



Source: Compiled by ABAG from property data provided by RCD.

⁴ All findings reported in this document were analyzed to ensure a 95% confidence interval on all significant findings. Further explanation on the methodology, coding and analysis of the survey results refer to the companion working paper entitled, "Effects of TOD Location on Affordable Housing Tenants: Travel Behavior, Access to Jobs and Services."

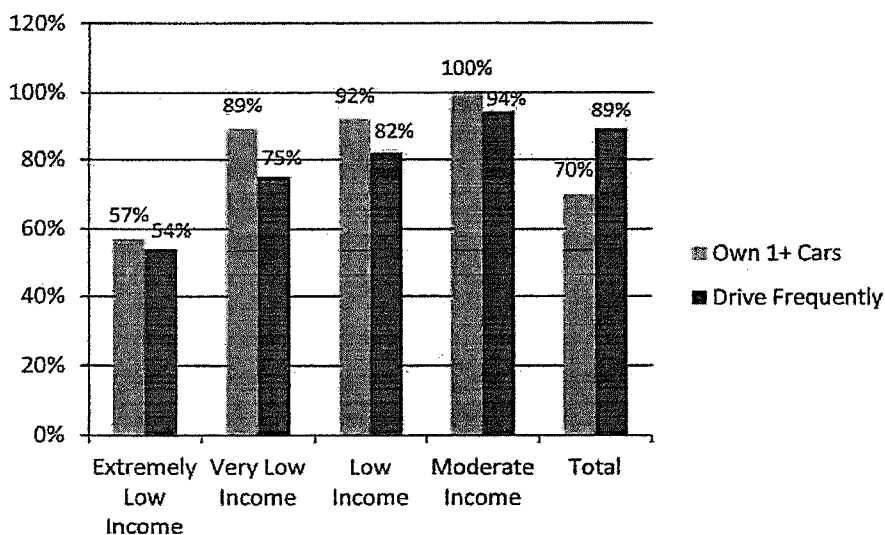
Car Ownership and Use by Income Threshold

Higher income households tend to drive and own cars at a higher rate, while lower income households have lower ownership rates and use a car less frequently. When comparing the rates of car ownership and regular car use, the differences between TOD and non-TOD become clear. However, travel patterns and mode choice are not uniform across all income levels. As we analyze the travel patterns by income thresholds, a more nuanced model of travel patterns emerges for both TOD and non-TOD residents. Residents below the 30 percent of AMI threshold have the lowest car ownership rates among all residents in both TOD and non-TOD properties. Among extremely low income residents, 57 percent owned cars, while ownership rates were close to or above 90 percent for all other income groups, as shown in Figure 5.

Despite differences in driving patterns across income groups, when controlling for car ownership, it becomes evident that **even taking household income and car ownership into account, a TOD location significantly reduces automobile use.**⁵ Even higher income households that owned cars were less likely to drive and more likely to use transit if they lived in a TOD location.

Some of the survey results on trip patterns and distances, discussed in greater detail later in this section, also point to additional factors contributing to the likelihood of trips taken by car. Residents were more likely to use a car when traveling more than five miles), traveling with more than one passenger, and for grocery related trips.

Figure 5: Car Ownership by Income Threshold (by percent of Area Median Income)



Source: Compiled by ABAG from property data provided by RCD.

⁵ The statistical tests demonstrating this finding are reported in the working paper cited earlier, "Effects of TOD Location on Affordable Housing Tenants: Travel Behavior, Access to Jobs and Services."

Restricted Parking and the Cost of Parking

Among the five properties within our study, four properties (three non-TOD and one TOD property) provided one free parking space for each unit. The exception is the Downtown Berkeley TOD property which has less than one parking space for each unit and charges for the use of a parking space. This may contribute to the lowest rate for car ownership and usage among all properties surveyed. The Berkeley property had a 20 percent lower rate of car ownership and usage compared to the similar Downtown Oakland TOD location (55 percent of households owned a car in Berkeley compared to 78 percent of households

that owned a car in Oakland). It is likely that cost of parking and the limited availability of spaces, combined with the higher proportion of lower-income households contributed to the low rate of car ownership and use at the Downtown Berkeley site.

"It's very costly to pay for parking space in Berkeley; parking tickets are ridiculous and I spend unnecessary time and gas, driving around looking for parking."

--[Adult student, Berkeley]



Four of the properties provided one free parking space per unit.

Use of Public Transit

Use of Public Transit by City

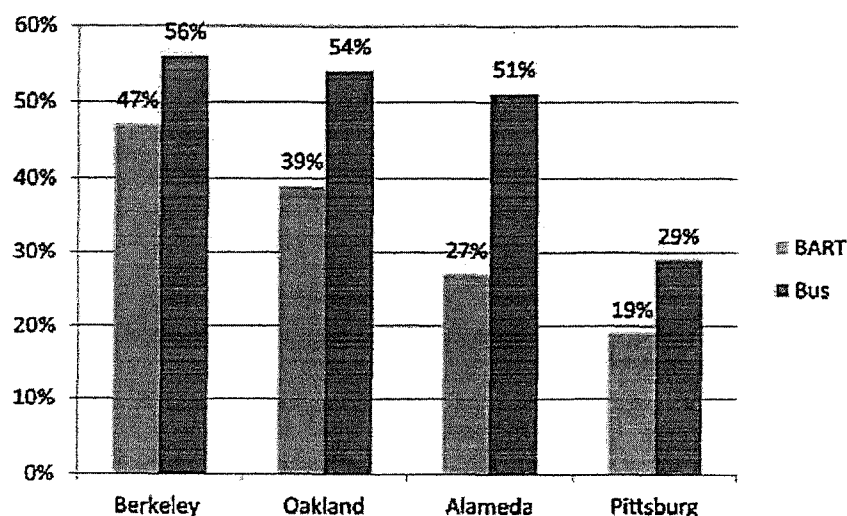
Residents in TOD sites used bus and BART at a higher rate than non-TOD residents. There were significant differences in travel mode choice, especially in relation to BART usage, when comparing the TOD localities to the non-TOD suburban sites (see Figure 6).

Households that live in TOD sites were more likely to use BART frequently, and often cited the convenience and proximity of BART as a strong motivator for using transit. Residents of both TOD and non-TOD localities provided anecdotal comments on their own perceptions of transit convenience. If a household perceived the transit station to be “too far away” they were less likely to use transit. The proximity to BART remained a strong indicator of a resident’s likelihood to use transit, regardless of whether the household owned a car.

Frequency of traveling by bus was also greater at TOD locations, but the Alameda sites also showed bus use comparable to the TOD sites. Although the nearest bus stops were half a mile away (greater than the quarter mile distance needed to qualify as TOD), residents’ perception of its convenience was significantly high. Currently, the Alameda site is served by six AC Transit lines, including a Transbay line that provides direct access to Downtown San Francisco, as well as the free Estuary Crossing Shuttle connecting to Lake Merritt BART station and the Alameda Landing Express—a free shuttle connecting the Alameda Landing retail development to Downtown Oakland and 12th Street BART.

By contrast, although the Pittsburg site is also within a half mile of bus lines, the bus service is less frequent, charges full fare, and was perceived by residents as inconvenient. Thus, **transit schedules and cost may also have an impact on VMT.**

Figure 6: Households Using BART or Bus at Least a Few Times Per Week, by City



“Our home is connected to all major bus lines and BART. No need to really drive.”

—[Mother of three, Oakland]

“Public transportation is not as available or accessible as before. Therefore I drive more.”

—[Father of one child, retired and disabled, Pittsburg]

Source: ABAG analysis from RCD resident survey, 2014

Use of Public Transit by Income Threshold

Within the income range of residents, higher income households use BART more frequently and the bus less often compared to lower-income households. Alternatively, lower income households ride buses more frequently than their higher income counterparts and use BART less (see Figure 7). This trend was observed for both households that owned a car and households that did not. The difference between households that used public transit can be attributed to the actual (and perceived) higher cost of BART and the limited destinations reachable by rail. Open ended questions revealed that many residents felt that BART didn't "take them where [they] needed to go" ⁶ so they instead opted for the bus.

Other factors that influenced residents' transit use included a higher likelihood of using BART for commuting to work or traveling longer distances. Likewise, residents were more likely to use a bus if they were traveling longer distances or traveling to medical destinations.

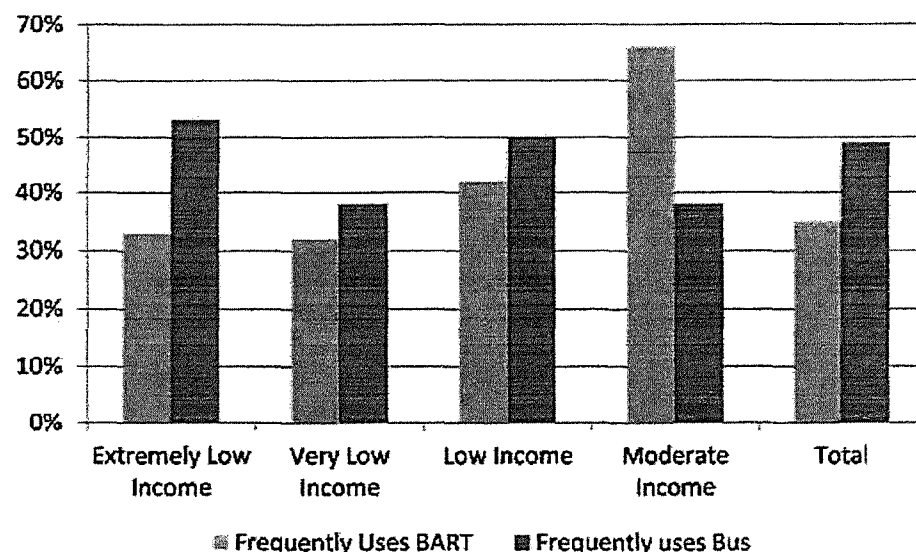
"Don't live as close to public transit."

--[Husband with wife with two children, Pittsburg, explaining decreased use of transit since moving to the property]

"I have more bus options now. Where I lived before, not all buses, such as Transbay, went down there, or come as often."

--[Alameda retired and disabled female]

Figure 7: Use of BART or Bus at least a Few Times Per Week by Income Category



Source: ABAG analysis from RCD resident survey, 2014

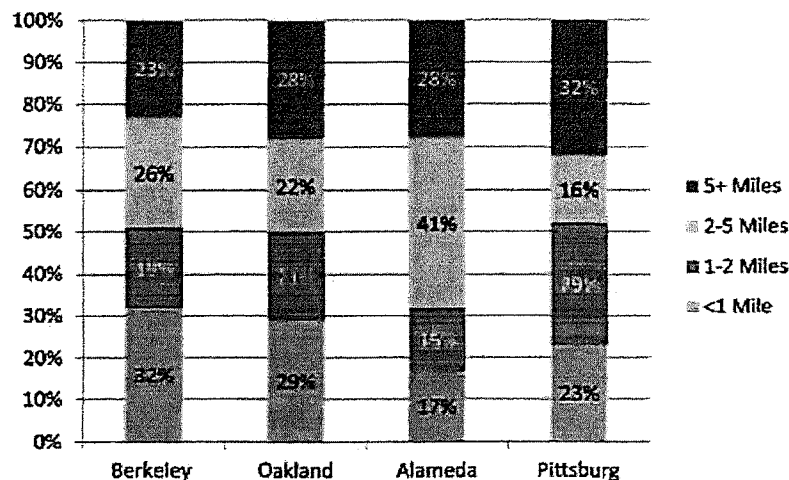
⁶ Interview with retired Berkeley resident from RCD resident survey, 2014

Distance Traveled

Residents of TOD sites were more likely to be traveling to destinations less than a mile away. Alternatively, residents of suburban non-TOD sites were more likely to be traveling to destinations more than five miles away. (See Figure 8). However, both Pittsburg and Alameda

residents still had a notable share of trips to destinations less than one or two miles away. As shown in Table 1, some types of destinations were equally or more convenient to the non-TOD sites as compared to the TOD sites. Pittsburg residents traveled the shortest average distances for groceries and school and below average distances for leisure activities. Nevertheless, overall after

Figure 8: Reported Destinations by Distance Ranges and City



Source: ABAG analysis from RCD resident survey, 2014

Table 1: Average Distance Traveled by Destination, Mode and City (miles)

	Berkeley	Oakland	Alameda	Pittsburg	Overall Average
Work	4.0	6.8	8.3	15.0	8.0
Groceries	2.3	3.3	2.6	1.8	2.5
Leisure	3.9	2.5	2.1	2.9	3.1
School	2.4	4.6	3.8	1.5	3.3
Medical	5.4	4.0	6.7	10.4	6.3
Worship	7.3	2.7	6.3	10.7	6.5
Car	5.6	4.6	6.3	8.2	6.2
BART	9.7	8.7	16.7	38.6	12.1
Bus	4.6	3.8	7.3	12.5	5.6
All Destinations, Modes	4.1	3.9	5.1	7.7	5.0

Source: ABAG analysis from RCD resident survey, 2014

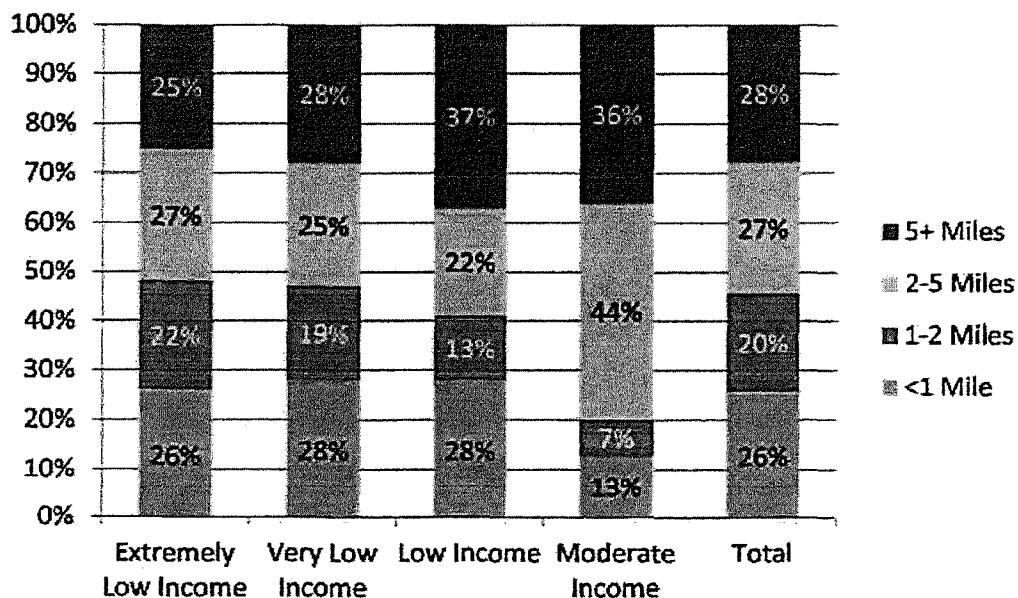
adjusting for type of destination and mode, living in Alameda rather than Pittsburg reduced average distances traveled by car by 19 percent; Berkeley compared to Pittsburg reduced car travel distance by 23 percent; Oakland residents drove to destinations 32 percent closer than Pittsburg residents.

Location and proximity to transit remains an important factor when measuring the distance traveled by residents. But for households that don't own a car, income also influences trip length. Households categorized as extremely low income and very low-income (households below 50 percent of AMI) had the largest share of trips taken within two miles. Households with incomes above 50 percent of AMI had a significantly larger share of trips that were more than five miles away and a sizable share of trips between two and five miles (see Figure 9). Although the

typical trip length varied across different income categories, further analysis of survey results reveal that location remained a strong predictor of a household's travel pattern, even after taking income into account, with shorter distances traveled overall by households living TOD properties.

Our findings indicate that both income and proximity to transit remain important factors in determining the distance and length of travel. Therefore, if one of the major intended outcomes

Figure 9 – Percent Traveling Different Distances by Income Category



Source: ABAG analysis from RCD resident survey, 2014

Amenities and Location Advantage

Proximity to transit-rich areas, car ownership, and household income remain critical factors when considering household travel behavior and consequently GHG production through VMT. But other strategies and factors can also play a vital role in further reducing the amount of GHG emissions by residents, most notably the proximity of nearby parks, retail, schools, and recreational amenities.

Residents of both TOD and non-TOD sites are more likely to walk if the destination is to a park, retail outlet, school, or recreational facility.

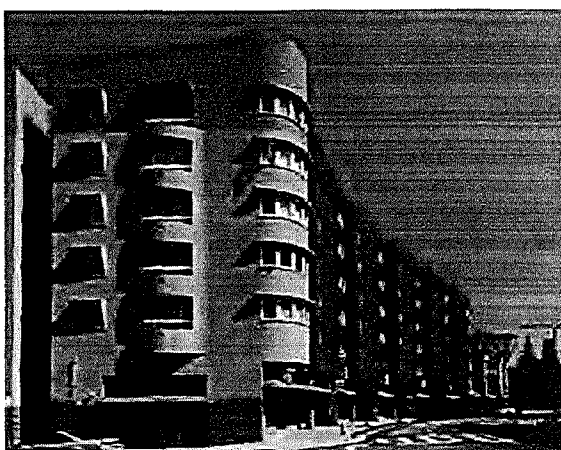
Although transit remains an important factor in household car ownership and use, it is not the only factor influencing travel behavior. Residents, even in the suburban non-TOD sites of Alameda and Pittsburg, reported they often enjoyed the easy access of nearby amenities that allowed them to not use a car.

This ease of access is made possible by the strategic location of the properties. Although located further away from transit (BART and bus), properties in both cities are near shopping and parks. The selection of sites in amenity rich areas is driven in part by regulations and criteria set forth by affordable housing financing programs, such as the Low Income Housing Tax Credit (LIHTC).

Under the current LIHTC criteria affordable housing developers are granted more points for locating within a quarter mile from parks and

other services. By locating affordable housing *in amenity rich neighborhoods, residents were able to access the services and shops on a regular basis without relying on a car, further reducing GHG emissions through fewer VMT.*

Other types of destinations often require more distant travel. These included commuting to work, trips to visit friends, family, place of worship, child care, or a medical visit. When residents in both TOD and non-TOD locations took a trip for worship or medical reasons, they commonly traveled further than five miles. The difference in travel patterns by type of amenities suggests that not all nearby amenities may be used at the same rate by local residents. Anecdotal comments and survey results suggest that existing social ties to previous amenities or communities heavily influenced whether a resident was likely to change some amenity destinations.



In amenity-rich Berkeley, residents were able to access services and shops without relying on a car.

As Figure 10 illustrates, households were less likely to change their place of worship, medical care provider, and the school for their children. After moving to the RCD property, residents were most likely to change where they travel for groceries, recreation and entertainment. This implies that more than just proximity affects a household's decision to travel shorter or longer distances to reach particular services or amenities.

Although the current criteria for LIHTC and other subsidy programs measure amenities as comparable advantages (giving equal points for a diverse range of different amenities), our findings indicate that **social ties and a resident's willingness to change location, greatly affect the actual use of nearby amenities.**

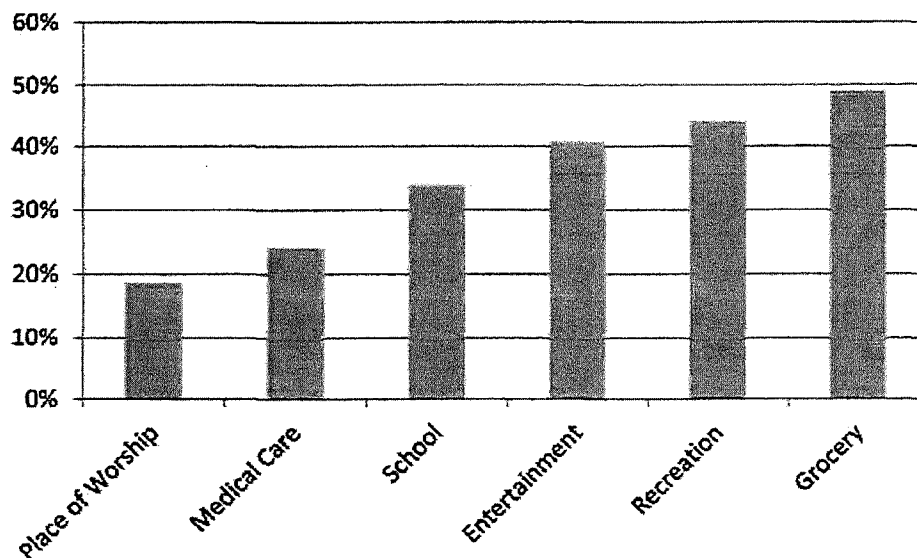
"Everything from bank, groceries stores, library, and parks are within walking distance."

--[Wife and husband with three children, Berkeley]

"My doctor is further away now. But shopping for clothes, crafts, home, etc. is easier."

--[Woman with a disability living with a care giver, Alameda]

Figure 10: Changes after Moving to an RCD Property



Source: ABAG analysis from RCD resident survey, 2014

Quality of Life

Beyond analyzing the potential impact on GHG emission and VMT, this study also focused on potential improvements to residents' quality of life. The survey asked a series of questions designed to gauge a household's perceived level of satisfaction with current housing and the benefits made possible by living near transit and/or amenity rich areas.

Benefits and perceived improvements to a household's quality of life were reported by residents in both TOD and non-TOD properties.

Access to jobs and employment opportunities improved or stayed the same for the majority of residents in all properties. Only a small proportion of all residents (less than four percent at each site) felt that their access to job opportunities was reduced since moving to the property site (see Figure 11). This relative level of satisfaction can

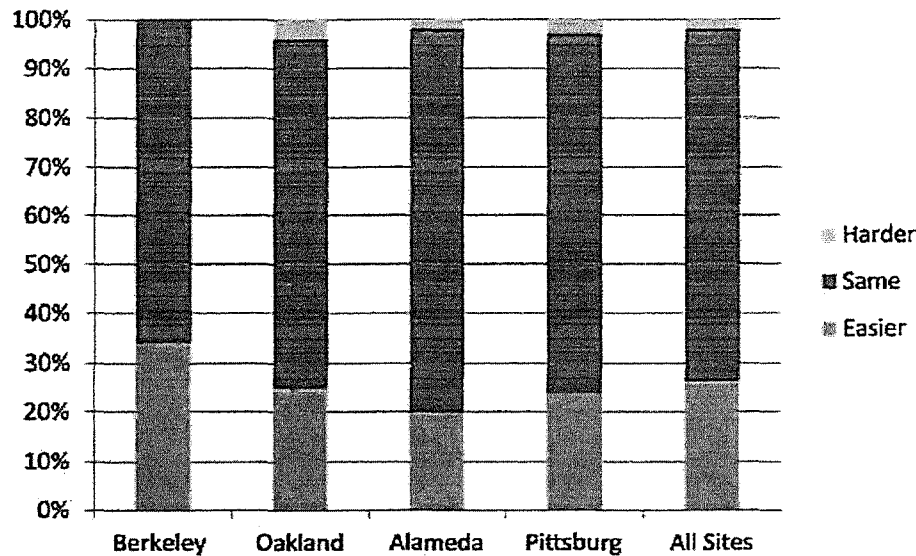
be attributed to factors including the proximity of potential retail employers (for example in downtown Berkeley or Alameda Landing) or the ability to use transit to access jobs in other urban employment centers like Downtown San Francisco and Oakland.

Qualitative responses to questions about employment opportunities provided further context and nuance to residents' perceived ease or complexity in accessing job opportunities. For example, one Berkeley resident commented that although there were greater employment opportunities in the surrounding area, the competition and requisite skills for those jobs also increased. Although access to job opportunities and employment increased or stayed the same for a majority of residents, ***access to job opportunities in the surrounding area or via transit did not necessarily translate into securing regular employment.***



The study also focused on potential improvements to residents' quality of life.

Figure 11: Access to Jobs from the RCD Properties



Source: ABAG analysis from RCD resident survey, 2014

Residents who were seeking job opportunities and employment commented positively on the assistance provided on-site either through counseling services or amenities offered. One Alameda resident wrote, "All I had to do was go to the [property] computer lab and the one-stop career center at the college." A Berkeley resident commented, "We have the computer lab [on-site] and library accessible." From an Oakland resident, "If I became unemployed, the job center to look for jobs is within walking distance." And a Pittsburg resident noted, "The Internet [at the property's computer lab] is free for job search." Residents also appreciated the broader support the property facilities provide, from financial counseling to encourage timely payment of rent to after school and tutoring programs for children.

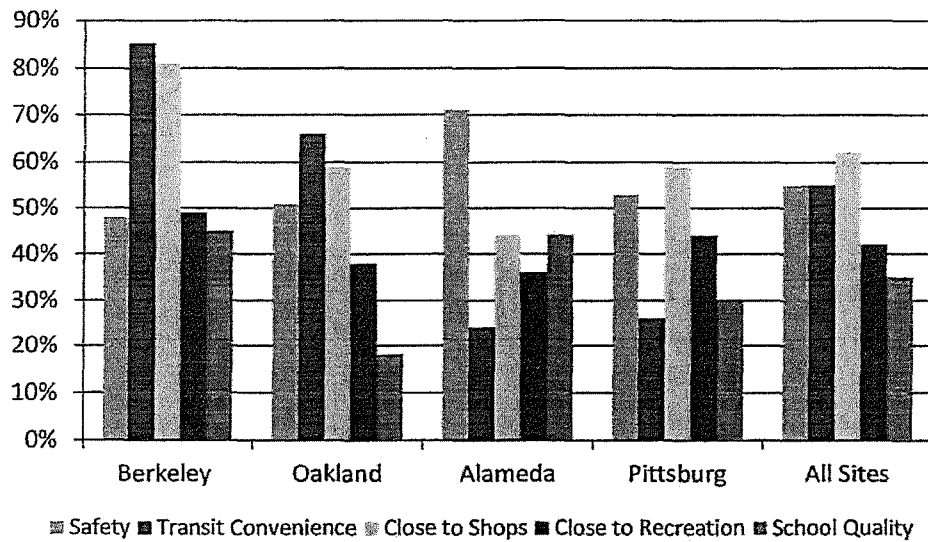
Other advantages attributed to the property location varied by city (see Figure 12). Berkeley

residents reported the highest satisfaction in transit convenience (84 percent of households) and nearby shops (82 percent of households). Alameda residents identified safety (71 percent of households) as the most prominent location advantage. Pittsburg residents identified nearby shops (61 percent of households) as the most prevalent location advantage. Oakland residents reported comparable levels of satisfaction to the other properties on safety, transit, shopping, and recreation (51 percent, 66 percent, 59 percent, and 38 percent respectively), but rated school quality the lowest (18 percent of households).

"I feel that the possibility of being hired is a lot more challenging here in Berkeley. Especially if the job is here in Berkeley. Your chances of being hired for a middle class job(s) are a great deal more competitive."

--[Adult student, Berkeley]

Figure 12: Percent of Households Responding Yes to Listed Advantage of Their Location



Source: ABAG analysis from RCD resident survey, 2014

Variation in location advantages for each property can partly be attributed to the differences in transit access (TOD vs non-TOD) as well as the surrounding neighborhood or community. Residents' perceptions of each property were linked to the accessibility of amenities or services within walking distance as well as the services offered on-site. But residents also understood the opportunities and challenges of each property location as part of the larger narrative and reputation of each city. For example, many Oakland residents felt that although the immediate neighborhood was safe, the city as a whole remained dangerous. These larger narratives attached to each city help to form residents' perception and informed their personal level of satisfaction with the property.



Alameda residents identified safety as a location advantage

4. INCORPORATING THE LARGER CONTEXT

The study findings show that although policy and planning decisions (such as parking policies and proximity to transit) are essential, they are not sufficient in guaranteeing sustainable outcomes, such as reduction in GHG emissions through VMT. Moreover, as the quality of life related questions indicated, it was often the larger context of the surrounding city and community that affected residents' overall perception and satisfaction. Residents cited particular external factors such as the perception of a fare increase on public transit or the convenience of nearby shopping and retail as having a large role in determining household behaviors.

Two examples illustrate the larger environmental factors that may affect the quality and effectiveness of affordable housing and transit use.

Planning for the Future – Alameda Landing

During planning and pre-development of the two Alameda sites, the future development of Alameda Landing as a mixed retail and shopping center was not part of the planning for the developments. At the time of this study, the Alameda Landing development was still under construction, with a few retail stores already

open, but with several more slated for completion by the end of 2015.

The proximity of the Alameda Landing development now provides a broad array of employment and retail opportunities that were previously unavailable. The retail development also now provides a free shuttle that connects residents to two BART stations (Downtown Oakland 12th Street and Lake Merritt). Although the Alameda sites did not originally include the Alameda Landing development as part the network of services and amenities that would be accessible to residents, it has significantly changed the perception and satisfaction among residents. Without the advantages of the retail development and transit connectors, residents might not have used BART or the bus as often or reported the same level of satisfaction or convenience in accessing retail and employment. The Alameda Landing example illustrates some benefits of neighborhood investments beyond housing that will accelerate GHG reductions through reduced VMT.

"Because there are now free shuttle service and it takes me where I need to go."

--[Wife and husband with two children, Alameda]

Perception and External Challenges: Transition to Day Pass

Berkeley residents reported the highest level of satisfaction and convenience in transit accessibility among all properties, yet many residents also reported concern over the cost of transit, in particular the anticipated increase in bus provider AC Transit's day fare. At the time of the survey, AC Transit was initiating a fare modification that would change its policy regarding single fares and transfers. It would no longer provide a transfer for a marginal cost, instead offering Day Passes upon the second trip, theoretically saving the passenger money if they took multiple trips a day. This fare modification was not necessarily a fare increase in the direct sense, but it was perceived as a doubling of

the fares and consequently was met with high levels of concern. Many of the residents cited the fare increase when justifying their use of other forms of transportation, including using a car or carpooling with a friend. The perception of the fare increase was strong enough to change at least a few residents' satisfaction with the transit service and altered their travel behavior as a result.

Although proximity to transit provides a strong indicator and motivating factor for residents, they do not on its own sufficiently explain or ensure particular outcomes. ***The larger context that informs residents' quality of life and travel patterns illuminates the kind of factors that influence transit choices, even in transit rich areas.***

"AC Transit's fare increase has caused me to drive every day instead of taking the bus!!!"

—[Retired adult, Berkeley]



Urban TOD supports local housing needs.

5. CONCLUSION

The results of the survey make clear some of the ways in which proximity to transit and household income levels affect travel patterns. The findings also highlight the range of advantages that affordable housing properties can offer to low income residents in a region with rapidly escalating housing costs. The results have implications for state and regional housing policy and for affordable housing development strategies.

Findings

The findings of this report make clear some of the ways in which proximity to transit and household income affect household travel patterns.

- **A regional problem needing local solutions:** Affordable housing properties draw residents primarily from nearby communities.
- **Affordable housing residents respond to transit opportunities:** Residents of affordable housing properties in TOD sites use public transit more and car travel less than their counterparts in locations farther from transit options. Walking and biking are also options when amenities are nearby.
- **Lower income households make the greatest use of transit opportunities:** Among survey respondents, lower income households, in both TOD and non-TOD locations, drive less and take transit more frequently than higher



TOD siting of affordable housing is an effective strategy to reduce GHG emissions

income households. Higher income households travel further distances for work, school and recreational activities compared to their lower income neighbors.

- **Households are sensitive to travel costs:** The property with higher cost parking and fewer spaces had lower rates of car ownership and use, yet some households expected to reduce bus use following a transit system fare increase.
- **More households will walk or bike to nearby destinations:** By reducing the distances between housing and work, housing and retail, and housing and recreation, reductions in GHG emissions and VMT are possible in both urban and suburban locations.
- **Residents traveled the greatest distances to work, to places of worship and for medical care:** Of all amenities, residents were least likely to change place of worship or medical services after moving into the RCD property.
- **The great majority of residents reported that access to jobs was the same or easier after moving to an RCD property:** Respondents were no more likely to report access to jobs improved in TOD sites compared to non-TOD sites.
- **TOD is a viable and highly effective strategy to reduce GHG emissions through the reduction of VMT, but it is not the only mechanism to achieve both environmental and quality of life outcomes:**
 - Affordable housing projects near amenities like grocery stores, parks and schools can produce significant VMT reduction, even if transit links are weaker than at TOD locations.

- Innovative programs such as free shuttle connections to bus and BART service can boost ridership by residents of affordable housing properties more distant from transit services.

Recommendations

Affordable and Green

Due to current standards and policy measures that incentivize strategic site selection—such as proximity and access to surrounding amenities and services—affordable housing development has the potential to further promote sustainable goals and outcomes apart from simply providing greater access to transit. The environmental, economic and social benefits of housing near transit are strengthened by focusing on deeper levels of affordability, by ensuring that developments include units dedicated to extremely low-income and very low-income households. ***Sustainability and equity are not competing goals; by focusing on equity as an outcome we strengthen the effectiveness of sustainable strategies.***

Weighting Amenities by Relation to Travel Patterns

The type of amenity and the larger social context influence a resident's willingness to use nearby services and amenities. The survey results suggest that a ***reevaluation of the weighting of amenities in allocating funds, focusing on the type of amenity and likelihood of using a nearby service, could extend resources to additional projects with the potential for providing beneficial outcomes in reducing GHGs and improved quality of life for residents.*** This is particularly relevant in suburban areas which have few TOD sites to offer but a growing low income population as well as lower land costs.

Sensitivity to Costs

Because low income households are very sensitive to costs of travel, cost factors become tools for influencing the level of driving or use of transit.

Restrictions or pricing on parking in transit rich areas combined with transit subsidies or free shuttle services to access transit can contribute to goals of GHG emissions reduction.

TOD and Beyond

Affordable TOD continues to be a viable model for reducing GHG and the total VMT taken by low-income households. However, high land costs and fierce competition in urban areas and the amount of land available in TOD locations will limit the ability to reduce GHG emissions and VMT through this approach. TOD should not be the only solution for meeting the housing needs of low and moderate income households. Non-TOD localities, those not well serviced by transit, can still promote reductions in VMT and GHG emissions by supporting affordable housing developments close to amenities and services such as retail, grocery stores, schools, recreation, and employment opportunities. ***By reducing the distance needed to travel for everyday activities and errands, residents in non-TOD sites can reduce their GHG emissions and VMT by utilizing nearby services.***

Flexibility in Setting Goals

TOD policy and programs that provide a mixture of different levels of affordability may provide needed accessibility for households that often travel shorter distances (typically lower income households) while providing opportunities for

households that often travel further distances by car (typically moderate income households) to choose alternative and sustainable transportation options. ***Survey results suggest a strategy for affordable housing in TOD locations may be most effective when focused on different types of benefits at different income levels.***

Local solutions to address local needs

Low-income households are struggling in every local jurisdiction and region of the state. The high prevalence of survey respondents who relocated within the local area points to the need for housing to serve existing residents in the local areas. ***Strategic development of both TOD and non-TOD in urban and suburban should continue to be supported in order to meet the local housing needs of every community, while furthering state wide and regional goals of sustainability and GHG reduction.***



A Health Risk Assessment

By: Jonathan I. Levy, Jonathan J. Buonocore, & Katherine von Stackelberg

Traffic congestion is a significant issue in virtually every urban area in the United States and around the world. Anyone who spends any time commuting knows that the time and fuel wasted while sitting in traffic can not only be annoying, but can lead to real economic costs. An examination of the peer-reviewed literature shows that there are many previous analyses that estimate the economic costs of congestion based on fuel and time wasted, but that these studies don't include the costs of the potential public health impacts. Sitting in traffic leads to higher tailpipe emissions which everyone is exposed to, and the economic costs of those exposures have not been explored.

Motor vehicle emissions contain pollutants that contribute to outdoor air pollution. One in particular, fine particulate matter (referred to as $PM_{2.5}$) is strongly influenced by motor vehicle emissions. Studies that evaluate the sources of $PM_{2.5}$ in our environment find that vehicles contribute up to one-third of observed $PM_{2.5}$ in urban areas. $PM_{2.5}$ has been associated with premature deaths in many studies, and health impact assessments have shown $PM_{2.5}$ -related damages on the order of hundreds of billions of dollars per year. Recently, an expert committee convened by the Health Effects Institute in Boston, Massachusetts, summarized the available evidence on exposure to traffic-generated air pollution and negative health effects. They find strong evidence for a causative role for traffic related air pollution and premature death, particularly from heart attacks and strokes. $PM_{2.5}$ is emitted directly, and it is also produced by secondary formation, as sulfur dioxide (SO_2) and nitrogen oxide (NO_x) emissions contribute to the formation of sulfate and nitrate particles. Exposure to $PM_{2.5}$ also causes other health effects such as asthma attacks, and other respiratory illnesses.

In this study, we evaluate the premature deaths resulting from people breathing primary $PM_{2.5}$ and secondarily-formed particles during periods of traffic congestion and compare that to the economic costs from time and fuel wasted. We do this analysis for 83 individual urban areas. We predict how much congestion to expect in each of the 83 urban areas over the period 2000 to 2030. We use several inter-linked models to predict how much of what people are breathing in each urban area is attributable to emissions from traffic congestion. The models predict how many people will die prematurely as a result of being exposed to these traffic conditions over the long term. We assign a dollar value to the predicted deaths using a "value of a statistical life" approach as is done for most regulatory impact analyses. The analysis explores the significance of public health impacts in assessments of predicted traffic congestion to identify information gaps to be addressed to better determine the ongoing public health burden of congestion in the United States, and to set the stage for evaluating potential strategies for relieving traffic congestion. Evaluating such strategies will require models and assumptions that take advantage of conditions and the context unique to each area.

Harvard Center for Risk Analysis • Harvard School of Public Health • Boston

We estimate traffic congestion-related PM_{2.5}, NOx and SO₂ emissions in these 83 cities caused approximately 4,000 premature deaths in the year 2000, with a monetized value of approximately \$31 billion (in 2007 dollars). This compares to the estimated \$60 billion congested-related cost of wasted time and fuel in these communities during the same year. This fuel and time loss is expected to continue to grow annually over the next 20 years. Across cities and years, the public health impacts of traffic congestion range from an order of magnitude less than the lost time/fuel economic impacts, to in excess of these impacts, with variation attributable to the extent of congestion, population density, and other factors.

We forecast the mortality and public health costs of congestion, however, will diminish slightly over time in most of the areas studied—until rising again toward the end of the modeling period, 2030. In 2005, for example, we estimate congestion-related premature mortality of 3,000 lives, with a monetized value of \$24 billion (in 2007 dollars). This reduction results from the continual turnover of the motor vehicle fleet to lower emission vehicles and the increased use of cleaner motor fuels.

Our estimates of the total public health cost of traffic congestion in the U.S. are likely conservative, in that they consider only the impacts in 83 urban areas and only the cost of related mortality and not the costs that could be associated with related morbidity, health care, insurance, accidents, and other factors. Our analyses indicate that the public health impacts of congestion are significant enough in magnitude, at least in some urban areas, to be considered in future evaluations of the benefits of policies to mitigate congestion.



Results

In total, across the 83 urban areas modeled, vehicle miles traveled (VMT) is projected to increase more than 30% from 2000 to 2030 (an increase from 2.97 billion daily VMT to 3.94 billion daily VMT), closely paralleling projected population growth in the urban areas of 32% (an increase from 133 million people to 176 million).

For 2005, nationwide estimates of traffic emissions attributable to time spent in congestion include approximately 1.2 million tons of NOx, 34,000 tons of SO₂, and 23,000 tons of PM_{2.5}. These emissions are associated with approximately 3,000 premature deaths in 2005 (Figure 1), with an economic valuation of \$24 billion (in 2007 dollars). Overall, nearly 48% of the impact over the 83 urban areas is attributable to NOx emissions, with 42% attributable

Nationwide estimates for 2005 of emissions attributable to congested traffic:

- 1.2 million tons of NOx
- 34,000 tons of SO₂
- 23,000 tons of PM_{2.5}

These emissions are associated with approximately:

- 3,000 premature deaths

The total social cost of these impacts:

- \$24 billion

By 2020, we predict:

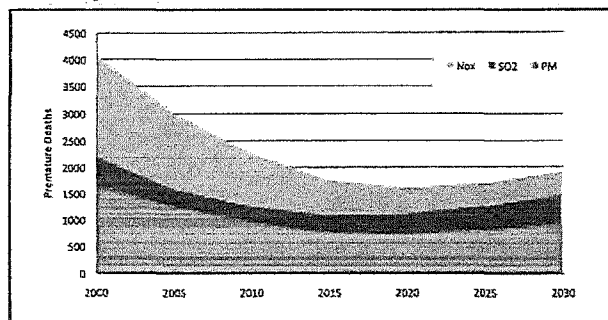
- 1,600 premature deaths
- \$13 billion in total social costs

By 2030, we predict:

- 1,900 premature deaths
- \$17 billion in total social costs

Figure 1

Projected Nationwide Premature Deaths Attributable to Congested Traffic, 2000 - 2030



This graph represents the nationwide estimates for premature deaths attributable to congested traffic for 2000-2030. The colored sections indicate the portion of these premature deaths attributable to NOx, primary PM_{2.5} and SO₂.

attributable in part to high ambient sulfate in the eastern United States, which tends to reduce particulate nitrate formation, and to conditions in California favoring the secondary formation of particulate sulfate.

to primary PM_{2.5} and 11% attributable to SO₂. However, the relative proportion of the impact attributable to different pollutants varies significantly across urban areas. For example, the proportion due to NOx ranges from 6% in multiple Northeast cities (Hartford, CT; Boston, MA; New Haven, CT; Springfield, MA) to over 70% in less densely populated areas of Texas (Brownsville, Austin) and Washington State (Spokane).

Similarly, the proportion of impact due to primary PM_{2.5} is highest in densely-populated urban areas of the Northeast (approximately 80%) and below 20% in Brownsville. The proportion attributable to SO₂ emissions is highest in California, with four urban areas in California constituting the only places with more than 20% of the mortality risk from SO₂ emissions. These relative proportions are

Figure 2

The Monetized Health Impacts Attributable to Congestion for Selected Urban Areas, 2000 - 2030

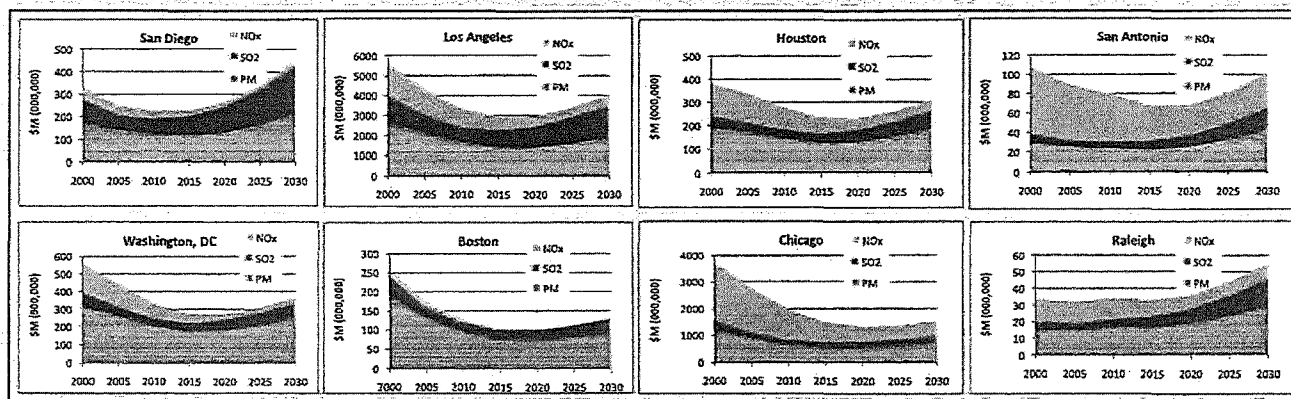
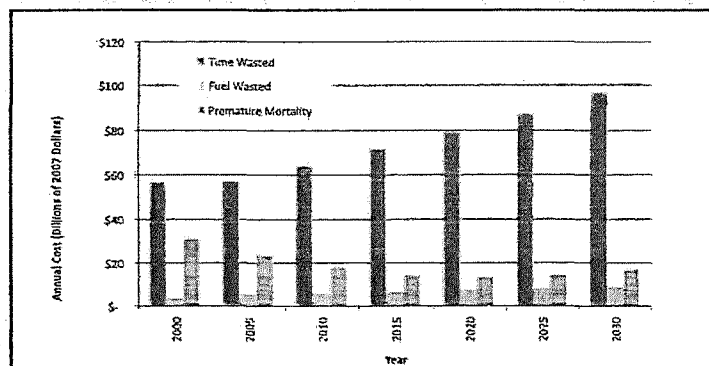


Figure 2 presents the monetized health impacts over time for selected urban areas. These trajectories differ as a function of differential population growth, congestion, population density and atmospheric chemistry. For example, monetized health impacts increase steadily over time in cities such as Raleigh NC and San Diego CA, in which VMT and population growth are significant and primary PM_{2.5} makes a substantial contribution to health risk. In contrast, Chicago and other cities in the Midwest are projected to have small VMT growth and have more substantial contributions to public health damages from NOx emissions, and therefore show a steady decline in health risks over time given the larger decline in NOx emissions per vehicle-mile.

Figure 3

Figure 3 presents the economic costs from time and fuel wasted and monetized estimates of premature mortality attributable to traffic congestion across the 83 urban areas. Overall, time wasted accounts for the bulk of the economic cost associated with traffic congestion, and the cost of delay continues to increase between 2000 and 2030, as this is directly proportional to the extent of congestion. In contrast, reductions in per-vehicle emissions contribute to declines in economic costs associated with premature mortality between 2000 and 2025, with modest increases after that point.

Monetized Premature Mortality as Compared to Projected Time & Fuel Dollars Wasted Attributable to Congested Traffic



As a result, whereas the public health impacts contributed approximately 34% of the total cost of congestion in 2000, this decreases to 14% by 2030. However, the proportion of health impacts attributable to premature mortality varies substantially across urban areas. For example, in 2000, 17 urban areas had health impacts contributing less than 20% of the total cost of congestion, whereas 19 urban areas had contributions in excess of 50%. Those urban areas with relatively small contributions from public health had very high levels of congestion (near or at the 50% threshold) but did not have correspondingly high population density, including Laredo TX, Eugene OR, and Las Vegas NV. In contrast, those urban areas where public health impacts dominated had smaller percentage of time spent in congestion but greater public health benefits per ton of emissions.

Frequently Asked Questions

How was the analysis conducted?

The key components of the analysis include predicting emissions corresponding with traffic congestion for 83 individual urban areas based on travel demand models, which predict how many vehicle-miles people will be traveling in each area. We develop estimates of changes in air pollution (based on $PM_{2.5}$ concentration) associated with these emissions, and apply a concentration-response function that predicts how many people will be impacted by breathing this air pollution. Finally, we assign a dollar value to the predicted number of premature deaths.

Where did we get our data?

We develop estimates of vehicle miles traveled (VMT) based on data and methods from the Center for Urban Transportation Research (CUTR) at the University of Central Florida. We use a model developed by the US EPA called MOBILE6 to estimate city-specific emissions per VMT based on year, temperature profile, and average vehicle speed. We focus on emissions from the baseline year (2000) until 2030. The analysis is conducted for 83 individual urban areas that were previously evaluated by the Texas Transportation Institute (in order to directly compare our results with their estimates of economic costs of congestion) and are in the lower 48 states.

To estimate the changes in air pollution associated with congestion-related emissions from each urban area, we applied a source-receptor (S-R) matrix. S-R matrix is a reduced-form model containing county-to-county transfer factors across the United States, considering both primary $PM_{2.5}$ and secondary formation of sulfate and nitrate particles. To determine the health effects, we use the same studies that the US EPA uses based on a combination of published epidemiological studies and an expert elicitation study addressing the concentration-response function for $PM_{2.5}$ -related mortality. To monetize the resulting estimates of

mortality attributable to congestion, we applied a value of a statistical life (VSL) of approximately \$7.7M in 2007 dollars (for 2000 GDP), the central estimate used in recent EPA regulatory impact analyses.

What does it mean?

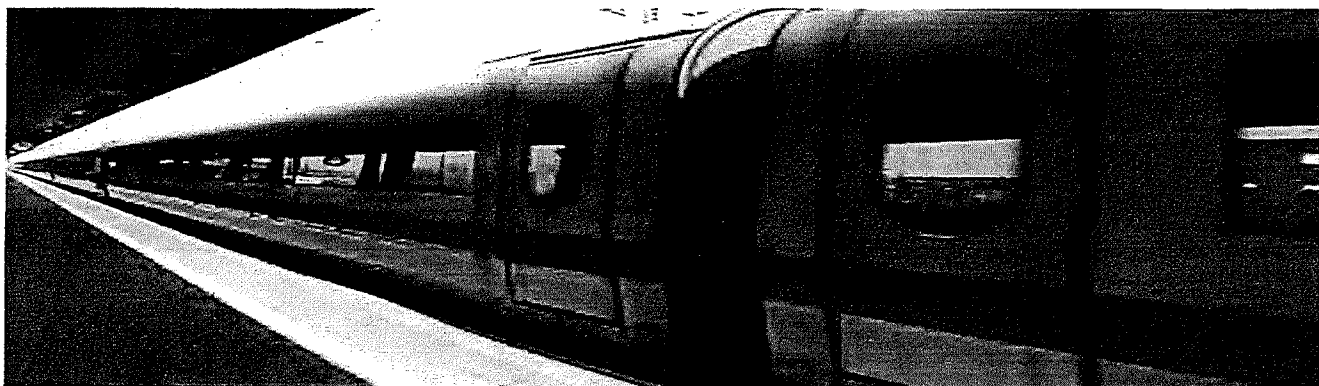
Our modeling illustrates that the public health impacts of traffic during periods of congestion, associated with premature mortality from primary and secondary $PM_{2.5}$ concentrations, are appreciable, with thousands of deaths per year and a monetized value of tens of billions of dollars per year. While the monetized public health damages are smaller than the economic value of time wasted, with the differential anticipated to grow over time, there are some geographic areas where public health damages represent a significant proportion of the total damages, even in future years when per-vehicle emissions are expected to be substantially less. Prior analyses of population exposure per unit emissions from motor vehicles demonstrated that these values were highest in dense urban areas for primary $PM_{2.5}$ and secondary sulfate, especially in California, the mid-Atlantic states, and the industrial Midwest, and were highest in the Southeast and Midwest for secondary nitrate. The urban areas with the greatest proportion of damages from public health were often found in parts of California and the Midwest, where the damages per ton of emissions were greater and the projected future population growth was lower. These findings provide an indication that considering only the direct economic costs of congestion will underestimate societal benefits of mitigating congestion, significantly so in certain urban areas.

What did we leave out?

There are clearly numerous other health endpoints or pollutants that may contribute to the public health burden of congestion, including morbidity endpoints associated with $PM_{2.5}$, mortality and morbidity from ozone, and effects of multiple air toxics. This analysis assumed no change to road infrastructure from 2005 levels, and the models, out of necessity, do not use individualized models of traffic congestion in each urban area (that is, although population and traffic demand are specific to each area, the analysis does not consider road closures, construction, or other area-specific factors that might contribute to increases or decreases in congestion over particular time periods). It is important to note that these are not traffic planning models specific to each area. These are models that predict emissions of pollutants associated with congested conditions on broader scales. Therefore, the results are approximations and represent order-of-magnitude predictions. In addition, the relative proportions across pollutants and urban areas are more robust than the specific numeric estimates.

Where do we go from here?

These results indicate that public health impacts of traffic congestion exist and should be considered when evaluating long-term policy alternatives for addressing congestion such as traffic management through congestion pricing, traffic light synchronization and more efficient response to traffic incidents, and adding new highway and public transit capacity. This analysis represents a first step, and future analyses could incorporate more sophisticated approaches for predicting expected emissions under location-specific conditions as opposed to the generalized case presented here. This exploratory study was designed to evaluate the scope of the issue; more refined estimates are possible that would address urban-area specific alternatives and impacts.



The following tables provide supporting information for our analyses that did not appear in the published paper. Note that the estimates for individual urban areas are more uncertain than the overall estimates for all 83 urban areas combined, and should be interpreted with caution. The model does not capture the nuances and dynamics of each individual urban area. Traffic demand, for example, is based on a national model, not individual models specific to each location.

Table A: Forecasted Increase in Vehicle Miles Traveled (VMT) in 83 U.S. Urban Areas: 2000-2030

Urban Area	Percent VMT Increase					
	2000-2005	2000-2010	2000-2015	2005-2020	2000-2025	2000-2030
Akron, OH	1%	1%	2%	3%	4%	6%
Albany, NY	3%	4%	4%	5%	6%	7%
Albuquerque, NM	2%	8%	14%	19%	23%	28%
Allentown--Bethlehem, PA--NJ	-3%	3%	6%	10%	13%	16%
Atlanta, GA	7%	14%	19%	22%	24%	27%
Austin, TX	6%	12%	17%	21%	25%	29%
Bakersfield, CA	9%	16%	21%	26%	30%	33%
Baltimore, MD	1%	4%	9%	13%	17%	20%
Beaumont, TX	-4%	-3%	-1%	2%	4%	7%
Birmingham, AL	1%	4%	6%	9%	12%	15%
Boston, MA--NH--RI	-5%	-3%	-2%	0%	1%	3%
Boulder, CO	0%	6%	11%	14%	17%	20%
Bridgeport--Stamford, CT--NY	0%	2%	3%	4%	5%	7%
Brownsville, TX	6%	10%	14%	17%	20%	23%
Buffalo, NY	-3%	-3%	-3%	-2%	-1%	0%
Cape Coral, FL	8%	20%	25%	30%	34%	38%
Charleston--North Charleston, SC	3%	11%	18%	25%	28%	32%
Charlotte, NC--SC	4%	13%	17%	21%	25%	28%
Chicago, IL--IN	1%	3%	5%	6%	8%	10%
Cincinnati, OH--KY--IN	-4%	-3%	-1%	0%	2%	3%
Cleveland, OH	-6%	-8%	-9%	-10%	-11%	-12%
Colorado Springs, CO	-2%	6%	12%	17%	22%	27%
Columbia, SC	-2%	7%	15%	23%	31%	36%
Columbus, OH	-1%	2%	6%	10%	13%	17%
Corpus Christi, TX	1%	6%	12%	19%	25%	29%
Dallas--Fort Worth--Arlington, TX	8%	15%	18%	21%	24%	27%
Dayton, OH	-8%	-8%	-8%	-8%	-7%	-6%
Denver--Aurora, CO	0%	7%	10%	13%	16%	19%
Detroit, MI	-3%	-3%	-2%	-2%	-1%	0%
El Paso, TX--NM	3%	7%	11%	15%	19%	22%
Eugene, OR	1%	7%	12%	16%	19%	22%
Fresno, CA	3%	9%	14%	19%	22%	25%
Grand Rapids, MI	-15%	-9%	-3%	2%	8%	14%
Hartford, CT	-2%	-1%	0%	2%	4%	5%
Houston, TX	8%	12%	15%	17%	20%	23%
Indianapolis, IN	4%	8%	12%	15%	19%	22%
Jacksonville, FL	5%	15%	19%	23%	28%	32%
Kansas City, MO--KS	0%	8%	15%	21%	28%	35%

Chart continued on next page...

Urban Area

Percent VMT Increase

	2000-2005	2000-2010	2000-2015	2005-2020	2000-2025	2000-2030
Laredo, TX	8%	16%	22%	28%	33%	38%
Las Vegas, NV	15%	25%	32%	37%	42%	46%
Little Rock, AR	-8%	-5%	-3%	0%	3%	6%
Los Angeles--Long Beach--Santa Ana, CA	2%	4%	5%	7%	8%	10%
Louisville, KY--IN	0%	2%	4%	6%	8%	10%
Memphis, TN--MS--AR	-3%	-1%	1%	3%	5%	8%
Miami, FL	4%	8%	13%	18%	22%	26%
Milwaukee, WI	-5%	-4%	-3%	-1%	0%	2%
Minneapolis--St. Paul, MN	0%	5%	9%	14%	17%	20%
Nashville-Davidson, TN	-12%	-3%	4%	11%	17%	24%
New Haven, CT	-2%	1%	4%	7%	9%	12%
New Orleans, LA	-3%	-36%	-25%	-15%	-8%	-2%
New York--Newark, NY--NJ--CT	1%	2%	3%	5%	6%	8%
Oklahoma City, OK	3%	9%	13%	16%	19%	23%
Omaha, NE--IA	5%	10%	14%	19%	23%	27%
Orlando, FL	6%	18%	27%	32%	37%	41%
Oxnard, CA	5%	15%	25%	34%	42%	47%
Pensacola, FL--AL	-7%	4%	12%	19%	26%	31%
Philadelphia, PA--NJ--DE--MD	0%	2%	3%	4%	5%	7%
Phoenix--Mesa, AZ	8%	15%	20%	24%	29%	33%
Pittsburgh, PA	-6%	-6%	-4%	-2%	0%	3%
Portland, OR--WA	4%	7%	10%	13%	16%	19%
Providence, RI--MA	-1%	1%	4%	7%	10%	13%
Raleigh, NC	11%	28%	37%	43%	49%	54%
Richmond, VA	-4%	5%	14%	22%	31%	36%
Riverside--San Bernardino, CA	9%	15%	19%	24%	28%	31%
Rochester, NY	0%	0%	0%	0%	1%	3%
Sacramento, CA	6%	10%	14%	18%	22%	25%
St. Louis, MO--IL	1%	1%	1%	2%	2%	3%
Salem, OR	5%	11%	15%	20%	25%	29%
Salt Lake City, UT	6%	17%	27%	35%	40%	45%
San Antonio, TX	5%	15%	22%	28%	35%	42%
San Diego, CA	1%	10%	15%	20%	26%	31%
San Francisco--Oakland, CA	0%	1%	2%	3%	5%	6%
San Jose, CA	1%	2%	3%	4%	5%	6%
Sarasota--Bradenton, FL	8%	17%	25%	33%	39%	45%
Seattle, WA	2%	6%	8%	11%	14%	17%
Spokane, WA--ID	2%	8%	14%	20%	25%	30%
Springfield, MA--CT	-6%	-5%	-5%	-4%	-2%	-1%
Tampa--St. Petersburg, FL	4%	7%	10%	13%	15%	18%
Toledo, OH--MI	-5%	-6%	-5%	-5%	-4%	-2%
Tucson, AZ	5%	12%	19%	23%	26%	29%
Tulsa, OK	-8%	-2%	4%	10%	16%	22%
Virginia Beach, VA	-1%	3%	7%	10%	14%	17%
Washington, DC--VA--MD	3%	5%	7%	9%	11%	13%

Table B provides estimates of premature mortality and associated social costs across selected years to 2030 for each of the 83 urban areas. While estimates in all individual urban areas were not reported in the published paper, they are included below to provide perspective on the relative proportion of expected impacts across the 83 modeled areas. Given the underlying uncertainties and simplifications in the modeling approach, although the values are listed below with multiple significant figures for ease of comparison, the values in this table should be interpreted as order of magnitude estimates of the potential public health impacts.

Table B: Estimated Selective Public Health Impacts of Traffic Congestion With Status Quo Infrastructure & Mobility Options in 83 U.S. Urban Areas: 2000 - 2030

	2000		2005		2010		2015		2020		2025		2030	
	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M
Akron, OH	8	63	6	47	4	34	3	27	3	26	3	28	4	32
Albany, NY	<2	9	<2	7	<2	5	<2	4	<1	4	<2	4	<2	5
Albuquerque, NM	4	32	3	25	3	21	2	17	2	17	2	19	3	23
Allentown--Bethlehem, PA--NJ	6	44	4	31	3	25	3	21	3	21	3	24	3	29
Atlanta, GA	93	717	80	633	70	549	56	454	52	431	55	476	62	549
Austin, TX	17	129	14	110	12	92	9	73	8	67	8	73	10	85
Bakersfield, CA	2	17	2	15	2	13	<2	11	<2	11	2	13	2	16
Baltimore, MD	65	499	45	354	32	252	24	195	22	183	23	200	26	228
Beaumont, TX	<1	2	<1	2	<1	<2	<1	<2	<1	<2	<1	<2	<1	<2
Birmingham, AL	9	66	6	48	5	36	4	29	3	27	3	29	4	33
Boston, MA--NH--RI	33	257	21	169	16	125	13	102	12	100	13	112	15	130
Boulder, CO	<2	8	<2	6	<2	5	<2	4	<2	4	<2	4	<2	5
Bridgeport--Stamford, CT--NY	11	83	8	62	6	47	5	38	4	37	5	40	5	46
Brownsville, TX	4	28	3	25	3	20	2	15	2	13	2	14	2	16
Buffalo, NY	4	34	3	23	2	16	2	13	<2	12	2	14	2	16
Cape Coral, FL	10	78	9	75	10	76	8	65	8	64	8	73	10	91
Charleston--North Charleston, SC	2	18	2	14	2	13	2	12	2	14	2	17	2	21
Charlotte, NC--SC	16	120	13	102	12	92	10	78	9	78	10	89	12	105
Chicago, IL--IN	487	3,751	350	2,770	251	1,982	182	1,481	157	1,313	158	1,361	171	1,520
Cincinnati, OH--KY--IN	60	460	41	321	28	220	19	154	15	129	15	129	16	139
Cleveland, OH	34	262	21	165	14	111	10	84	9	77	9	79	10	86
Colorado Springs, CO	4	29	3	21	2	18	2	15	2	14	2	15	2	18
Columbia, SC	2	17	2	12	<2	11	<2	10	<2	11	2	14	2	18
Columbus, OH	19	150	14	109	11	83	8	69	8	68	9	76	10	89
Corpus Christi, TX	2	18	2	13	<2	11	<2	9	<2	9	<2	10	<2	12
Dallas--Fort Worth--Arlington, TX	122	941	103	816	85	671	62	507	54	455	56	483	62	547
Dayton, OH	21	161	13	103	9	70	6	48	5	40	5	39	5	42
Denver--Aurora, CO	41	319	31	245	24	192	18	144	15	126	15	132	17	148
Detroit, MI	173	1,333	116	918	76	603	52	421	43	357	41	355	43	381
El Paso, TX--NM	9	69	7	56	6	47	5	40	5	40	5	47	7	58
Eugene, OR	<2	5	<2	4	<1	4	<1	3	<1	3	<1	4	<2	5
Fresno, CA	9	70	7	58	6	49	5	42	5	42	5	47	6	56
Grand Rapids, MI	8	62	5	36	4	28	3	22	2	21	3	23	3	27
Hartford, CT	7	54	5	38	4	29	3	24	3	23	3	26	3	30
Houston, TX	50	383	43	338	35	277	29	232	28	231	30	263	35	311
Indianapolis, IN	34	264	27	210	19	153	14	113	12	100	12	103	13	112
Jacksonville, FL	5	39	4	32	4	29	3	25	3	26	3	30	4	36
Kansas City, MO--KS	18	142	14	108	11	88	8	67	7	62	8	69	9	84
Laredo, TX	<2	4	<1	4	<1	3	<1	3	<1	3	<1	4	<2	5
Las Vegas, NV	4	34	5	36	4	34	4	33	4	37	5	46	7	61
Little Rock, AR	3	22	2	14	<2	10	<2	8	<2	7	<2	7	<2	7
Los Angeles--Long Beach--Santa Ana, CA	722	5,564	547	4,324	426	3,362	360	2,924	355	2,974	394	3,396	454	4,038

EPD = Estimated Premature Deaths

\$M = Estimated Cost in Millions of U.S. Dollars (2007 \$)

Chart continued on next page...

Table B Continued:

Estimated Selective Public Health Impacts of Traffic Congestion With Status Quo Infrastructure & Mobility Options in 83 U.S. Urban Areas: 2000 - 2030

	2000		2005		2010		2015		2020		2025		2030	
	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M	EPD	\$M
Louisville, KY--IN	34	265	24	192	17	138	12	101	11	89	11	91	11	99
Memphis, TN--MS--AR	16	123	11	84	8	62	6	48	5	44	5	47	6	52
Miami, FL	62	474	47	370	40	316	36	293	38	316	44	379	53	473
Milwaukee, WI	40	308	26	205	18	142	13	102	11	88	10	90	11	99
Minneapolis--St. Paul, MN	66	505	48	380	37	295	29	236	27	225	28	245	32	282
Nashville-Davidson, TN	11	84	6	50	5	42	4	34	4	32	4	36	5	43
New Haven, CT	5	35	3	25	2	19	2	17	2	17	2	19	3	22
New Orleans, LA	10	76	6	51	2	17	2	16	2	19	3	23	3	29
New York--Newark, NY--NJ--CT	644	4,962	477	3,768	337	2,658	244	1,981	212	1,772	215	1,859	234	2,079
Oklahoma City, OK	16	120	12	94	9	73	6	52	5	44	5	44	5	48
Omaha, NE--IA	7	53	6	45	4	34	3	26	3	23	3	25	3	28
Orlando, FL	25	196	21	169	21	166	19	157	19	161	22	191	27	236
Oxnard, CA	4	29	3	24	3	22	3	24	3	29	5	39	6	51
Pensacola, FL--AL	3	23	2	15	2	14	2	12	<2	12	2	14	2	17
Philadelphia, PA--NJ--DE--MD	149	1,145	102	806	71	561	51	416	45	374	46	395	50	441
Phoenix--Mesa, AZ	19	148	17	134	15	116	13	102	12	104	14	123	17	152
Pittsburgh, PA	18	137	11	87	8	63	6	51	6	51	7	57	8	69
Portland, OR--WA	20	154	16	129	13	101	10	81	9	75	9	81	11	94
Providence, RI--MA	11	81	7	59	6	44	5	38	5	39	5	45	6	55
Raleigh, NC	4	34	4	32	4	34	4	33	4	36	5	44	6	55
Richmond, VA	6	45	4	30	3	27	3	25	3	29	4	38	5	49
Riverside--San Bernardino, CA	13	98	11	90	10	80	10	79	11	89	13	111	16	144
Rochester, NY	3	24	2	17	<2	13	<2	10	<2	9	<2	10	<2	12
Sacramento, CA	69	533	60	471	48	378	39	316	36	305	40	343	46	412
St. Louis, MO--IL	103	797	74	589	51	399	34	273	27	224	25	218	26	227
Salem, OR	<1	3	<1	2	<1	2	<1	2	<1	2	<1	2	<1	2
Salt Lake City, UT	5	42	5	37	4	34	4	31	4	34	5	39	6	49
San Antonio, TX	14	108	11	89	10	80	8	68	8	68	9	81	12	103
San Diego, CA	43	331	31	249	29	227	28	229	32	265	39	339	50	449
San Francisco--Oakland, CA	235	1,813	170	1,345	124	981	90	733	77	649	78	675	85	751
San Jose, CA	42	323	31	248	24	191	19	156	18	149	19	163	21	188
Sarasota--Bradenton, FL	2	12	<2	11	<2	9	<2	8	<2	8	<2	9	<2	12
Seattle, WA	32	246	26	203	21	162	16	128	14	119	15	128	17	149
Spokane, WA--ID	<2	7	<2	5	<2	5	<1	4	<1	4	<1	4	<2	5
Springfield, MA--CT	<2	5	<1	3	<1	2	<1	2	<1	2	<1	2	<1	2
Tampa--St. Petersburg, FL	80	619	61	482	45	357	33	265	28	233	28	238	29	260
Toledo, OH--MI	12	91	8	60	5	40	3	28	3	24	3	24	3	26
Tucson, AZ	4	31	3	26	3	23	3	21	2	21	3	24	3	29
Tulsa, OK	9	68	5	43	4	35	3	26	3	24	3	25	3	29
Virginia Beach, VA	13	102	9	74	7	59	6	53	7	56	8	67	9	82
Washington, DC--VA--MD	72	556	55	438	42	330	34	273	33	272	36	310	41	366
Total	4,045	31,161	3,001	23,736	2,264	17,861	1,746	14,192	1,602	13,412	1,703	14,690	1,917	17,034

EPD = Estimated Premature Deaths

\$M = Estimated Cost in Millions of U.S. Dollars (2007 \$)



The Harvard Center for Risk Analysis (HCRA), founded in 1989, is recognized as a world-leader in applying decision theory, environmental and health science, and economics to a broad range of important environmental and public health issues. HCRA is a research institute within the Harvard School of Public Health, which has the objective of using a variety of analytic methods to inform public policy decisions relevant to public health. Our researchers enjoy successful collaborations across disciplines, and a hallmark of our work is synthesizing and integrating basic environmental sciences with social sciences to better inform decision making. We regularly host interdisciplinary seminars. Since 1993, HCRA has been publishing *Risk in Perspective*, a periodic publication available from our website (www.hcra.harvard.edu). Currently, HCRA hosts the Research Translation Core for a Superfund Basic Research program grant focused on gene-environment interactions (www.srphsph.harvard.edu) and is responsible for developing and communicating policy-relevant research based on the results of studies from partners across the University and MIT.

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Access it online at: <http://www.ehjournal.net/content/9/1/65>

DEMOGRAPHIA

Population Density, Traffic Density and Nitrogen Oxides (NOx) Emission Air Pollution Density in Major Metropolitan Areas of the United States

This report summarizes the latest Environmental Protection Agency (EPA) data on the density of daily traffic densities and road vehicle nitrogen oxides (NOx) emissions densities by counties within the 51 metropolitan areas with more than 1 million population in the United States as of 2010. The measures used are described under "The Measures," below.

The EPA data indicates a strong association both between:

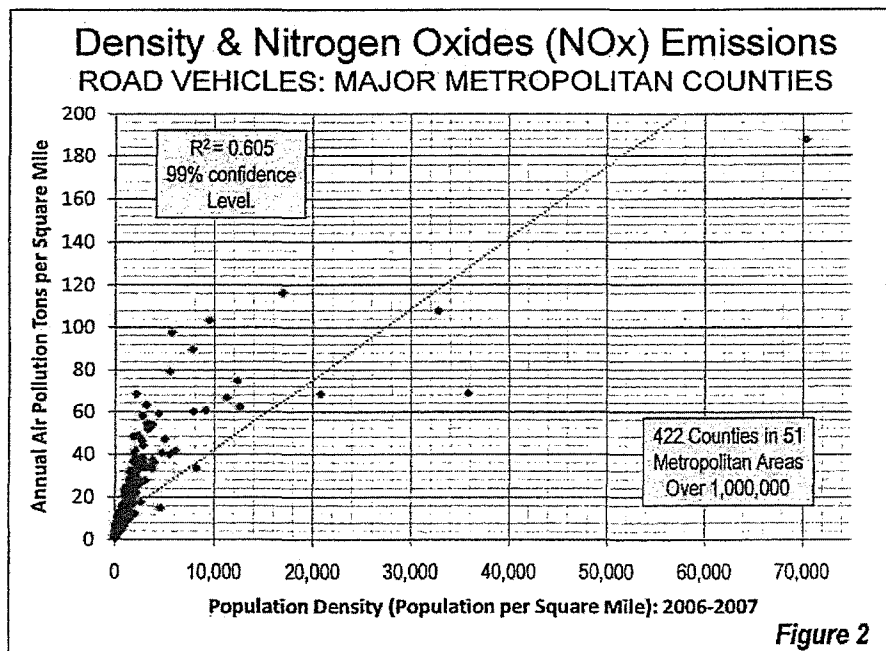
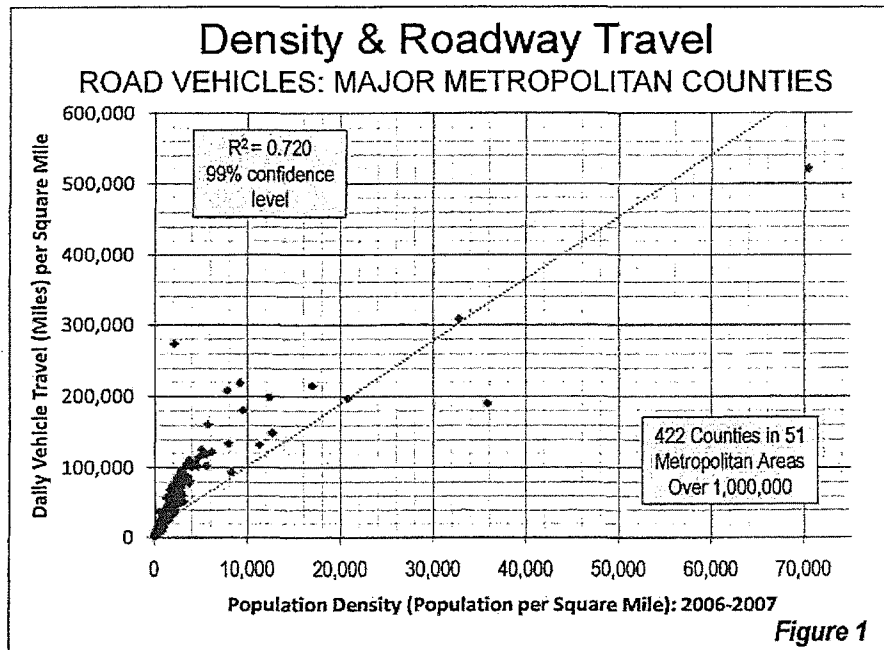
- Higher population densities and higher traffic densities (Figure 1).
- Higher population densities and higher road vehicle nitrogen oxides (NOx) emission intensities (Figure 2)

In both cases, the relationships are statistically significant at the 99 percent level of confidence.

These relationships are summarized by population density category in Table 1, which includes total daily road vehicle travel density (vehicle miles per square mile), annual nitrogen oxides (NOx) emission intensity and a comparison to the average of all of the metropolitan area counties.

Table 1 Nox Emission & Road Travel Intensities by Population Density Counties in Major Metropolitan Areas (Over 1,000,000 Population)				
Population Density	NOx Emissions per Square Mile	Compared to Road Travel per Average Square Mile	Compared to Average	
20,000 & Over	108.1	13.7	304,064	22.1
10,000 - 20,000	79.8	10.1	173,450	12.6
5,000 - 10,000	65.1	8.3	146,149	10.6
2,500 - 5,000	40.3	5.1	84,695	6.1
1,000 - 2,500	23.1	2.9	45,064	3.3
Under 1,000	4.8	0.6	7,057	0.5
Average of Major Metropolitan Counties	7.9		13,779	
Table 3 Nox Emission & Road Travel Intensities by Population Density Highly Urbanized Counties in Major Metropolitan Areas (Over 1,000,000 Population)				

It is important to recognize that air pollution emissions alone are not a fully reliable predictor of air quality, though all things being equal, higher air pollution emissions will lead to less healthful air. This issue is described further under "Caveats." Below.



Data by County

Some in the urban planning community have implied that vehicle travel is lowered by higher densities and more intense transit service. It has also been implied that higher population densities are associated with lower air pollution levels.

In fact, New York County (Manhattan), the highest density county in the nation, also has the highest traffic density and the highest total nitrogen oxides (NOx) emission density out of all of the nation's nearly 3,200 counties, metropolitan and non-metropolitan. Moreover, New York County also has the highest concentration of emissions for the other criteria air pollutants, such as carbon monoxides, particulates and volatile organic compounds (2002 data).¹

The clearest lesson from these data is that *both propositions are patently false*. The county with the highest population density in the nation (New York County) has the both the highest traffic density and nitrogen oxides (NOx) emission density. Generally, increasing population densities leads to increased traffic and air pollution density. The new traffic generated by the new residents substantially offsets any per capita reduction in driving.

Seven of the 10 counties with the highest NOx emissions concentration² (annual tons per square mile) in major metropolitan areas (those with more than 1 million population) are also among the top 10 in population density (2008). As noted above, New York County (Manhattan) has by far the most intense NOx emissions and is also by far the most dense. New York City's other three most urban counties (Bronx, Kings and Queens) are more dense than any county in the nation outside Manhattan and all are among the top 10 in NOx emission density (Table 3).

More concentrated traffic leads to greater traffic congestion and more intense air pollution. The data for traffic concentration is similar.³ Manhattan has by far the greatest miles of road travel per square mile of any county. Again, seven of the 10 counties with the greatest density of traffic are also among the 10 with the highest population densities. As in the case of NOx emissions, the other three highly urbanized New York City counties are also among the top 10 in the density of motor vehicle travel (Table 3).

NOx Emissions				Motor Vehicle Travel			
Rank	Density Rank	County	Compared to Average	Rank	Density Rank	County	Compared to Average
1	1	New York Co, NY	23.8	1	1	New York Co, NY	37.8
2	5	San Francisco Co, CA	14.7	2	3	Bronx Co, NY	22.3
3	3	Bronx Co, NY	13.7	3	50	Fredericksburg city, VA	19.9
4	9	Washington city, DC	13.1	4	10	Alexandria city, VA	15.8
5	16	St. Louis city, MO	12.4	5	5	San Francisco Co, CA	15.6
6	13	Arlington Co, VA	11.3	6	13	Arlington Co, VA	15.1
7	15	Cook Co, IL	10.0	7	7	Suffolk Co, MA	14.4
8	7	Suffolk Co, MA	9.5	8	4	Queens Co, NY	14.3
9	2	Kings Co, NY	8.7	9	2	Kings Co, NY	13.8
10	4	Queens Co, NY	8.7	10	8	Washington city, DC	13.1
Calculated from 2008 EPA Data Ranking out of 422 counties				Calculated from 2005 EPA Data Ranking out of 422 counties			

Urbanization

Most counties have substantial rural land area, which results in lower factors for both traffic density and air pollution emission density. This is evident in Los Angeles County (California) for example, which contains most of the Los Angeles urban area, which has the highest population density of any urban area in the country. Los Angeles has been renowned for decades as having some of the country's worst air pollution. Yet, this report shows Los Angeles County to have a much lower traffic density than many

¹ Calculated from data downloaded from <http://www.epa.gov/oar/data/geosel.html>.

² <http://www.epa.gov/ttn/chief/net/2008inventory.html>

³ http://www.epa.gov/ttnnaaqs/pm/docs/2005_vmt_county_level.xls

other counties. This reflects the fact that approximately one half of the land area of Los Angeles County is very low density rural, which substantially reduces the traffic density. Similarly, the air pollution emission factors in Los Angeles County are lower than would be expected because of the large share of the county that is rural.

Data from the 35 counties in which 90 percent or more of the land is developed indicates virtually the same relationships as were indicated in the overall analysis. Table 3 shows the results, which indicates a substantially the same population density/traffic density and population density/air pollution emission density relationship as in all of the metropolitan area counties.

Table 3 Nox Emission & Road Travel Intensities by Population Density Highly Urbanized Counties in Major Metropolitan Areas (Over 1,000,000 Population)				
Population Density	Nox Emissions per Square Mile	Compared to Average	Road Travel per Square Mile	Compared to Average
20,000 & Over	108.1	0.1	304,064	22.1
10,000 - 20,000	79.8	0.1	173,450	12.6
5,000 - 10,000	65.1	0.1	146,149	10.6
2,500 - 5,000	44.8	0.1	91,701	6.7
1,000 - 2,500	26.3	0.0	51,140	3.7
Under 1,000	-	-	-	-
Average of Major Metropolitan Counties	833.3		13,779	
Counties with 90% or more in urban land (35)				

Cautions:

The air pollution data contained in this report is for emissions, not for air quality. Air quality is related to emissions and if there were no other intervening variables, it could be expected that emissions alone would predict air quality. However there are a number of intervening variables, from climate, wind, topography and other factors. Again, Los Angeles County makes the point. As the highest density large urban area in the nation is to be expected that Los Angeles would have among the highest density of air pollution emissions. However, the situation in Los Angeles is exacerbated by the fact that the urban area is surrounded by mountains which tend to trap the air pollution that is blown eastward by the prevailing westerly winds.

The EPA data for 2002 can be used to create maps indicating criteria pollutant densities within metropolitan areas. Examples of a map of the New York metropolitan area and the Portland (OR-WA) metropolitan area are shown (Figures 3 and 4), with the latter indicating the data illustration feature using Multnomah County (the central county of the metropolitan area).

The Measures:

Road Travel Volumes: Annual traffic volumes in vehicle miles are reported by EPA.⁴ The annual vehicle miles for each county is divided by the number of days (365) and then by the county land area in square miles to generate a vehicle miles per square mile (density) figure. The EPA data is for 2005, which is the latest data available on the EPA website.

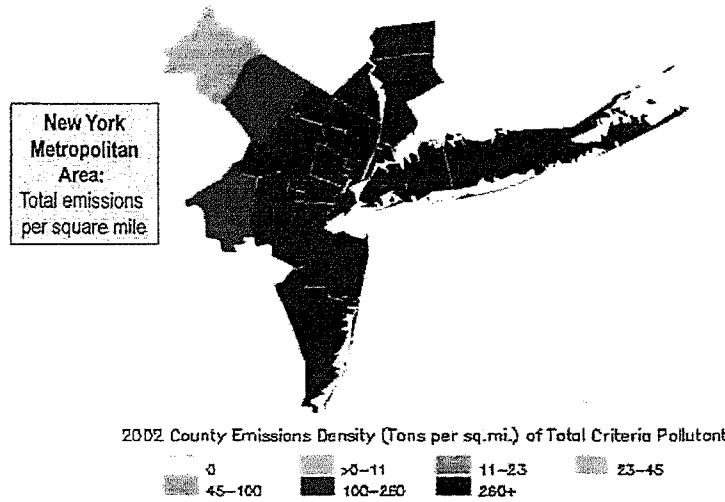
⁴ http://www.epa.gov/ttn/naaqs/pm/docs/2005_vmt_county_level.xls.

Vehicle Air Pollution Emissions: The EPA reports annual air pollution emissions by county, both gross and by density for various pollutants on its website.⁵ This analysis is based on the density of nitrogen oxides (NOx).

This report covers local air pollutants only and does not provide information on greenhouse gas emissions (nor does the EPA "Air Data" website).

County Emissions Map — Criteria Air Pollutants
Counties in New Jersey, New York, Pennsylvania

AirData



Source: US EPA Office of Air and Radiation, NEI Database

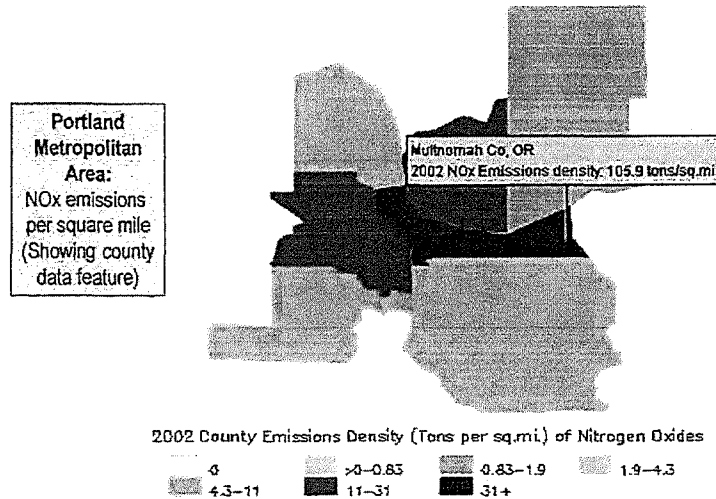
Figure 3

Thursday, July 7, 2011

⁵ <http://www.epa.gov/air/data/geosel.html>.

County Emissions Map — Criteria Air Pollutants
Counties in Oregon, Washington

AirData



Source: US EPA Office of Air and Radiation, NEI Database

Figure 4

Friday, July 8, 2011

Other Air Pollutants

Similar relationships exist with respect to the other criteria air pollutants. In each case, the relationships between higher population densities and more intense air pollution is statistically significant at the 99 percent level of confidence. The relationships are illustrated in the following figures:

Figure 5: Carbon Monoxide

Figure 6: Volatile Organic Compounds (VOC)

Figure 7: Sulphur Dioxide (SO²)

Figure 8: Particulate Matter less than 2.5 micrometers in diameter (PM-2.5)

Figure 9: Particulate Matter less than 10 micrometers in diameter (PM-10)

Figure 10: Ammonia (NH³)

Density & Carbon Monoxide Emissions

ROAD VEHICLES: MAJOR METROPOLITAN COUNTIES

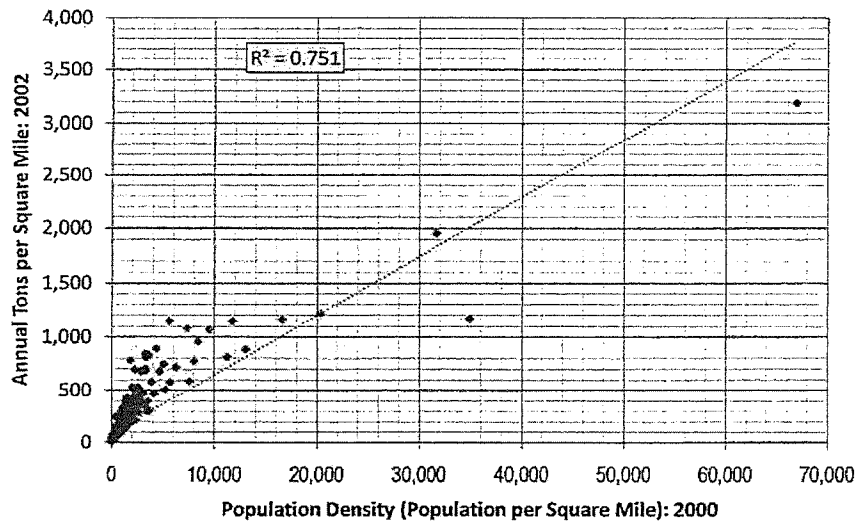


Figure 5

Density & VOC Emissions

ROAD VEHICLES: MAJOR METROPOLITAN COUNTIES

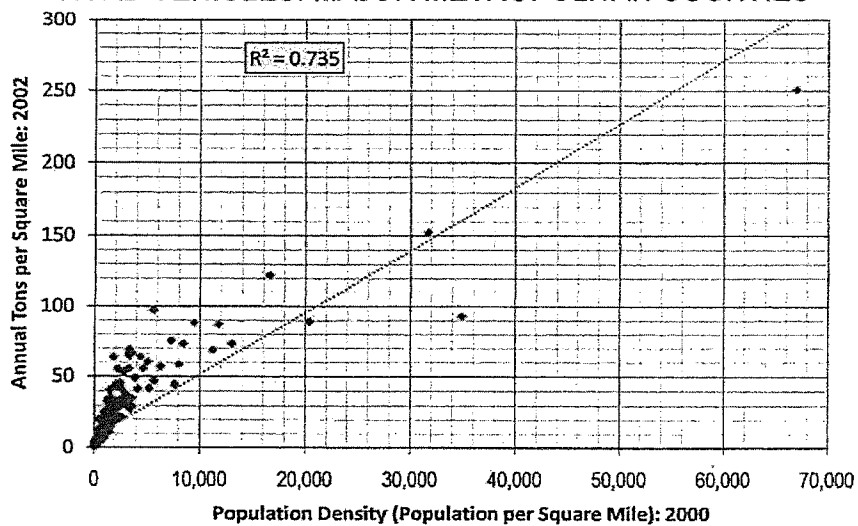


Figure 6

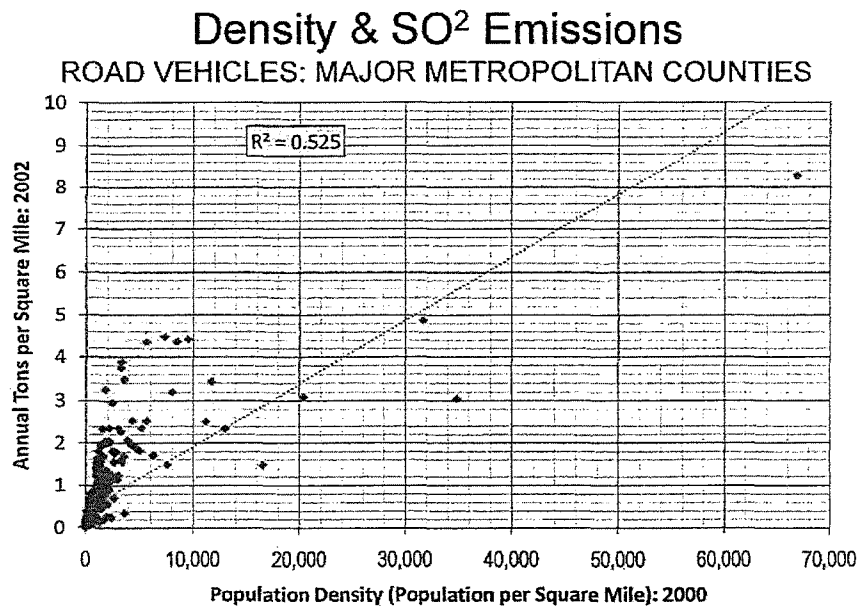


Figure 7

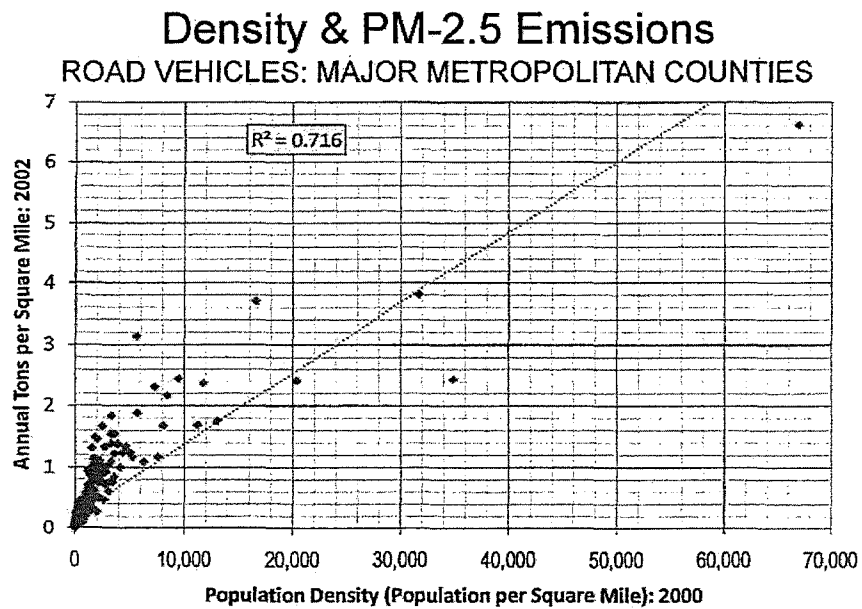


Figure 8

Density & PM-10 Emissions

ROAD VEHICLES: MAJOR METROPOLITAN COUNTIES

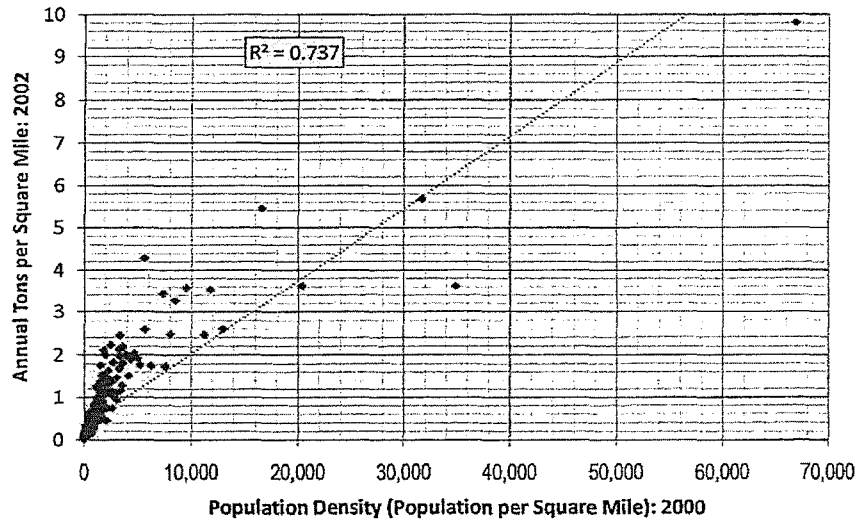


Figure 9

Density & NH³ Emissions

ROAD VEHICLES: MAJOR METROPOLITAN COUNTIES

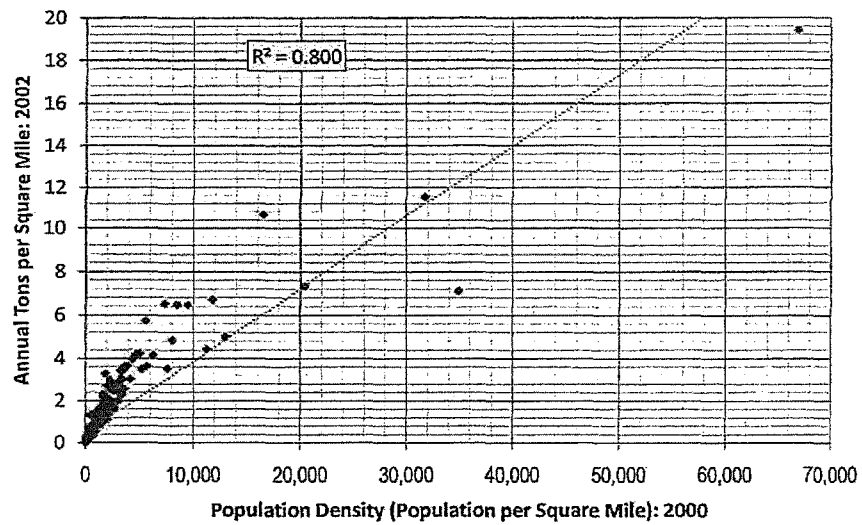
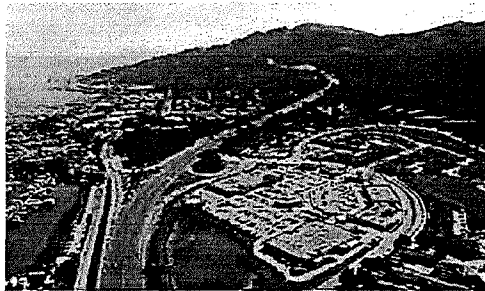
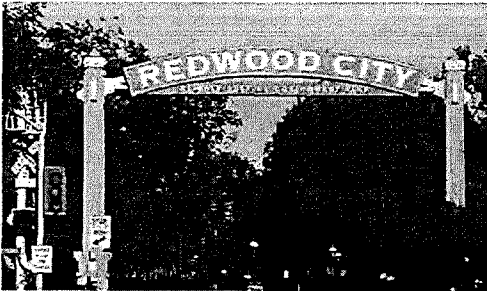


Figure 10

case studies

on Gentrification and Displacement in the San Francisco Bay Area



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The Center for Community Innovation (CCI) at UC-Berkeley nurtures effective solutions that expand economic opportunity, diversify housing options, and strengthen connection to place. The Center builds the capacity of nonprofits and government by convening practitioner leaders, providing technical assistance and student interns, interpreting academic research, and developing new research out of practitioner needs.

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Executive Summary

As regions across California begin to implement their Sustainable Communities Strategies (SCS) in compliance with Senate Bill 375, communities are increasingly concerned about how new transit investment and related infill development will affect the lives of existing residents, particularly low-income communities and communities of color. Locals are likely to benefit from improved mobility, neighborhood revitalization, lower transportation costs, and other amenities that spill over from the new development (Cervero 2004). However, more disadvantaged communities may fail to benefit, if the new development does not bring appropriate housing and job opportunities, or if there is gentrification and displacement of low-income and/or minority residents (Pollack, Bluestone, and Billingham 2010; Chapple 2009).

In 2009, we conducted a study on neighborhood's susceptibility to gentrification in the San Francisco Bay Area (Chapple 2009). In it, we quantified the impact of a diverse set of variables on neighborhood gentrification, finding that proximity to transit significantly predicted a neighborhood's later turnover and gentrification, which has been supported by more recent research as well (Pollack, Bluestone, and Billingham 2010). These findings are further supported by research linking proximity to transit with a property value premium of between 3 and 45% (Cervero and Duncan 2002b; Cervero and Duncan 2002a; Hess and Almeida 2007).

This research seeks to explore more closely the phenomena of gentrification and displacement in the San Francisco Bay Area, in an effort to better understand, predict and possibly prevent residential displacement. This report summarizes a year's worth of community-engaged research involving case studies on gentrification and displacement pressures in nine neighborhoods across the Bay Area. We utilized mixed methods of quantitative data analysis, stakeholder interviews, and field observations to better characterize the various types of changes and pressures being experienced in diverse neighborhoods across the Bay Area.

The San Francisco Bay Area

The 9-county Bay Area is one of the most expensive and challenging housing markets in the country. With over 7 million inhabitants, over a quarter of Bay Area households meet the Department of Housing and Urban Development's definition of severely housing burdened, dedicating more than 50 percent of their income to housing. Four of the ten most expensive counties in the United States are located in the San Francisco Bay Area, where minimum wage workers would need to work 4.7 full time jobs to afford a two-bedroom unit (Arnold et al. 2014). The recovery from the Great Recession, combined with a booming technology sector in Silicon Valley have resulted in rapid job growth at the top and bottom of the wage scale while the middle continues to shrink. Over a third of Bay Area workers earn less than \$18 per hour, which is especially troubling in the Bay Area because of the high cost of living (Terplan et al. 2014).

The continued growth at both ends of the income range will place even more pressure on the region's housing market and transportation systems. Although planned new transit facilities will help to accommodate much of the population growth, they also present a challenge. Researchers generally agree that new transit investment will bring higher property values to the surrounding area (except in the immediate vicinity of the transit station). This could spur a process of gentrification, which will be beneficial to some – but not to those who cannot bear rent increases and are forced to leave the neighborhood.

By examining nine diverse Bay Area communities in depth, this report provides planners, advocates and city leaders with a rich understanding of how gentrification proceeds, as well as what features encourage displacement and what policies slow it.

Outline of the Report

This report proceeds as follows: In Chapter 2 we outline the methodology used for case study site selection, data analysis, and community-engaged research methods. The heart of the report is found in the individual case study chapters 3 through 11, divided into three groups according to the nature of change in each neighborhood:

Section 1: Neighborhoods Long Experiencing Pressures of Gentrification and Displacement

Chapter 3. San Francisco's greater **Chinatown** neighborhood has witnessed years of housing pressures. In part due to strong community organizing and planning restrictions, the core of Chinatown has stemmed the tide of gentrification and displacement, yet the greater area including the neighborhoods of Polk Gulch and parts of North Beach have witnessed significant change and loss of Asian households since 1980.

Chapter 4. Perhaps the icon of gentrification and displacement, **San Francisco's Mission District** has been the site of active community organizing for decades, which has perhaps maintained more affordable housing and minority-owned businesses than would otherwise be there. But the pressures that began during the dot com boom continue, as more and more industrial land shifts to high-end residential uses.

Section 2: Places Currently Undergoing Rapid Neighborhood Change

Chapter 5. Years of city planning and redevelopment around **San Jose's Diridon Station** have transformed the area into an affluent urban neighborhood, which is witnessing rapid development supported by the City's vision to create Urban Villages. Recent activism around the Station Area plan has reignited the call for affordable housing, yet it remains to be seen what funding will be available in this post-redevelopment era.

Chapter 6. The neighborhoods surrounding **North Oakland's Macarthur Bart Station** have undergone rapid demographic and physical change, associated with both its proximity to revitalizing commercial districts, affluent neighborhoods, and transit accessibility.

Chapter 7. As an immigrant gateway in the city of **Concord, the Monument Corridor** was severely impacted by the Great Recession. However, its proximity to the BART, as well as the active planning and downtown redevelopment efforts of City government, have resulted in active speculation and displacement of low income and Latino residents.

Chapter 8. In the heart of Silicon Valley, leaders of **Redwood City** are trying to redevelop the once nearly abandoned downtown to create an active job and housing center. Yet this planning and growth nearly ignores the needs of future low income workers and existing residents of surrounding neighborhoods, resulting in an acute risk of exclusionary displacement.

Section 3: Communities Vulnerable to Gentrification and Displacement

Chapter 9. The **Canal neighborhood** of San Rafael in the wealthy county of Marin continues to serve as a point of entry to immigrant communities, specifically of Latin American origin. The substantial stock of low quality multi-family housing, significant overcrowding, as well as the physical separation (i.e., highway and industrial/commercial land uses) has stabilized the neighborhood for the time being.

Chapter 10. The City of **East Palo Alto** was established on the principles of protecting housing of lower income communities of color in the affluent Silicon Valley. These principles have translated to some of the strongest tenant protections in the Bay Area, preserving the affordability of the community. Yet continued high income job growth combined with the lack of new or affordable housing in surrounding communities suggest growing pressures already felt by the community.

Chapter 11. A historically African American community, established during WW II, the unincorporated **Marin City** houses over half of its residents in subsidized housing. Despite being surrounded by affluent communities of Marin County and restricted in growth because of the County's value of preserving open space, Marin City continues to be home to low and moderate income families even after racial and demographic shifts.

Key Themes from the Nine Case Studies

Although the overall Bay Area exhibits many of the characteristics that scholars have documented in their studies of gentrification and displacement, we found wide variability in the nine case studies we explored and some contradictions of the basic underlying assumptions about these processes. Below we summarize our findings across the nine case areas, highlighting specific examples to illustrate seven key findings:

1) In contrast to how gentrification is discussed in the media and modeled in quantitative studies, it is not an endpoint that happened or didn't, but rather a complex, multi-stage process.

2) Researchers and practitioners alike often regard the relationship between gentrification and displacement as linear and sequential, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

3) Due to data limitations, the literature on gentrification and residential displacement frequently is restricted to 4 to 13 year periods. However, the process of neighborhood change can often take much longer often preceding what is perceived to be rapid change felt in very hot real estate markets.

4) On average, roughly 15% of Americans move each year. There are many reasons for people to move and it is therefore often desirable for researchers to separate voluntary moves from involuntary moves. Yet, we found in many of our cases that such a distinction is nearly impossible to discern, making such dichotomies in quantitative research somewhat useless.

5) Due to analytical complexities, gentrification is often studied as a neighborhood phenomenon. Yet our research shows how the pressures of the housing and jobs market function at the regional scale, making an expansive lens particularly useful in understanding the processes of neighborhood change.

6) Despite continued pressures and much anxiety, many of the cases have shown remarkable stability. We explore some of the housing policy, community organizing, tenant protections and planning techniques used in the Bay Area that appear to have been somewhat successful in mitigating the pressures of gentrification and displacement.

7) The impact of public investment, particularly transit investment, on gentrification and displacement is not well understood. Although this study lacked the data on investment timing needed to ascertain the precise relationship between public improvements and neighborhood change, our research suggests that not just the investment itself, but also planning for the investment, can accelerate processes of displacement.

1. Gentrification as a process not an end-point

From the outset of this research our advisory committee, consisting of housing policy experts around the Bay Area, insisted that the ways in which gentrification has been conceptualized and modeled in the literature was wrong. "Gentrification is not an on-off switch" one of our committee members told us. Instead, they argued, it is a multi-stage process that may not be easily captured or discerned from the data. Taking this into consideration, we set out to analyze existing demographic and housing datasets. To gather initial feedback on our findings, we held a workshop with our community partners and advisory committee. Kicking off the workshop, a researcher from our team showed data for the Monument community in Concord, CA – a low income, Latino community living proximate to the train station and downtown. We showed data that demonstrated a reduction in income, educational attainment, and home sales price among other key indicators of neighborhood change. In the presentation, the researcher noted "this place shows little signs of gentrification" a statement that put many of our community partners in a state of unease. How could we discount the current housing pressures they argued? Concord was a place that was being actively primed for gentrification by the City and local property owners – therefore, they argued, we need to redefine how we see the place. What we saw as neighborhood decline they saw as an early stage of gentrification.

This view that Concord may be experiencing an early, or pre-gentrification phase, was in fact later validated by interviews with key informants. One landlord, for instance, told us that his building's proximity to the BART commuter train station was useful for "catering to the laptop crowd," that commute to work in San Francisco. He even boasted how he "got rid of... the 99% Latino" population that formerly lived in the complex, which he plans to convert into condominiums and sell once the market picks up again. Similarly, activists in the area report that following several years' worth of advocacy to improve walkability along the Monument Corridor in Concord, they are beginning to learn about active speculation and property flipping happening in the area, as property owners begin to capitalize on public improvements there.

Many of the other cases that we chose were similar to Concord in this regard. Furthermore, reorienting our understanding of gentrification as a process and not necessarily an end helped us to see places that are usually considered to be already gentrified (e.g., the Mission) as further along in the process but not necessarily at an end point as they continue to undergo a process of displacement and change.

2. Reframing the relationship between gentrification and displacement

Much of the academic literature as well as popular media frames the relationship between gentrification and displacement as a linear one: a neighborhood is disinvested and property values decline, it becomes attractive for its amenities or location, the difference between the rents property owners receive and the amount at which they can sell (e.g., the rent gap; see Smith (1987)) increases, higher income households and investors begin to value the neighborhood and start moving in and buying up property, and eventually the pre-existing community of low income households and people of color are displaced from their neighborhoods of origin. While this may certainly be the case in some neighborhoods, the linear relationship between revaluation, gentrification and displacement does not hold true for all the neighborhoods we studied, some of which instead witnessed this process in reverse.

The idea that displacement can in fact precede gentrification is not a new concept. In their seminal framing paper on displacement in 1978, Eunice and George Grier distinguish between disinvestment displace-

ment and reinvestment displacement: "unrelated as they seem, these two conditions of displacement may be successive stages in the cycle of neighborhood change" (Grier and Grier 1978, p.3). Similarly, Peter Marcuse argued that when looking at the relationship between gentrification and displacement one must first consider the disinvestment of urban neighborhoods and subsequent displacement, which makes land ripe for investment with gentrification of "vacant" land. From this perspective gentrification can happen long after disinvestment-induced displacement (Marcuse 1986). On the other hand, investment-related displacement can also precede gentrification, a case made very clear during Urban Renewal and decades of Redevelopment.

Three of our cases that present early stages along the gentrification spectrum show signs of both disinvestment- and reinvestment-related displacement that precedes the types of demographic and physical changes characteristic of gentrification. For instance, stakeholders in the Canal area of San Rafael discussed the active disinvestment of landlords that often leads to displacement, while residents of public housing in Marin City face similar experiences, albeit from government disinvestment in public housing. In Concord, residents are witnessing both disinvestment- and reinvestment-related displacement simultaneously as discussed above, and all the communities studied are likely years away from being classified as gentrified according to their demographic characteristics. Similarly, and as will be discussed in the next section, San Jose's Diridon Station Area underwent significant redevelopment and displacement decades before the current housing boom and demographic shifts. Nearly all of our cases displayed these types of processes, and some in fact are currently experiencing the commonly recognized gentrification-induced displacement. Therefore, these processes are neither linear nor mutually exclusive, and it therefore takes a reframing to be able to capture the full scale of the processes.

3. Extending the time horizon of neighborhood change

Often popular media and residents describe gentrification as change occurring at a rapid rate – property values rising, people selling homes, and longtime residents moving out can feel like it's happening overnight. Yet, the neighborhood change narratives told by our

CBO partners and stakeholders often extended back decades, frequently referencing the historic actions of Cities and their Redevelopment agencies that displaced vibrant, albeit low-income, communities as well as the active disinvestment of the private sector.

One example of this can be seen in our case study of the Diridon Station area in San Jose. When we began the study, people looked dubious when we mentioned displacement in the area. People argued that few people actually lived in the vicinity of the station. This is certainly true when looking at the recent past. However, when extending our analysis to a thirty year timeframe, we saw in the data and archival analysis that considerable displacement preceded the current renaissance of the area. A pattern familiar to the model of Urban Renewal, in the 1980's the Redevelopment Agency made almost \$2 billion in public investments, and devoted "nearly all its money and power," to an attempted revitalization of its downtown and surrounding areas (Terplan 2013). Redevelopment projects included construction of a convention center, a luxury hotel, expansion and construction of multiple museums, renovation and construction of parks and plazas, over 500 units of market rate and moderate income housing, and 1.2 million feet of new office space (Kutzman & Farragher, 1988) alongside the razing of a low-income Latino residential neighborhood totaling about 12 square blocks. The analysis of Census data also revealed the significant drop in population between 1980 and 1990 and the loss of approximately half of its housing units.

Ask any planner, developer or community activist and they will tell you that neighborhood change is a slow process that can take decades. Despite extensive recognition by practitioners and scholars alike, most research on gentrification and displacement to date has quantified it as change over a 10 year period or less, which may therefore significantly underestimate the magnitude of the problem. Peter Marcuse (1986) warned against such limited analysis that would underestimate the total number of displaced households when scholars ignore what he refers to as "chains" or cycles of displacement. These findings indicate a need to pay specific attention to the timing of public and private investments and disinvestments and the impact they have on communities over longer periods of time.

4. The false dichotomy of voluntary and involuntary displacement

Another key feature of contemporary studies of displacement and neighborhood mobility is the categorization of household moves as voluntary or involuntary. To many scholars (Freeman 2005; Ellen and O'Regan 2011), only involuntary moves can qualify as displacement (e.g., evictions). Furthermore, the voluntary nature of people's moves frequently enters into political debates about neighborhood change. In the Bay Area, scholars, activists, planners and many others debate these issues around the loss of low income and African American households from San Francisco and the simultaneous rise in the eastern cities in Contra Costa County like Antioch and Pittsburg, CA (Schafran and Wegmann 2012). Despite the obvious links and accounts of families moving east, many have argued that such moves are likely voluntary, resulting from a family's desires to move to the suburbs.

These issues have frequently emerged in our cases, especially when analyzing the loss of African American households. Our CBO partners, from diverse communities such as the public housing and entry homes of Marin City to the working class suburb of East Palo Alto, to the flatlands of Oakland, describe the loss of housing due to foreclosure or the simple inability to find nearby housing when normal life events lead to a move (e.g., having children). Communities in the South Bay, for instance, have shown that there is virtually no affordable housing in their communities, forcing residents to far out suburbs or to leave the Bay Area entirely. Despite what seems like a voluntary move perhaps because of childbirth or a desire for home ownership, many would argue that such decisions to leave their communities are anything but voluntary. Again, we can hear the chiding from the early framers of displacement Eunice and George Grier (1978) who, despite using the term "forced" displacement, were careful not to equate it with involuntary. In fact, they conclude that:

"For most residents to move under such conditions is about as 'voluntary' as is swerving one's car to avoid an accident. By the time the landlord issues notices of eviction, or the code inspector posts the structure as uninhabitable, few occupants may be left. Therefore we cannot define displacement simply in terms of legal or administrative actions – or even draw a clear-cut line between 'voluntary' and 'involuntary' movement." (p.3)

Similarly, in another early study of displacement, Newman and Owen (1982) argue that “low-income households who experience extremely large rent increases may technically ‘choose’ to move, but the likelihood that they had any real alternative is very small” (p.137). Perhaps above all, a household’s motivation for moving is rarely known, making it particularly difficult to analyze. Although the National Housing Survey asking people’s reasons for moving, the motivation is rarely known and can in fact be masked. For instance, in the case of the Mission we learned about the proliferation of tenant buy-outs that may seem voluntary on the books as tenants may be “choosing” to accept cash to move. However, the amount of actual choice in such decisions is up for debate. Furthermore, documenting the scale of this phenomenon is unknown. Although San Francisco has recently begun requiring landlords to register buyout negotiations with the City, experts believe what has been registered thus far to be significantly lower than actual buyouts. Furthermore, argues Sara Shortt of the Housing Rights Committee, “Too often tenants don’t see [buyouts] as a choice or even a negotiated process” (Sabatini 2015).

From these cases we learned that although the distinction between voluntary and involuntary moves is conceptually sound, it is nearly impossible to analyze quantitatively and at scale. Some scholars have therefore eliminated the dichotomization of voluntary and involuntary displacement from their studies, either due to data limitations (McKinnish et al. 2010) or ideological disagreement (Atkinson et al. 2011), and have characterized displacement as the loss of any vulnerable populations including low income households, renters, and people of color among others. We employ a similar approach in the case studies presented in this report.

5. The value of the regional lens on housing markets and neighborhood change

From our complementary regional analysis of gentrification and displacement (Zuk 2015), we found that over half of Bay Area tracts are neither currently experiencing displacement nor are they at any significant risk of doing so in the near future. Yet, the prevailing narrative in strong market regions is that large swaths of their center cities are “at risk” for gentrification. Is it only a matter of time before the others “switch on”? Or is the dominant narrative being driven by extreme cases (e.g., the Mission)?

Although our regional analysis attempts to identify characteristics that had in previous years led to gentrification and displacement, for instance, proximity to a transit stations and jobs, rising housing prices and pre-war housing stock, among other factors, this kind of analysis will inevitably fail to capture the range of factors and events that can set the stage for gentrification and displacement in future decades. For instance, in the Concord case, as well as in many other neighborhoods across the country, planning and revitalization efforts have unfurled processes of housing speculation. But it may take years or decades for the switch to turn “on.” Likewise, the rent gap is frequently a precursor of gentrification (Smith 1987). But homeowners and landlords do not respond overnight to the gap; their inclination to realize the gain will depend on their use value for the housing unit, among other factors.

The larger economic and regulatory environment is also a factor. For example, in San Francisco, the changing regional economy (from manufacturing to high-tech) combined with a loop-hole in the zoning code allowed light industrial buildings to be converted to “live-work” units without having to change zoning classifications, allowing conversions to proceed at a much faster clip, and accelerating gentrification.

Another underappreciated factor in neighborhood change is the issue of demographic succession. The aging of a generation, or the dying out of the first generation of an immigrant group, may set the stage for neighborhood transformation. But whether the generation chooses to remain in the neighborhood depends on a variety of factors not captured in secondary data, such as group affinity. These issues have emerged consistently in our cases, especially in places like Marin City and East Palo Alto, where community groups struggle to understand why the children of civil rights activists sell their parents homes. Finally, analysis at the tract level may be deceptive, since changes are often occurring at the micro-scale. For instance, some of the stable or at risk tracts we identify in our regional analysis may have had housing price appreciation on certain blocks and decline on others, what Wyly and Hammel (1999) memorably call “islands of decay in seas of renewal.” We found as much in our ground-truthing exercise, where adjacent blocks often appeared to be at very different levels of investment.

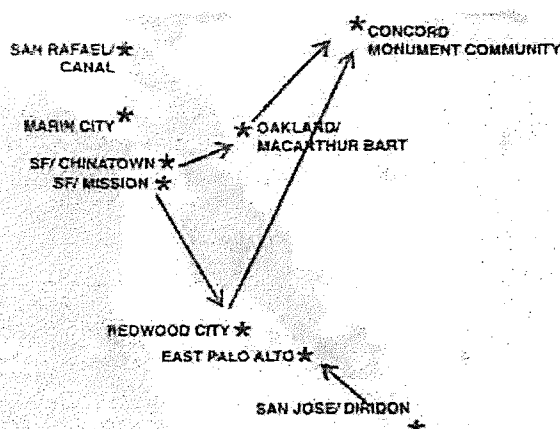


Figure 1.1: From neighborhood to regional trajectories of displacement

Using the regional lens on neighborhood change, rather than simply focusing on strong markets, allows us to understand the variety of types. Gentrifying tracts are likely just the tip of the iceberg, and our current methods of secondary data collection and analysis may not be up to the task of describing the rest of the iceberg.

Finally, intra-regional mobility means that no community's housing or jobs market is acting in isolation. As described above, developers in Concord are reacting to changes in the San Francisco housing market and the Silicon Valley jobs market when they make long-term plans for redevelopment. The renters evicted or excluded from San Francisco put new pressures on communities like East Palo Alto, where families are doubling up. As housing conditions worsen on the periphery, the prospects of realizing profit from the rent gap improve. Thus the regional process of displacement makes it clear that reinvestment in one place works hand in hand with disinvestment in another. The regional lens helps us understand displacement as a dynamic and long-term process, rather than a singular event.

6. What mitigates the negative impacts of gentrification?

When looking across the nine case studies, we can begin to understand the variable scale of the displacement process and investigate what may be attenuating it in some places in comparison to others. Using the place categories presented above we roughly group our nine neighborhood case studies into 3 groups: 1) places that have been undergoing pressures of

gentrification and displacement for many years and have potentially limited the magnitude due to years of strong community organizing, tenant protections and/or zoning restrictions (e.g., Chinatown and Mission); 2) places that are undergoing active redevelopment and/or speculation (e.g., Diridon, Redwood City, Macarthur, and Monument); and 3) places that have anticipated gentrification and displacement for a while due to their close proximity (and even enclosure by) affluent neighborhoods, but may not yet be experiencing it because of weaker housing markets or a large supply of public housing (e.g., East Palo Alto, the Canal and Marin City).

In general, we identify the following 5 factors as potentially attenuating the scale of displacement: 1) weak housing markets, 2) large and stable subsidized housing stock, 3) strong community organizing, 4) tenant protections, and 5) restrictive zoning.

Slower/weaker markets

A number of the cases we analyzed that may be characterized as being at very early stages of gentrification, showed little to no signs of such when looking at the numbers. Yet, when we spoke to stakeholders, we heard about their anxiety about housing pressures from surrounding affluent communities and some evidence of budding speculation. Especially when considering the time frame of our analysis, which encompasses the Great Recession, these are places that were struck by the foreclosure crisis, are slower to recover, and in general have weaker housing markets. From 2000 to 2013, for instance, the Canal neighborhood of San Rafael, where residential sales values actually declined by 30%, lost only 17% of its market rate housing units that were affordable to low income households, although it started off with very few. In contrast, the Macarthur Station Area of Oakland, which saw a 70% increase in sales values during the same time period, lost nearly 70% of its market rate affordable housing stock, or nearly 500 units. These differences may be due to the quality of the housing stock, proximity to undesirable land uses, or perhaps the overwhelming housing demand from low-income immigrants that flood the market and double up in homes. Nevertheless, the proximity to more affluent neighborhoods as well as jobs and other amenities heighten the risk in these communities leading to ongoing community anxiety over the prospects of gentrification and displacement.

Large and stable subsidized housing stock

Certainly the prevalence of income-restricted housing in a neighborhood guarantees the stability of low income populations, at least for the duration of the deed. This guarantee has been especially important for stabilizing the large proportion of low income households in Marin City, and even the number of households in the Mission which would have declined even more precipitously if it weren't for the doubling of the subsidized housing stock from 2000 to 2014 (excluding units that used only local sources of funding). Neighborhoods with few subsidized housing units (e.g., Macarthur Bart where only 7% of the housing stock is subsidized), saw a steeper decline in the number of low income households from 2000 to 2013, when it lost 523 low income households.

Tenant protections

Often the neighborhoods that have strong tenant protections (e.g., strong rent control and just cause evictions ordinances) are the same ones that are experiencing the largest gentrification and displacement pressures (e.g., the Mission). Tenant protections often arise out of community activism to dampen housing pressures in strong market communities. These pressures can often mask the benefits of strong tenant protections, yet the displacement effects would have likely been magnitudes larger without such protections.

Strong community organizing

No case with strong neighborhood protections existed in the absence of strong community organizing. In the case of East Palo Alto, the city was established by housing and social justice advocates that sought to ensure the stability of their communities in the long term. Similarly, Chinatown and the Mission have a long history of community organizing, which has led to both the production of subsidized units as well as other protections. The places that lacked such policies were also places where community organizations were notably absent (e.g., Redwood City and Concord).

Planning strategies

Finally, zoning and other planning strategies appear to have been the saving grace for neighborhoods like San Francisco's Chinatown. Certain height and use restrictions have made it virtually impossible to tear down existing single room occupancy and other low in-

come units. Similarly, residential uses have been protected by limiting office conversions and buildings. The effects are clearly evident when comparing the loss of low income households in Chinatown Core and neighboring Polk Gulch. Whereas Polk Gulch lost 571 (14%) low income households between 2000 and 2013, Chinatown Core lost only 80 households (5%). In other places, such as the Mission, planning responses are being sought to correct previous actions that had negative consequences, such as the live-work ordinance.

7. How does public investment, particularly transit investment, shape gentrification and displacement?

Public investment, from infrastructure investment like bike lanes and landscaping, to fixed rail transit systems, can accelerate processes of displacement. As investment is planned, the very anticipation of change can lead to either disinvestment or investment, both of which can result in displacement. The implementation of the improvement is associated with property price increases (as shown by the hedonic price literature).

This study measured transit investment through proxies such as location relative to a rail transit station and use of transit in the commute to work. Lack of fine-grained data on the location and timing of other public infrastructure improvements made it impossible for this study to evaluate the effect of investment more broadly. However, we found a significant positive relationship between transit investment, gentrification, and displacement, although sometimes the time lag between rail investment and gentrification has been significant (e.g., Diridon, Macarthur, Mission, etc.). The planning and implementation of transit improvements also shapes displacement in less tangible ways. As investment is planned – yet not funded in current budgets – a climate of uncertainty takes hold. Anticipating future changes, such as the arrival of the SMART train in San Rafael, residents may feel they have to move – yet, as noted above, this may not be a real choice.

In practice, there is a general expectation that public intervention, whether in the form of investment or policy changes like rezoning, will trigger a positive process of neighborhood transformation, often leading to gentrification and subsequent displacement. On average, redevelopment projects or highway improvements or new transit stations do generate increases

in local property values. But individual responses may vary. In our Bay Area cases, improved transit access in the form of BART meant one thing in the Mission, but another in Concord. Rezoning of the San Francisco downtown has put tremendous pressure on rents in Greater Chinatown, but rezoning of Uptown Oakland is not what is transforming Temescal.

Finally, the existence of transit investment creates the possibility of mitigating displacement. As improvements are planned, it is possible to create more subsidized housing and change local zoning to protect existing affordability. Awareness of the upcoming improvements can also help to spur community organizing.

Concluding Thoughts

The San Francisco Bay Area is undergoing rapid socio-spatial transformations that provide rich material for better understanding and modeling gentrification and displacement. In this report we show the invaluable insights that community-engaged research can provide and specifically highlight the need to more accurately define gentrification and displacement as a long term regional process that involves both investment and disinvestment.

The San Francisco region experiences demand for its housing from around the world, not just from immigrants but also investors seeking to profit from the market's strength. Yet, these nine case studies illustrate the diversity of sub-regional housing markets, with lessons applicable to metropolitan areas around the U.S. The islands of affordability such as East Palo Alto and Marin City behave essentially as weak housing markets, characterized more by poor housing conditions than high rents. But housing dynamics in these neighborhoods unfold in relation to the ongoing competition for housing in the Bay Area's inner core. This study thus underscores the importance of using the region as the unit of analysis when examining gentrification and displacement.

Case Study Methods

This research builds on the methodologies utilized in past studies of neighborhood change, gentrification and displacement (Ellen and O'Regan 2011; Freeman and Braconi 2004; Newman and Wyly 2006; McKin-nish, et al. 2010) by adding a layer of data validation and analysis through community-engaged participatory research.

Given the fact that community groups are often at odds with the results of academic, quantitative research on gentrification, these case studies sought to bridge the chasm through the validation and enrichment of our data analysis through community-engaged research. The community-engaged and ground-truthing components of this research were accomplished through two main venues: case studies and the validation of parcel and census data through field observations.

To select case study neighborhoods that were both geographically representative of the region and capture the myriad housing pressures felt by low income communities, a screening analysis was done to identify Census tracts that had recently undergone neighborhood change and would be classified as having undergone gentrification from 2000 to 2010 using the definition of gentrification put forth by Freeman (2005), modified slightly for the Bay Area:

- Housing price appreciation above the regional median
- Increase in educational attainment above the regional median
- Household income at or below the 40th percentile of regional household income (roughly 80% of median income, a standard definition of low-income) in the starting year (as the process begins).

Given the wide variability between counties in the Bay Area, with extreme wealth in the south bay counties (San Mateo, Santa Clara) and poverty in some north and east bay counties (Solano, Sonoma, Alameda) we chose to compare each tract to its respective county average, to reflect regional variability and change.

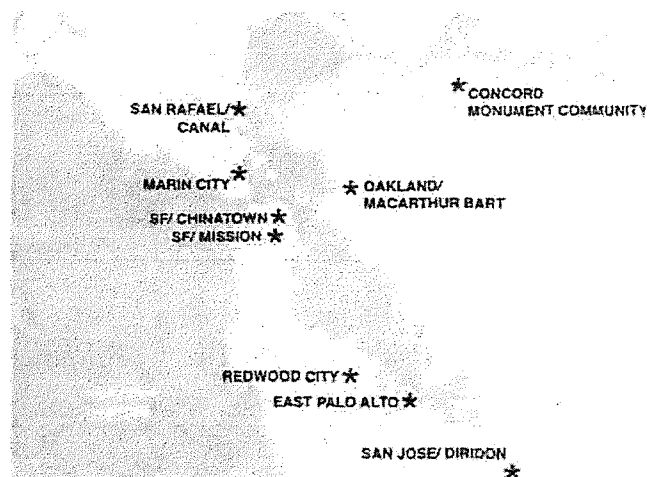


Figure 2.1: Case Study Communities

Additional preference was given to communities that were proximate to rail transit and were designated as Priority Development Area during the last regional planning process. A panel of regional stakeholders that were participating in the region's HUD Sustainable Communities Initiative analyzed the results and selected a final set of 9 neighborhoods around the Bay Area (Figure 2.1).

We used mixed methods to study demographic and housing changes in case study neighborhoods. We first analyzed indicators from the US Census and American Community Survey that are associated with processes of gentrification and residential displacement, and/or thought to influence susceptibility to such processes (Chapple 2009) from 1980 to 2010. Because of the changes in Census tract boundaries between decades, we used the Geolytics Neighborhood Change Database, which normalized historic Census data to 2010 Census Tracts, allowing for standardized comparisons across decades (Geolytics 2014). Data regarding real estate sales trends were obtained through Dataquick, Inc. In addition, qualitative data from stakeholder interviews and archival research were collected to provide richer neighborhood descriptions and a more in-depth understanding of how and why neighborhoods change.

Community Engagement

To engage community-based organizations (CBOs) in the case studies, request for proposals were released and 7 CBOs were selected to participate in the research, which was funded by the Regional Prosperity Plan of the Metropolitan Transportation Commission.

CBOs were engaged in three stages of the analysis: scoping, research validation/feedback, and ground-truthing of secondary datasets. Researchers met with CBO partners to scope the case studies by jointly selecting the neighborhood boundaries (based on Census tracts), discussing the most important indicators for each community, and identifying potential stakeholders to interview and important documents to review. Simultaneous to our research, CBO partners prepared narratives on how they perceived their neighborhood changed. Following preliminary analysis, two workshops were held in which the researchers presented preliminary analyses and CBOs presented their narratives. Rich discussion and feedback ensued. A second set of CBO analysis and feedback occurred after preliminary drafts of the cases were prepared.

Ground-truthing

In order to ground-truth the secondary datasets (Census and real estate data), a visual analysis tool was developed adapting similar methodologies used to observe gentrification and neighborhood change in Chicago (Hwang and Sampson 2014; see appendix for the observation tool developed for this study). We conducted an initial screening analysis of block-level Census and Assessor data to identify blocks that have recently undergone change in each case study area. Criteria used to select blocks included higher than average percentage change in tenure (from owner-occupancy to renter-occupancy or vice versa), percentage of white residents, and percentage of parcels sold since 2012. Upon initial screening, CBO partners were engaged to select the most important blocks to analyze from the screened list.

Researchers and community partners visited the selected blocks and recorded a set of indicators for each parcel on the block. These indicators include the primary land use, building type (multi-family, single-family, business, etc.), the number of units it appears to

Table 2.1: CBO Partner Organizations

Case Study Neighborhood	CBO Partner Organization
Chinatown, San Francisco	Chinatown Community Development Center
The Mission, San Francisco	People Organizing to Demand Environmental & Economic Rights (PODER)
Diridon Station Area, San Jose	Working Partnerships USA
Macarthur Bart Station Area, Oakland	Causa Justa :: Just Cause
The Monument Corridor, Concord	Monument Impact
Redwood City	San Francisco Organizing Project / Peninsula Interfaith Action
The Canal, San Rafael	Marin Grassroots
East Palo Alto	San Francisco Organizing Project / Peninsula Interfaith Action
Marin City	Marin Grassroots

Table 2.2: Selected Census Tracts

Case Study Neighborhood	Census Tracts Included in the Study
Chinatown, San Francisco	Chinatown Core: 113, 118 Polk Gulch: 109, 110, and 111 Chinatown North: 106, 107 and 108
The Mission, San Francisco	177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02
Diridon Station Area, San Jose	5003, 5008 and 5019
Macarthur Bart Station Area, Oakland	Temescal: 4011 Temescal-Broadway: 4012 Longfellow: 4010 Hoover-Foster: 4014 Koreatown-Northgate: 4013
The Monument Corridor, Concord	3361.01, 3361.02, 3362.01, 3362.02, and 3280
Redwood City	6100, 6101, 6102.1, 6102.2, 6102.3, 6105, 6107, and 6109
The Canal, San Rafael	1122.01 and 1122.02
East Palo Alto	6118, 6119, 6120, and 6121
Marin City	1290

hold, and indicators of recent investment such as permanent blinds and updated paint. Researchers also looked for signs of concern over safety, such as security alarm signage or barred windows, as well as signs of disinvestment, such as litter or debris, boarded windows, or peeling paint.

Finally, data collected from the observation tool was compared to Tax Assessor and Census data. The results of the ground-truthing exercise for each case study is included in the Appendix. Additionally, observations from community members encountered during the ground-truthing and CBO partners further enriched the analysis and validating of data and case study conclusions.

Final Review

Upon incorporating the results from the various stages of analysis, the final case study report was submitted to CBO partners. Researchers collected and incorporated feedback on the general tone of the report as well as specific points.

chinatown

Chapter 3: Community Organizing amidst Change in SF's Chinatown



Community Organizing amidst Change in SF's Chinatown

Case Study on Gentrification and Displacement Pressures in Greater Chinatown of San Francisco, CA

Introduction

As one of the oldest ethnic enclaves in the US, San Francisco's Chinatown has been a major immigrant gateway as well as a cultural, economic and residential hub for the Bay Area's Chinese American and Asian American communities for over 150 years. Since establishment in 1848, it has experienced constant transformation as nexus of complex transnational sociopolitical forces—from immigration laws and trends to global movements of capital—that have evolved alongside Chinese American identity in the San Francisco Bay Area (Tan 2008; Li 2011).

Chinatown's current location (Figure 3.1) was established after the original neighborhood was destroyed in the 1906 earthquake and fire that razed over 80 percent of San Francisco. To this day, the official Chinatown neighborhood remains a relatively small land area of approximately 30 city blocks. With the rapid growth of the Chinese American population beginning in the 1960s, neighborhoods adjacent to the core area became home to many Chinese American families, and businesses and institutions serving the Chinese American community likewise began establishing themselves beyond the boundaries of Chinatown.

With this expansion, Chinatown has deeply influenced the evolution of these neighboring areas, which include portions of the historically affluent neighborhoods of Russian Hill, Nob Hill and Polk Gulch, as well as tourist hotspots like North Beach, which is known as San Francisco's Little Italy. For the purposes of this case study, we use the term "Polk Gulch" to refer to the western portion of Greater Chinatown, which includes sections of Nob Hill and Russian Hill between Van Ness Avenue and Leavenworth Street. We also use the term "Chinatown North" to refer to the areas

³ Greater Chinatown is a term that we use specifically to refer to the case study area. It should be noted that this is term is not colloquial. Though neighborhood boundaries and names are varied and contested, San Francisco residents generally use neighborhood names of Nob Hill, Polk Gulch and North Beach to refer to the geographies that we include in the term Greater Chinatown.

directly North and Northwest of the official Chinatown boundaries, including portions of North Beach and Polk Gulch. The area officially

recognized as Chinatown is referred to as "Chinatown Core" in this case study. Though each of these areas has maintained their own distinct character and identity, each of their individual neighborhood changes have been deeply informed by development and market pressures in the others. As we analyze this intricate relationship between the Chinatown core and peripheral communities throughout this case study, we examine this entire geography as "Greater Chinatown."³

Historically, tensions between Greater Chinatown's core and periphery have manifested through competing demands on the City's limited housing stock – in particular, the vast need for affordable housing for low-income residents in Chinatown and the ever-increasing desirability of San Francisco real estate. The following case study explores the roots and impacts of this dynamic, seeking to elucidate possible implications for future neighborhood change and residential displacement throughout the different communities within Greater Chinatown.

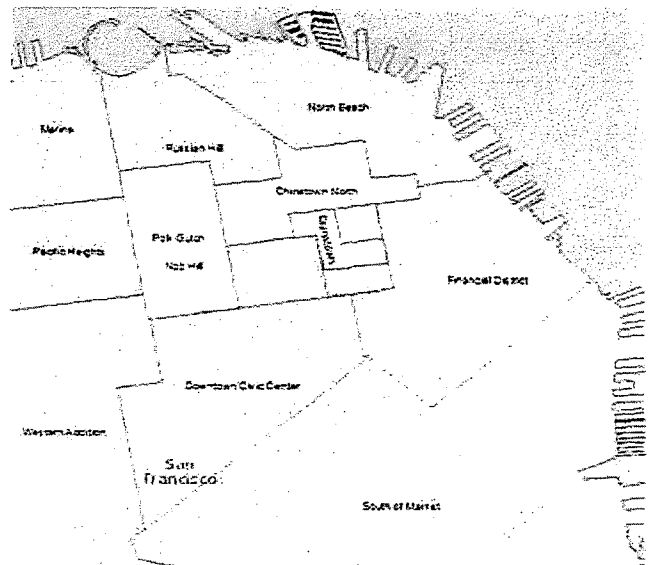


Figure 3.1: Greater Chinatown Boundaries

Overview and Historical Context

Since the 1960s, Greater Chinatown's population has included a large percentage of foreign-born, low-income Chinese American and Asian American families. Elderly residents have also consistently made up a significant share of the population; between 2009 and 2013, approximately 17 percent of Greater Chinatown's residents were age 65 and over (US Census Bureau).⁴ While the Asian population's overall number has decreased over time, its influence remains present to varying degrees within all three neighborhoods. In 2009-2013, 55 percent of households within Greater Chinatown were Asian (Geolytics 2014).

Greater Chinatown is situated at the center of San Francisco's booming real estate market, with close proximity to the Financial District, Downtown, and affluent neighborhoods such as Russian Hill. Due to its prime location, it has consistently endured pressures of development and speculation that have transformed surrounding areas and much of San Francisco. Differing land use regulations between Chinatown Core and the rest of Greater Chinatown have led to varied patterns of neighborhood change throughout the area. While the Chinatown Core community has largely resisted displacement and gentrification, increasing market pressure and ongoing neighborhood improvements, such as the construction of the Chinatown Central Subway Station that is scheduled to open in 2016, may profoundly impact the area's affordability and further shift its demographics.

Chinatown's History

The area's built form is rooted in the early history of discriminatory policies directed at Chinese immigrants in the late 1800s, including the 1882 Federal Chinese Exclusion Act, which prohibited further migration of individuals from China until it was repealed in 1943 (Yip 1985). With this institutionalized halt in migration for nearly an entire century, Chinatown's built environment did not evolve from the influence of its earliest cohort of settlers, who were predominantly male contract laborers from Chinese provinces near Pearl River Delta. These men arrived in California in search of

⁴ This percentage of residents age 65 and over is a bit higher than in San Francisco as a whole, where 14.2 percent of residents were age 65 and over between 2009 and 2013 (US Census Bureau).

wealth during the Gold Rush and later also took on jobs in the railroad industry (Yip 1985). Few arrived with the intention of permanent settlement; rather, San Francisco, "was merely the point of arrival" (Yip 1985). Instead of a residential community, Chinatown initially functioned as a "provision station" for Chinese workers (Li 2011).

Within this context, much of Chinatown's housing was built as single room occupancy (SRO) residential hotels or small rooms in commercial structures or community spaces. Chinese immigrants, who were barred from property ownership, were subjected to discriminatory housing practices by absentee landlords seeking to maximize profits. Housing was thus poorly maintained and often overcrowded (Yip 1985).

After the US Civil War, anti-Chinese sentiment driven in part by labor disputes led to thousands of Chinese immigrants relocating to Chinatown for protection from racialized violence, which resulted in the neighborhood transforming into a permanent residential community (Li 2011). The Chinese community's spatial segregation and social isolation contributed to the development of "an impenetrable social, political, and economic wall" between Chinatown and the rest of San Francisco (Wang 2007). While the neighborhood's insularity allowed for the formation of strong social networks and a self-sufficient system of community institutions, small businesses and cultural activity (Yip 1985), it also reinforced a language barrier that still presents a challenge for socio-economic integration and contributes to persistently high poverty and unemployment rates (Wang 2007).

When Chinatown was rebuilt after the 1906 earthquake, Chinese immigrants were able to lease land from white landowners, who dictated the parameters of building design and construction (Asian Neighborhood Design 2008). With the goal of attracting tourists and outsiders, new Chinatown buildings were deliberately designed by white architects using elements intended to signify the community's heritage, with the hope that Chinatown would generate increased revenue for the City through commercial activity (Li 2011). During this period, much of the housing was reconstructed as SROs, which were considered economically efficient

In the 1960s, the liberalization of US immigration policy led to a population boom and subsequent shortage of affordable housing. Chinatown quickly became one of the densest neighborhoods in the country, with an overwhelming majority low-income renter population.

SROs and other small residential units were often overcrowded, in poor condition, and yet still expensive for very low-income residents (Tan 2008).

The influence of Chinatown Core on portions of North Beach (Chinatown North), Nob Hill, and Russian Hill (Polk Gulch) manifested between 1970 and 1990, when the Chinese American populations, mostly made up of families with US-born children, in these areas grew as previous immigrant communities moved out (Fujioka 2014). The incremental dispersal of the Chinese community during this period was informed by social changes brought about through the Civil Rights Movement, which facilitated challenges to norms of racial segregation (Li 2011). By 1990, the large proportions of Asian households in Chinatown North and Polk Gulch—73 and 49 percent, respectively—signified the establishment of the areas' connection to the Core Chinatown community.

Today, Greater Chinatown is still primarily renter-occupied, though the share of owner-occupied housing units has grown in recent years. With an estimated residential density of 85,000 people per square mile in the Chinatown Core (Tan 2008), overcrowding and housing affordability remain pressing issues for the community. Although most of Greater Chinatown has maintained its relative affordability in relation to the rest of San Francisco, the dramatic rise in real estate values and the cost of living in surrounding neighborhoods has driven increasing “rent gaps,” or disparities between what existing residents pay and the amount landlords could charge in the current market (Smith 1979). This has spurred a resurgence of concern over possible residential displacement. This case study seeks to address these concerns by deconstructing the unique forces that have allowed the neighborhood to remain affordable and analyzing the implications that these factors may have for potential displacement and gentrification.

The Changing Chinatown Community

Chinatown residents make up approximately 4 percent of the San Francisco population. Though its density remains incredibly high, Chinatown's population decreased slightly since 1980, in contrast to a 21 percent increase in the overall San Francisco population (Table 3.1). This can be explained by the growing den-

sification of other San Francisco neighborhoods, while by the 1990s, parts of Greater Chinatown were largely built out, with high rates of overcrowding.

However, as shown in Table 3.2, the population decline was not distributed evenly throughout Greater Chinatown. While Chinatown North experienced a population decline of 8 percent, Polk Gulch and Chinatown Core's populations increased by 4 and 12 percent, respectively, between 1980 and 2009-2013.

This discrepancy exemplifies a broader difference in degrees and types of neighborhood change between Chinatown North, Polk Gulch and the Chinatown Core, which will be explored further throughout this case study.

Greater Chinatown's general population decline coincides with a drop in its average household size between 1980 and 2009-2013, which fell across all three neighborhood areas, as shown in Table 3.3. In contrast, San Francisco's average household size increased nominally.

Table 3.1: Total Population in Greater Chinatown and San Francisco, 1980-2013

Year	Chinatown	San Francisco
1980	34,607	677,678
1990	35,938	723,959
2000	34,891	776,733
2009-2013	34,557	817,501
% Change, 1980 to 2009-2013	-0.1%	21%

Source: US Census 1980, 1990, 2000. (Geolytics, 2014). 2009-2013 American Community Survey 5-Year Estimates.

Table 3.2: Population Change in Chinatown by Area, 1980 to 2009-2013

Area	1980	2009-2013	% Change, 1980 to 2009-2013
Chinatown Core	4,464	5,012	12%
Chinatown North	15,315	14,067	-8%
Polk Gulch	14,830	15,478	4%
Greater Chinatown	35,938	33,018	-4%

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

Table 3.3: Average Household Size in Greater Chinatown and San Francisco, 1980 to 2009-2013

Year	Chinatown	San Francisco
1980	2.22	2.27
1990	2.30	2.37
2000	1.97	2.36
2009-2013	2.03	2.31
% Change, 1980 to 2009-2013	-9%	1.8%

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

This trend also correlates with the slight growth in the share of non-family households in Greater Chinatown. Between 2009 and 2013, 61 percent of the neighborhood's 17,457 households were non-family households, up from 59 percent in 1980.

Greater Chinatown also saw a drop in the share of overcrowded households between 2000 and 2009-2013, as shown in Figure 3.3. Despite this decrease, its rate of overcrowding in 2009-2013—defined as more than one person per room—was still over twice that of San Francisco, which had 3 percent overcrowded and 3.3% extremely overcrowded units.

Combined declines in family households, average household size and overcrowding are often associated with the process of gentrification, and changes in Chinatown's racial/ethnic composition, further reinforce that possibility. Between 1990 and 2013, the share of Asian households in the neighborhood decreased by 11 percentage points, corresponding with a growth of 5 percentage points in the share of white households. The largest change, however, occurred between 1990 and 2000.

Though the concentration of Asian residents between Chinatown North, Polk Gulch and Chinatown Core varied greatly during the baseline year of 1980, all three areas reflected a broader trend of a declining share of Asian households in the following decades. By 2010, the share of Asian households dropped by 10 percent in both Chinatown North and Polk Gulch, alongside a 7 and 6 percent increase, respectively, in the share of the white households. Chinatown Core showed a much slower rate of decline in the share of Asian households; by 2010 it fell by only 5 percentage points to 83 percent. Figures 3.5 and 3.6 depict these varying rates of change in concentration of Asian households across Greater Chinatown's census tracts.

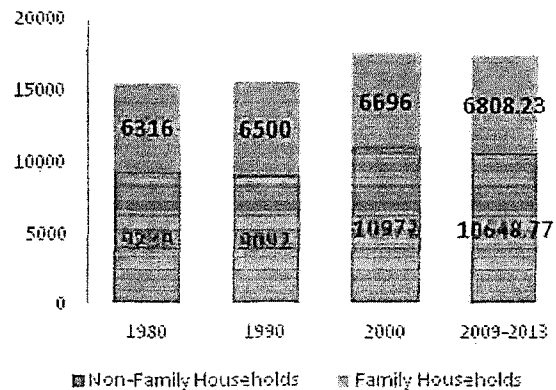


Figure 3.2: Households in Greater Chinatown, 1980 to 2009-2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

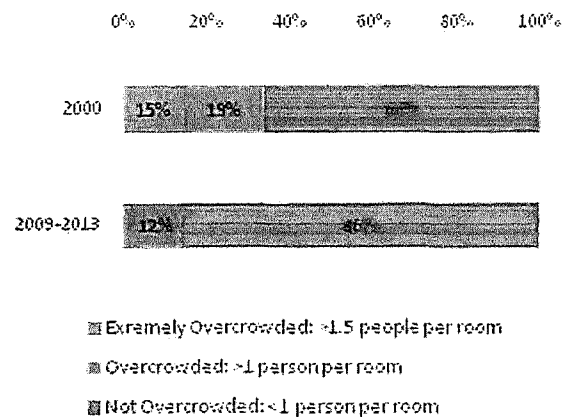


Figure 3.3: Overcrowded Households in Greater Chinatown, 1980 to 2009-2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

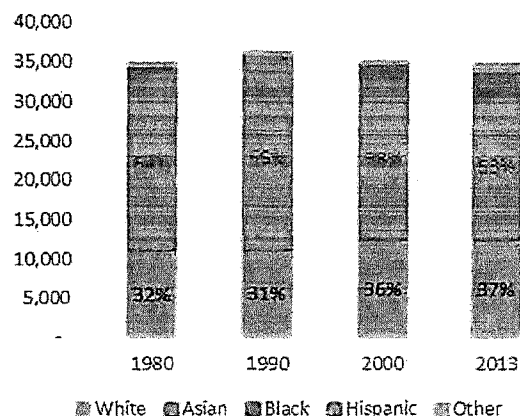


Figure 3.4: Racial/Ethnic Composition of Greater Chinatown Households, 1980-2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

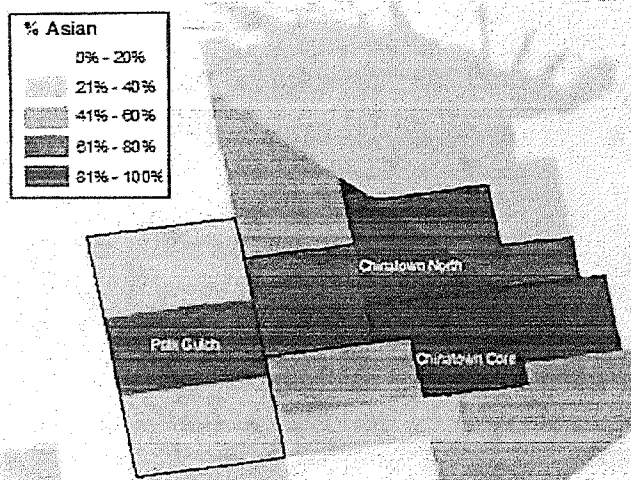


Figure 3.5: Asian Households as a Percentage of all Households in Greater Chinatown by Census Tract, 1980.

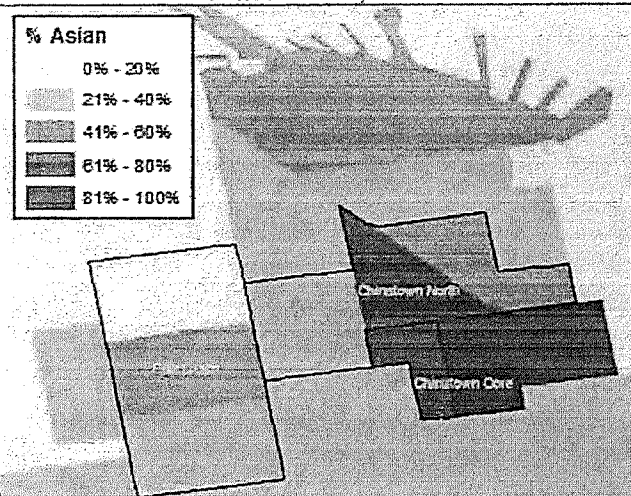


Figure 3.6: Asian Households as a Percentage of all Households in Greater Chinatown by Census Tract, 2010.

Source: US Census 1980, 2010 (Geolytics, 2014).

Educational attainment among Chinatown residents also increased as the share of white households increased, as shown in Figure 3.7

. By 2013, 48 percent of the population 25 and older had a college degree or higher. Polk Gulch is driving this figure; there, the same figure was 61 percent, compared to 21% in Chinatown Core.

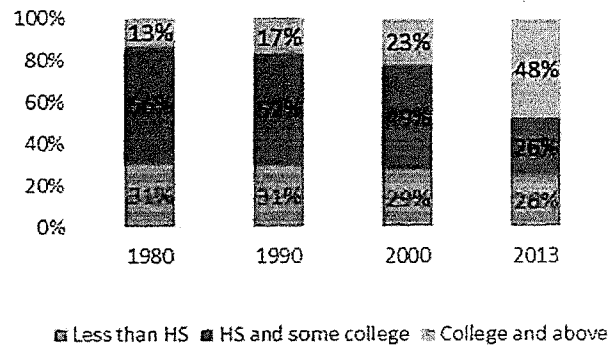


Figure 3.7: Educational Attainment in Greater Chinatown, 1980 to 2009-2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey 5-Year Estimates.

Since the increase in educational attainment was concurrent with significant shifts in the population's racial/ethnic composition, this increase may signify new residents moving in, rather than existing residents achieving higher levels of education.

Data also show another key difference among the areas regarding the change in proportion of foreign-born residents. Between 1980 and 2013, the percentage of foreign-born individuals decreased by over 10 percentage points in Chinatown North and Polk Gulch. Meanwhile, the same figure decreased by only 4 percentage points in Chinatown Core. This suggests that the Chinatown Core has served as the primary immigrant gateway in Chinatown as the other two areas have become less accessible to first generation immigrant households.

This shift is likely attributable to changes in rental prices, which have deviated significantly by area. Figure 3.8 shows that in contrast to other areas and San Francisco overall, median rent in the Chinatown Core has remained exceptionally stable since 1980. This is primarily due to the large number of subsidized and rent-controlled units in Chinatown Core. By 2013, median rent in Chinatown North and Polk Gulch had approximately doubled the median cost of rent in the Chinatown Core.

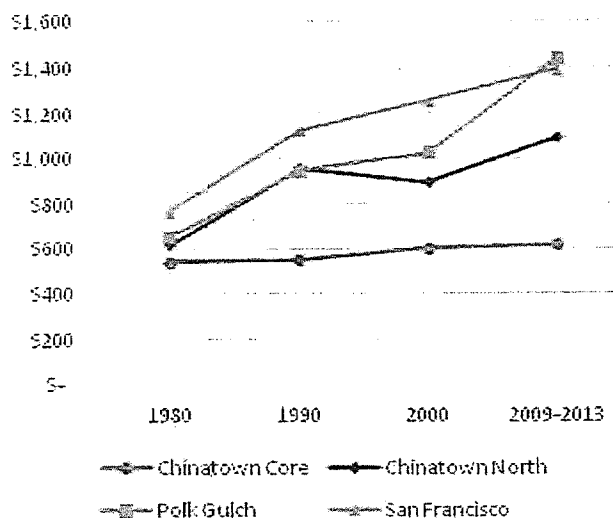


Figure 3.8: Median Rent in Chinatown and San Francisco (in 2010 dollars), 1980 to 2009-2013.

Source: US Census 1980, 1990, 2000 (Geolytics, 2014). American Community Survey 2009-2013.

An even closer look at the spatial differentiation in rental prices shows wide disparities within each of Chinatown's three areas at the tract level. The spread of Chinatown North's distribution is most notable; in 2013, Tract 107's median rent was only \$575, compared to \$1,455 in adjacent Tract 108.

Although Greater Chinatown's rental prices on average have maintained their affordability, data suggest that its community was deeply impacted by the recession, and as a result, the neighborhood has grown increasingly unaffordable for its residents. Between 2000 and 2009-2013, Greater Chinatown's median household income fell by 36 percent, and its poverty rate increased by 4 percentage points to 18 percent. Again, disaggregation by area shows that the recession's impact varied significantly by geography. As shown in Figure 3.9, Chinatown Core's poverty rate had more than doubled the rate of Polk Gulch's by 2009-2013.

Polk Gulch is the only area that saw an overall growth in median household income from 1980 to 2013.

Amidst increasing income stratification in Chinatown, low-income residents are very vulnerable to displacement. The extreme rise in percentages of rent- and mortgage-burdened households between 2000 and 2009-2013, as shown in Figure 3.11, serves as an indicator of this.

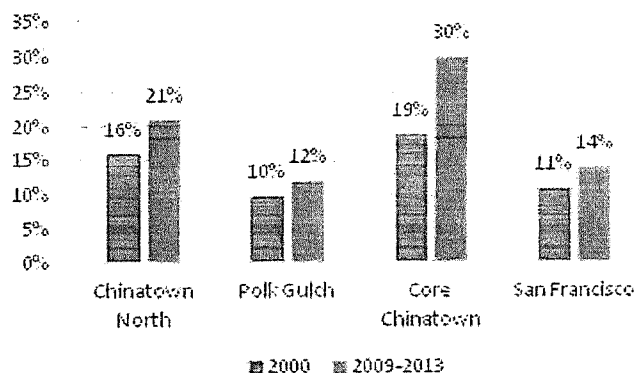


Figure 3.9: Poverty Rates in Greater Chinatown and San Francisco, 2000 to 2009-2013.

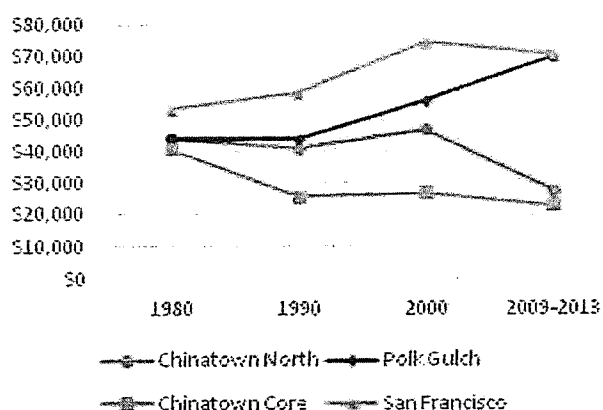


Figure 3.10: Median Household Income in Greater Chinatown and San Francisco (in 2010 dollars), 1980 to 2009-2013.⁵

Source: US Census 1980, 1990, 2000 (Geolytics, 2014). American Community Survey 2009-2013.

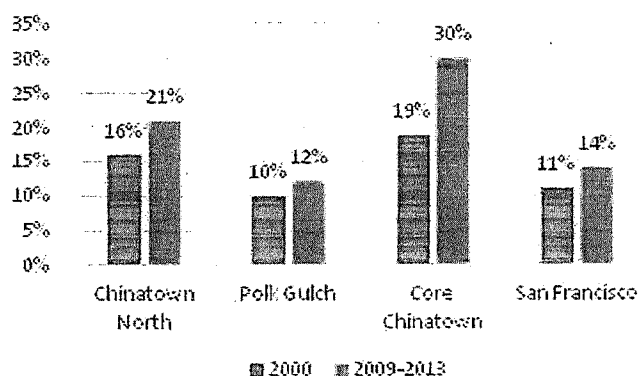


Figure 3.11: Rent- and Mortgage-Burdened Households in Greater Chinatown, 1980-2013.

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); 2009-2013 American Community Survey. Burdened means paying more than a third of income towards housing costs.

⁵ Data for 1980 is the average rent rather than the median rent.

Given the lower cost of housing in Chinatown than the City on average, displaced residents from Chinatown would likely struggle to find more affordable housing elsewhere in San Francisco and thus be forced out of the City as a whole.

The threat of displacement, which appears to have already impacted portions of Polk Gulch, seems to be rising in Chinatown North and inward toward Chinatown Core, which has largely resisted gentrification up to this point. If patterns of change in Polk Gulch and Chinatown North continue to diverge from those in Chinatown Core, the geography of what is considered Greater Chinatown may shrink as residents' connections to the Core community weaken.

Chinatown Housing Policy and Planning

In the face of external pressures of gentrification, a number of key policies and planning efforts have uniquely allowed Chinatown Core to maintain its historic character and accessibility to low-income San Franciscans. One of the most influential and comprehensive policy changes took place in 1986, with the adoption of the City Planning Department's official Chinatown Rezoning Plan as an amendment to the General Plan, which resulted in the designation of Chinatown as a mixed use area distinct from the downtown.

CCDC's predecessor, the Chinatown Resource Center, led this planning effort with the Chinese Chamber of Commerce and Asian Neighborhood Design. In the years prior, Chinatown Resource Center had worked tirelessly to stave off infringing developers, many of whom sought to purchase land for office uses (Chinn 2014). Between the mid-1970s to mid-1980s, approximately 1,700 residential units in Chinatown were converted to office use, and at the same time, an influx of capital from Asian firms drove up both commercial and residential rents (Li 2011). As these factors exacerbated the threat of displacement, the Chinatown Resource Center realized the unsustainability of this project-by-project approach and switched course toward advocating for structural changes to the neighborhood's land use policy in an attempt to slow development (Chinn 2014).

They organized residents behind a proposed set of zoning regulations that were originally conceived of as part of a Chinatown community planning process that took place over several years prior (Chinn 2014), during which the San Francisco Planning Department had proposed a new Downtown Plan and housing advocates across the city sought to limit the proliferation of office buildings to preserve affordable housing (Li 2011). With the growing threat of speculation and encroaching development from the downtown, residents, community-based organizations, and City officials all exhibited political will for policy change, agreeing that action must be taken to preserve Chinatown's character and culture for its existing residents (Chinn 2014). The proposal, which specifically addressed the core portion of Chinatown, sought to downzone the neighborhood by setting lower height limits that would curb the neighborhood's development potential. Previous zoning had set limits at much higher than the prevailing scale of most existing buildings. This was due to the fact that Chinatown had originally been zoned as "a creature of downtown," resulting in regulations that did not align with the neighborhood's distinct character (Chinn 2014). The community's proposal was broadly viewed as a necessary, sensible shift toward land use policy that was indigenous to Chinatown (Chinn 2014).

The 1986 Rezoning Plan's central aim was to protect what the Planning Department acknowledged was a "virtually irreplaceable" resource of affordable housing in Chinatown. The plan effectively prohibited demolition, allowing it only "if that is the only way to protect public safety or for a specific use in which there is a high degree of community need," and furthermore banned conversion of residential buildings into different uses (San Francisco Planning Department).

Chinatown's large stock of SROs was granted further protection by the 1980 citywide Residential Hotel Ordinance, which made it very difficult for developers to convert residential hotel rooms to commercial use by requiring replacement of lost affordable units and mandating that 80 percent of the replacement cost be paid by developers to the City for conversions or demolitions (Fribourg 2009).

With these requirements in place, approximately 50 percent of the Chinatown Core's housing stock has remained SRO hotels (Tan 2008), and an estimated 92 percent of units are protected by the 1979 San Francisco Rent Control Ordinance (San Francisco Department of Public Health).

Nearly 30 years later, the 1986 effort can thus be considered to have essentially achieved its policy objectives to “preserve the distinctive urban character of Chinatown” and “retain and reinforce Chinatown’s mutually supportive functions as a neighborhood, capital city and visitor attraction.” (San Francisco Planning Department) However, some would problematize the lack of new development in Chinatown Core amidst the City’s affordable housing shortage (Tan 2008). County Assessor data shows that since 1987, only 22 residential buildings have been constructed in Chinatown Core (Dataquick 2014). By comparison, 65 buildings in Chinatown North and 353 residential buildings in Polk Gulch have been built within the same time frame (Dataquick 2014). Construction of affordable housing in Chinatown Core has also been limited; the small stock of 342 subsidized and public units has not increased since 1990, despite increasing need (CHPC 2014). Thus, the neighborhood’s land use policy has given rise to other unresolved challenges of supplying sufficient housing in San Francisco.

With few new housing units built in Chinatown Core after 1986, the vast majority—75 percent, compared to 61 percent in San Francisco overall—were built before 1949 (pre-World War II). A combination of age and weak code enforcement has led to many buildings falling into disrepair (Chinn 2014). Consequently, two mutually reinforcing phenomena have emerged in Chinatown Core: a shortage of supply and a declining quality of housing as buildings have deteriorated (Chinn 2014). With low profit potential, particularly for rent-controlled units, and exceedingly high demand throughout the neighborhood, owners are disincentivized to rehabilitate their rental units (Chinn 2014). In some cases, they have opted to take units off of the market to avoid necessary maintenance costs, which has further contributed to the broader housing crisis that most severely impacts lowest income individuals (Tan 2008).

Further pressure was placed on the housing stock as developers often opted to build commercial rather than residential buildings. By 1992, an estimated 25 percent of land was used for commercial activities, which led to a lack of parking and open space, while 50 percent was used for residential purposes. Landscape architecture scholar Chuo Li notes that these proportions differed greatly from New York and Chicago’s Chinatowns, which had dedicated 70 percent of land to residential uses and 20 percent to commercial uses (Li 2011).

These constraints surrounding both redevelopment and rehabilitation have made Chinatown Core somewhat less desirable to residential real estate speculators (Chinn 2014). Since many buildings would likely require major rehabilitation and potentially demolition to allow for conversion into condos or tenancies in common (TICs), a conversion project would be a much more difficult and costly undertaking in Chinatown Core compared to other San Francisco neighborhoods that have been systematically impacted by such types of redevelopment. In some senses, then, Chinatown Core has avoided gentrification because other areas were—and continue to be—more susceptible to gentrification and/or lucrative for speculators seeking to flip residential properties (Chinn 2014).

Signs of Displacement

Despite Chinatown Core’s ability to resist gentrification in the past decades, the threat of displacement looms large for the share of residents facing unemployment, poverty and rent or mortgage burdens. Gen Fujioka, Public Policy Manager at CCDC, notes that even the modest increases in rents for SRO units have led to both economic and exclusionary displacement. Though occurrences of eviction have been rare, these other factors suggest a tenuous future for the Chinatown Core.

Trends in other areas of Greater Chinatown present a starkly different picture of change. Fujioka explains that the Chinatown North and Polk Gulch communities have experienced “reoccurring waves of evictions,” including Ellis Act and Owner-Move-In evictions, as well as “many more under-the-table evictions that are unrecorded” (Fujioka 2014). With a growing number of accounts from Chinese American residents of informal threats of buyout or eviction in these areas, anxiety over displacement runs high.

Without the force of the 1986 rezoning policy that applies only to Chinatown Core, the Chinatown North and Polk Gulch areas have not been immune to the proliferation of TIC or condo conversion. Tract level census data suggests that much of this activity is primarily occurring in Polk Gulch, where the share of owner-occupied units has gone from 9 to 16 percent between 1980 and 2013. According to an analysis of the San Francisco Department of Public Health of no-fault evictions during the period 2009-2012, approximately 34 no-fault evictions – which include evictions due to the Ellis Act, owner move-in and demolition—

have occurred in Polk Gulch, compared to 12 in Chinatown North and 1 on the border of Chinatown North and Chinatown Core (San Francisco Public Health Department 2014).

Census figures also show that this trend has generally corresponded with declines in the number of Asian households and increases in the number of white households. For example, in Tract 110 (in Polk Gulch), the number of Asian households decreased from 3,519 to 2,527 between 1980 and 2013—a decrease in share of total population of 22 percentage points. This corresponds with an increase in the share of white residents by 17 percentage points over the same time period (Geolytics 2014).

In addition to the pressure of evictions and conversions, changes to the culture and dynamic of the Chinese American community have contributed to the shifting demographic composition of Greater Chinatown. As the foreign-born population that moved to Polk Gulch and Chinatown North in the 1970s has aged and passed on, some second generation Chinese Americans are not returning in adulthood to the neighborhood to establish their own homes (Chinn 2014). It is unclear whether this is due to exclusionary displacement or simply shifting preferences and/or circumstances among the second generation. Many are deciding to sell their parents' properties, which have often appreciated enormously in value, and are thus regularly purchased for conversion into condominiums or TICs (Chinn 2014).

Resistance to Displacement

Multiple layers of transformation signify a changing social fabric throughout Greater Chinatown. Nevertheless, a profound sense of community identity persists among Asian American residents as well as a broader set of Asian American individuals who live outside the area yet remain deeply connected to Chinatown's culture, institutions, and spaces. The driving force behind this sense of cohesion is a high rate of civic engagement, which has continued to shape Greater Chinatown's built environment since the 1986 rezoning victory. (Fujioka 2014)

With affordable housing as an unceasing concern in Greater Chinatown as well as all of the Bay Area, the Chinatown Community Development Center and other community-based organizations have formed resilient organizing networks with citywide reach. They have also brought their resident base into the broader movement around the right to the city. Recent campaigns have taken on the uptick in owner-move-in evictions that singled out elderly residents as well as Ellis Act evictions. Informed by a commitment to community-based neighborhood planning from the ground up, CCDC, together with tenant groups such as the 1,000 member Community Tenants Association, have won new eviction protections for seniors and residents with disabilities.

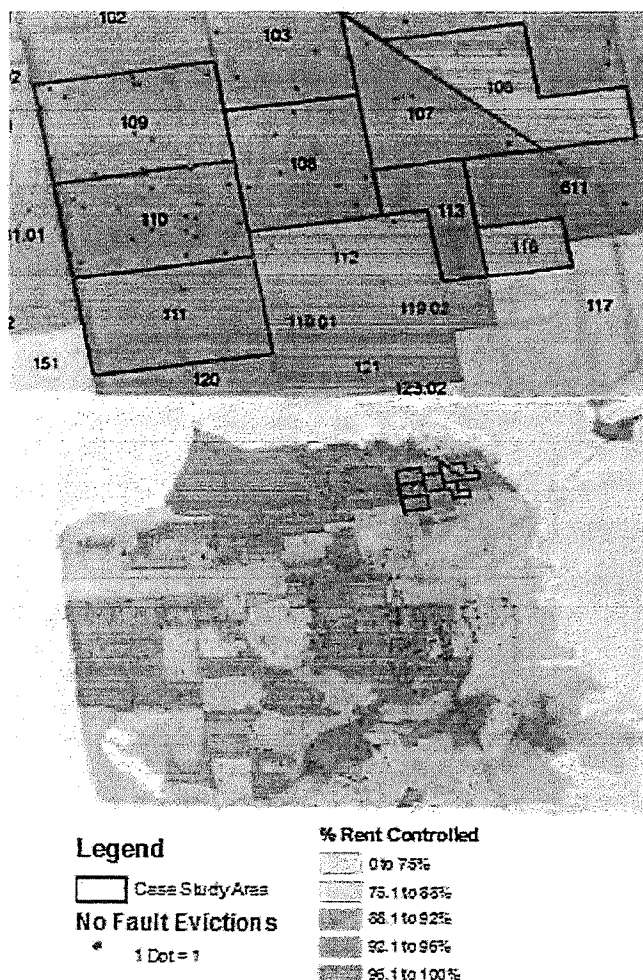


Figure 3.12: Instances of No-Fault Evictions and Percentage of Rent-Controlled Units in San Francisco by Census Tract (zoomed in to case study area).

Source: San Francisco Department of Public Health

In preserving community spaces and connections throughout Chinatown, strong political engagement has also preserved tight social networks among Chinese American residents. These social connections have also played a key role in the neighborhood's ability to resist gentrification. For example, with apartment vacancies often posted only within local Chinese language newspapers rather than more broadly utilized forums such as Craigslist, information on housing availability is not widely accessible to the public. Property sales also typically occur within existing social networks, resulting in many real estate ownership turnovers occurring within the Chinese American community. Within Chinatown Core, these dynamics have maintained the racial and ethnic composition in spite of many other neighborhood changes.

Conclusion

The unique history of land use politics and policy in Chinatown—from the earliest days of forced segregation through to recent years of housing rights activism—has given rise to a complex set of challenges as well as community assets to address them. New infrastructure initiatives, such as the Chinatown Central Subway Station construction project, alongside ongoing work by community based organizations, will have a major impact on the community's future.

Data and information from residents suggest that while housing in Chinatown Core has been preserved for low-income individuals, many of whom are foreign-born Asian Americans, all of Greater Chinatown faces significant pressure as rates of rent- or mortgage-burdened households have skyrocketed since 2000.

Different factors within each area have driven this pressure. In Chinatown Core, they include internal circumstances such as high rates of poverty and unemployment among residents. On the other hand, pressures in Chinatown North and Polk Gulch appear to be rooted in external market forces, which have caused significant increases in rental costs.

While part of the broader picture of San Francisco's affordability crisis, the unduplicated factors that shape Chinatown's built form require a locally-tailored approach to preserving the neighborhood's livability and vibrancy.

As with the 1986 Rezoning Plan, the neighborhood's effectively mobilized resident base allows for potential solutions to be indigenous to the community. Continued organizing efforts by community groups like CCDC will be critical as both the population and the neighborhood's infrastructure continue to evolve.

mission

Chapter 4: Community Organizing and Resistance in SF's Mission District



Community Organizing and Resistance in SF's Mission District

Case Study on Gentrification and Displacement Pressures in the Mission District of San Francisco, CA

Introduction

The Mission District is located in the southeastern region of San Francisco. Since the 1950s, the neighborhood has been San Francisco's Latino enclave. Prior to this time, the neighborhood was an Italian and Irish working-class neighborhood with an industrial character (PODER, 2014).

In this case study we will examine the time period from 1980 to 2013, with a focus on the changes caused by the rapid growth of the internet sector, alternatively known as the dotcom boom, in the late 1990s. The result of this rapid speculative growth was an increase in the cost of living and a rise in the cost of housing in the Mission, which led to the displacement of long-time residents. During this time, much of the industrial sector in the Mission District was wiped out (Casique, 2013). The changes experienced by the Mission during the dotcom boom are those typically associated with the traditional conception of gentrification, or the influx of investment and higher-income, usually White, residents to areas with low-income, often minority, residents.

New residents were—and are still—attracted to the amenities provided by higher density, the cultural richness of the neighborhood and to the transit accessibility of the area. Multiple bus lines as well as two BART stations (16th Street and 24th Street Mission Station) service the neighborhood for an easy commute to the financial district. The neighborhood is also close to the freeway and the Caltrain, which provide accessibility to the greater region, including Silicon Valley.

This first wave of gentrification is the main story in the neighborhood's shift from a lower-income Latino area to its present state. Although the bust of the dotcom bubble caused gentrification pressures to slow, the neighborhood has continued to be a high demand area, seeing an influx of high-income residents once again from the tech sector. However, this current wave of gentrification is taking place in a neighborhood context that has already undergone years of gentrification—not just with new residents who had moved in, but with an ongoing influx of new retail and public investment.

Today's ongoing battle over the Mission is therefore of a different kind, with weaker community organizations and fewer units left to gentrify. Many long-time residents are holding on and benefitting from the neighborhood's new investment and amenities, but there is even more pressure than before on the remaining affordable units and less of a community to defend them.

This case study examines demographic, housing, and commercial characteristics from 1980 to 2013 to identify changes and trends in the Mission District. After outlining basic demographic changes in the area between 1980 and 2013, we provide a close look at the dotcom boom period and the displacement effects this time of rapid change had on industrial, business, and residential uses, as well as the community's response. Next, we turn to an examination of housing in the area—perhaps the clearest way to observe gentrification, change, and displacement. We briefly outline some of the affordability concerns for residents, and then detail several strategies used to slow displacement, as well as strategies used to speed it up. Before concluding, we outline public investment in the area—which can contribute to gentrification—and recent commercial displacement.

Demographic Changes

The Mission District is home to almost 52,000 of San Francisco's approximately 818,000 residents (Table 4.1). Since 1980, the area has seen significant shifts in racial composition, occupancy, educational attainment, and median income. Tensions are growing among various groups with an interest in the fate of the Mission: lower-income Latino residents, tech

**Table 4.1: Total Population SF & Mission District,
1980-2013**

Year	San Francisco	Mission
1980	677,678	45,788
1990	723,959	51,640
2000	776,733	54,428
2013	817,501	51,578
Percent Change 1980-2013	21%	13%

Source: Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014);
ACS 2009-2013

sector employees who often work in Silicon Valley but prefer to live in urban neighborhoods like the Mission, longtime residents, small business owners, and others. These tensions have made news across the country as the Mission has in many ways become the post-er-child of gentrification (Goode, 2013; Nieves, 2000). Understanding how these changes have taken place may provide some insight into the causes and indicators of residential displacement. From 1980 to 2000, the population of the Mission district swelled by about 19%, then declined slightly in 2013. In contrast, San Francisco's population has steadily increased in the last three decades.

The decrease in population from 2000 to 2013 may be linked to the steady decrease of family households

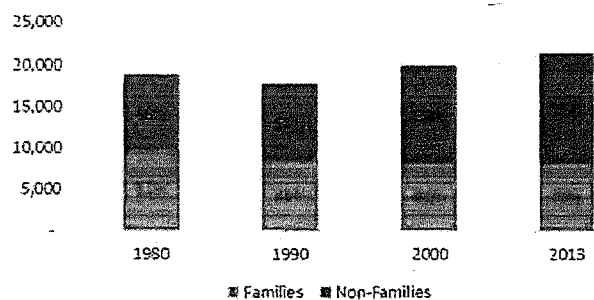


Figure 4.2: Number of Households in the Mission, by type 1980-2013

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); ACS 2009-2013

since 1980 (Figure 4.2). The share of family households dropped to 38% in 2013 from 52% in 1980.

The decrease in family households is accompanied by a decrease in the Latino population, shifting from 44% in 1980 to 38% in 2013 while the White population increased from 36% to 43%. The racial and ethnic demographics of the Mission in 2013 is similar to the city's (Figure 4.3).

There were significant shifts in educational attainment from 1980 to 2013. The percentage of residents aged 25 or older with a bachelor's degree or higher increased from 18% to 52%, and the percentage without a high school diploma decreased from 41% to 17% in the same period (Figure 4.4).

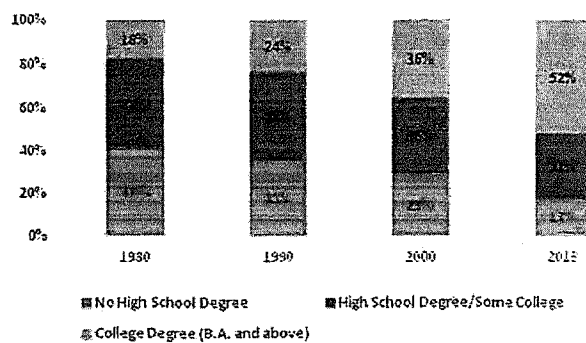


Figure 4.4: Educational Attainment in the Mission (1980-2013)

U.S. Census 1980, 1990, 2000 (Geolytics, 2014); ACS 2009-2013

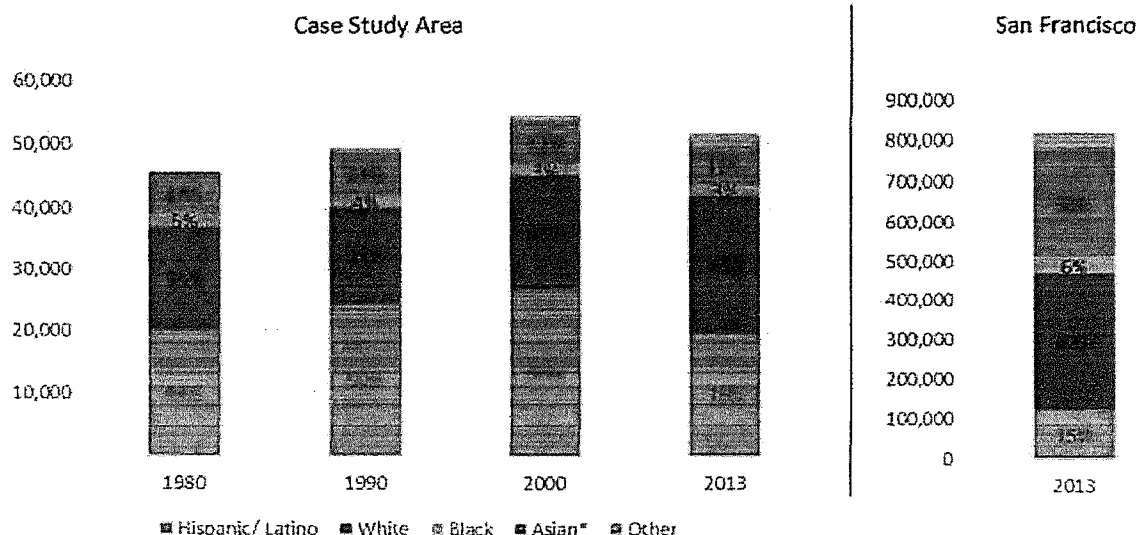


Figure 4.3: Race & Ethnicity in the Mission District by population and percent, 1980-2013, and San Francisco, 2013

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); ACS 2009-2013

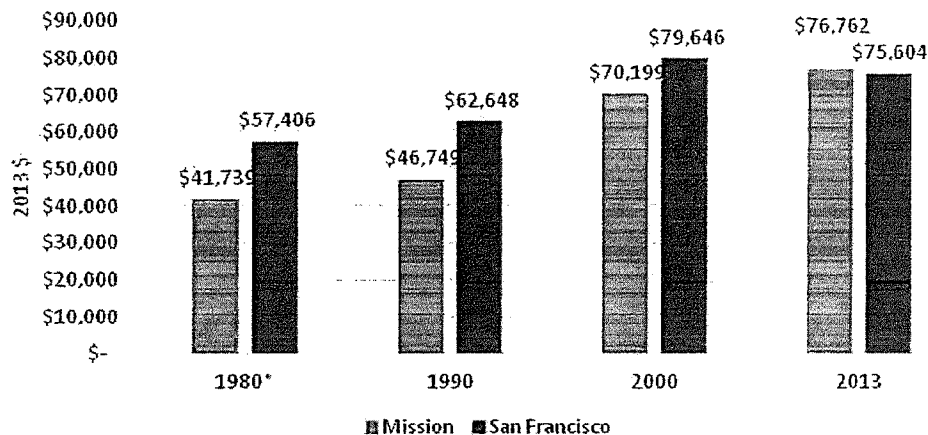


Figure 4.5: Median Income, Mission vs. SF (1980-2013), 2013 \$

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); ACS 2009-2013 *Median income unavailable, average income used

As may be expected, an increase in median income accompanied the increase in educational attainment in the study area. Median household income in the Mission District has risen significantly from 2000 to 2013, increasing at a faster pace than San Francisco overall (Figure 4.5).

The Dotcom Boom: Displacement of Industry, Business, and Residents—and Community Response

The dotcom boom in the late 1990s fundamentally changed the character of the Mission District. The boom hit its peak in 2000 and by 2002 was in decline. This short boom resulted in residential and commercial displacement (Casique, 2013). The industrial sector in the Mission is primarily located in the Northeast Mission Industrial Zone (NEMIZ), an area taking up the northeast corner of the Mission District. Even though the zone was designated in the midst of the dotcom boom, the market for industrial uses was “depressed,” according to a stakeholder, and “a bunch of companies had moved out,” like a brewing company and lumber yards. This devaluing of the land for industrial purposes due to the changing economy coincided with the growth of San Francisco as a result of the dotcom boom.

Industrial uses began to change to office space and housing. According to a community-based organization staff member, the emerging technology com-

panies were in need of office space and able to pay higher rents, so they began converting former light industrial uses to office space; many of these offices, in turn, became empty after the dotcom bust, but light industrial uses did not return.

In terms of conversions to housing, a 1988 ordinance allowed the conversion of industrial spaces into so-called “live/work” spaces, where it is presumed a resident both lives and does their work (Casique, 2013). Advocated by artists, the live/work ordinance was seen as an opportunity to promote the art industry in the city by providing affordable housing arrangements in San Francisco (PODER, 2014). Under the ordinance, developers interested in constructing live/work units in the NEMIZ did not need to get the area rezoned nor did they need a conditional land use permit to build and therefore did not need to conduct an environmental impact report (EIR)—major hurdles for construction developers were able to avoid. As a result, many small developments “started springing up everywhere,” according to one stakeholder, and began converting many industrial structures, vacated due to the changing economy, into expensive “live/work” spaces to house the new residents coming to work in the technology sector as a result of the dotcom boom. According to the San Francisco Housing Databook report issued by the SF Rent Board in 2002, 2,324 live/work units were constructed in San Francisco from 1987 to 2000.⁶ Right before the dotcom crash, the number of constructed units peaked at 587 units in 1999, more than twice the amount of units built in any other year (SF Board of Supervisors, 2002).

⁶ Only four units or more were counted which might result in undercounting.

Once it became clear that such conversions were possible, land values in the NEMIZ area began to rise, making remaining industrial uses difficult to sustain and resulting in business displacement (San Francisco Planning Department, 2002). The live/work ordinance allowed conversion without the requirement of hearings or public comment, allowing them to proceed unnoticed for a long time (Casique, 2013). Once advocates became aware of the situation, the Mission Anti-Displacement Coalition worked with Sue Hestor, a notable SF land use attorney, to force hearings at the Planning Commission and before the board of supervisors (PODER, 2014). Before the formation of the Mission Anti-Displacement Coalition, the "Committee for Jobs, Arts, and Housing had been raising concerns about the developers' scam on live/work developments," according to a community-based organization stakeholder.

Residential displacement in the Mission was also a concern during this period. Between 1990 and 1999, an estimated 925 households were evicted in the Mission (MEDA, as cited by Kennedy & Leonard, 2001). The Mission Anti-Displacement Coalition (MAC) was a major player during this time period, advocating for existing tenants' rights. According to a stakeholder involved with the Coalition, "the value of MAC's work is that unlike most other anti-gentrification work in other parts of the country...MAC focused not only on tenants' rights and stabilizing the neighborhood through that strategy but also on preserving space for local-serving businesses and [production, distribution and repair, or] PDR/light industrial space, especially given that those jobs paid often better [than other jobs available at the time]." Due to MAC's successful lobbying efforts, the San Francisco Board of Supervisors passed a moratorium on the live/work conversions and the production of market rate housing in the Mission that ultimately lasted two years (Casique, 2013).

Another of MAC's efforts was the creation of a "People's Plan." Published in 2005 after a community engagement process, it outlined community members' vision and priorities for the district, including economic, cultural, and community development, affordable housing, livability in the streetscape, environmental issues, transportation, and a specific land use map—essentially, a comprehensive plan for the Mission done by the people (The Mission Anti-Displacement Partnership, 2005). According to PODER, "aspects of

this community-led effort were incorporated into the city's Eastern Neighborhoods Plan" (PODER, 2014). When asked to assess the impact of the People's Plan on the Mission, an organizer involved with the effort shared that he does not believe there was a "causal" effect on affordability in the neighborhood; instead, "market conditions in and of themselves eased some of the pressures on prices given the [dotcom] bust." However, he believed that even with the bust, rents were not decreased in a "substantive way." Instead, he believed that the planning process was significant for the "social capital" it built "by having trained people work on planning issues in the neighborhood and understand the zoning and planning conditions and how those decisions get made."⁷

A park that is currently under development at the intersection of 17th and Folsom Streets represents some of the successes of the People's plan. The park, will include a grassy area, playground, community gardens with trees bearing edible fruit, and public art that honors the Latino character of the neighborhood. multi-year community outreach process was conducted in partnership with PODER, starting in 2009. According to a staff member at PODER, community members were prepared to have meaningful engagement with the city due to the understanding of planning and zoning they developed working on the People's Plan. The staff member said that, the "areas that were rezoned through [the People's Plan] process in the 2000s are coming to fruition after these many years....that speaks to the social capital that has been built. Not just, 'let's rezone and forget about it.' But, 'let's make sure these policies come into fruition.' And we're going to be seeing that happening this year" when the park opens.

⁷ The stakeholder also shared the following outcomes of the process: "The whole Mission Anti-Displacement Coalition and the People's Plan work did a couple of things. One, with MAC, I think it gave visibility to a new level of leadership in the neighborhood that was less accommodationist in terms of the interests of developers, of downtown, of some of these interests. And I think it pointed to a generational divide in the Mission in terms of the Latino 'old guard' and newer leadership...The People's Plan in particular, because of the need to engage with the city and community, I think it also helped the new generation...for understanding how these often arcane and technical issues like land use and zoning are addressed...How we need to be informed and engaged in these processes at the neighborhood and city level...there's an aspect of that reflected in the newer leadership."

Housing: Conditions for Residents

As is the case in the rest of the city, the housing market in the Mission District is competitive. In 2000, right before the dotcom bust, the vacancy rate was at an extreme low of 3%. In 2013 the vacancy rate jumped to 7.6%, representing the decline of the house market. This figure cannot be seen as representing current patterns of gentrification as the housing market has since rebounded.

In terms of tenure, there has been a slight decrease in the portion of occupied housing units that are rented: from 87% in 1980, to 76% in 2013, which is consistent with gentrification patterns.

Overcrowding, when more than 1 person per room lives in an apartment or home, was 50% lower in 2013 than 2000 (Figure 4.6). One explanation is the decrease in both family households and of the Latino population, as low- and moderate-income Latino households often live with extended family members in overcrowded living conditions (MEDA, 2011).

San Francisco has one of the most expensive housing markets in the nation and market rate rents in the Mission are reflective of the city's high cost of living. In 2013, the average price of a market-rate one bedroom apartment in the Mission District was \$2,850 while the average for a two bedroom was \$4,705 (Zumper, 2013). With 76% of residents in the Mission renting (as of 2013), these high rents prevent low-income households from moving into the neighborhood. Additionally, current residents experience a very high rent burden. From 2000 to 2013, the share of rent burdened households, those paying 35% or more of their income on housing costs, increased from 27% to 34%.

Despite high demand for the area, the Mission District has failed to see significant increases in its housing stock, thereby exacerbating pressures on existing housing (Table 4.2). This lack of new development was a common concern among the stakeholders interviewed. A realtor in the area discussed the difficulty in obtaining approvals for new buildings because of the lengthy environmental impact review process, which sometimes caused developers to walk away from projects. A senior staff person from an affordable housing developer spoke about the challenges of building new

housing, in part due to the real estate market collapse and the elimination of redevelopment as a funding source for affordable housing in California.

Meanwhile, as few units are being constructed, 80% of households have recently moved in to their housing unit (Table 4.3). This puts upward pressure on the rents in the older housing stock.

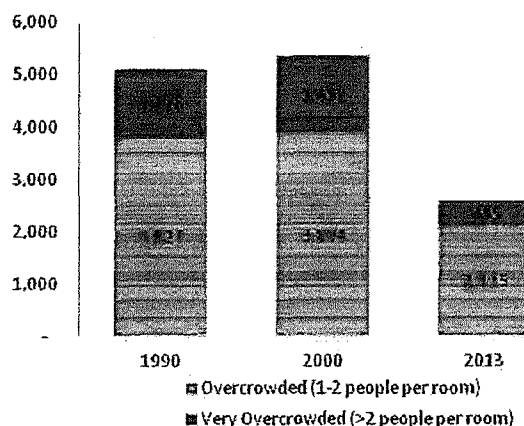


Figure 4.6: Overcrowded Units in the Mission (1990-2013)

Source: U.S. Census 1990, 2000 (Geolytics, 2014); ACS 2009-2013

Table 4.2: Number of Housing Units by Year of Construction

Total	23,106	
Built 2010 Or Later	96	<1%
Built 2000 To 2009	96	7%
Built 1990 To 1999	1,516	5%
Built 1980 To 1989	1,212	4%
Built 1970 To 1979	918	4%
Built 1960 To 1969	854	6%
Built 1950 To 1959	1,337	7%
Built 1940 To 1949	908	4%
Built 1939 Or Earlier	14,662	63%

Source: American Community Survey 2013 5-year estimate

Table 4.3: Mission District Percent of Householders who Moved in Last 5 Years, 1980 – 2013

Year	Percent Moved in Last 5 Years
1980	62%
1990	55%
2000	53%
2013*	80%

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013 *Note: The 2013 figure is the percent of households who moved in last 3 years.

Rent Control

San Francisco's rent control laws protect tenants who live in multi-unit rental buildings built before June of 1979. The rent control ordinance limits the amount a landlord can raise the rent annually, based on the consumer price index. When the unit is vacated, landlords can raise the rent to market rate, also known as "vacancy decontrol".⁸ Once the rent is raised, future rent increases are still governed by rent control. Therefore, while units may technically be considered rent controlled they may be unaffordable due to vacancy decontrol. To prevent landlords from evicting tenants in order to raise rents to market rate, the ordinance also includes a "just-cause evictions" clause requiring landlords to have a good reason for eviction such as chronic late rental payments or a nuisance complaint. There is no record of units that have undergone vacancy decontrol and their new base-rent.

We attempt to estimate the number of rent-controlled units in the Mission District by identifying parcels that contain a building with two or more units, built in 1978 or before, and are identified as an "apartment" or "flat" using tax assessor data from Alameda County (Figure 4.7). This estimation method is imperfect, as housing units that are condominiums, tenancies-in-common, or currently not rented (through the Ellis act) are not rent controlled. However, data on these exempt hous-

⁸ SF's rent control ordinance never included vacancy control and due to the passage of Costa Hawkins in 1996, vacancy control was banned statewide.

⁹ This estimate is derived using estimates of the total number of rental occupied housing units from the American Community Survey (2009-2013 five-year estimates) in combination with data from the San Francisco Public Health department on the percent of rental units in each tract that are subject to rent control. These data sources allowed us to estimate a number of units in each census tract that are subject to rent control. Since ACS figures are reported with a margin of error, we found a range for this figure. Then, we turned to ACS data for counts of renter households who had moved in since 2010. We multiplied this by the proportion of units in the tract subject to rent control (the Public Health data), assuming that the newly moved-in households moved into rent controlled and non-rent controlled units at the same proportion as exist in the tract. This figure—the number of rent control units that experienced turnover between 2010-2013—is taken to be the same as the number that experienced vacancy decontrol. We then divide this figure by the total rent controlled units in the tract to get the percent of units that experienced vacancy decontrol. To get the figures for the whole Mission, we simply add the counts from each tract of vacancy decontrolled units and total rent controlled units, and divide these sums.

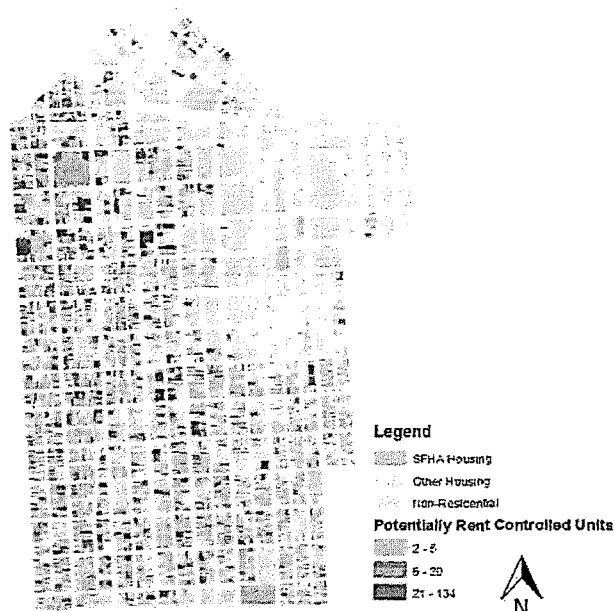


Figure 4.7: Potentially Rent Controlled Units

Source: Association of Bay Area Governments, 2014

ing units are not available. Approximately 68% of units in the Mission census tracts are potentially rent-controlled. Eighty-nine percent of these units were built in 1939 or earlier (Figure 4.8). Older buildings are often highly desirable to wealthier residents due to their architectural value; that so many buildings in the Mission District are from the Victorian era increases the likelihood of displacement.

As noted earlier, rent controlled apartments do not necessarily signify affordability due to vacancy decontrol; hence estimating the number of recently vacancy decontrolled units and when these vacancies occurred is important for the purpose of understanding affordability in the rent-controlled market. Our estimate suggests that a maximum range of between 18-28% of rent controlled units experienced rent increases due to vacancy decontrol between 2010-2013.⁹ This is a maximum because, while we are reasonably sure that 18-28% of rent controlled units experienced turnover, it is not guaranteed that landlords would increase the rent when that turnover happens; therefore, the actual figures may be lower.

The map in Figure 4.9 shows that there is a high percent of vacancy decontrolled units in the tracts west of Valencia Street. A walk down Valencia Street shows a trend in higher-end commercial and retail stores. This

trend, to be discussed in greater detail in a later section, might explain the higher vacancy decontrol rate in census tracts along Valencia Street as landlords may be taking advantage of the economic investment along the street to appeal to wealthier tenants.

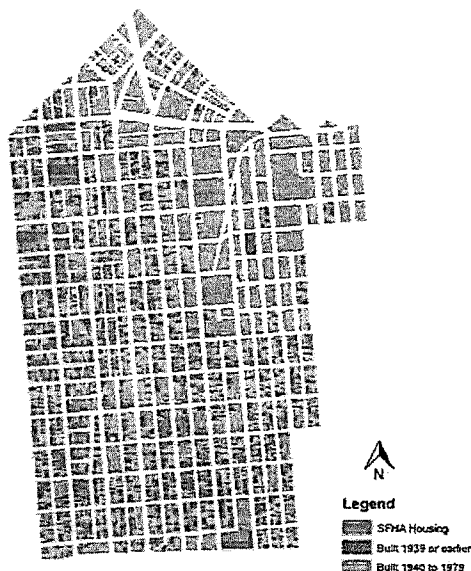


Figure 4.8: Housing built before 1979 by Block

Source: Association of Bay Area Governments, 2014

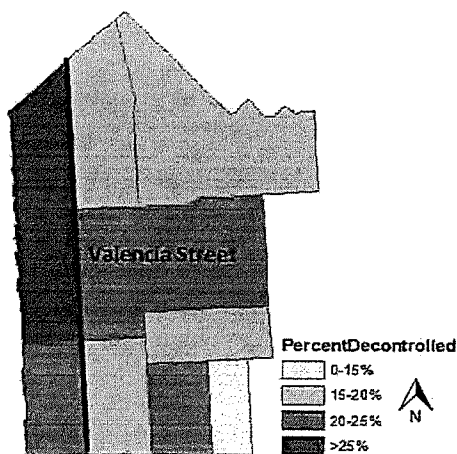


Figure 4.9: Percent of Units with Vacancy Decontrol by Census Tract

Source: 2009-2013 American Community Survey and San Francisco Public Health Department
 ("Proportion of Housing Stock that is Rent-Controlled or Affordable, San Francisco, CA | Data | San Francisco," n.d.)

Public and Subsidized Housing in the Mission

While many residents of the Mission struggle to afford rent, the area is host to a sizable stock of subsidized housing: nearly 2,000 units, as detailed in Table 4.4 (excluding any units built only with local funds, some of which are discussed in the next section). The neighborhood would have likely experienced even greater displacement rates without these units.

Table 4.4: Public and Subsidized Housing in the Mission, 2013

Type of Unit	# of units
Public Housing	170
Low-Income Housing Tax Credit	962
Section 8 New Construction	194
Section 202 (Senior Housing) New Construction and Substantial Rehabilitation	152
Project Rental Assistance Contract	115
Other (including Loan Management Set-Aside and others)	319
Grand Total	1,912

Source: HUD Yearly Data Picture (Department of Housing and Urban Development, n.d.) for Public Housing figure; (California Housing Partnership Corporation, n.d.) for the rest. Note these figures do not include residents who rent using tenant-based vouchers or units developed as part of SF's inclusionary ordinance or any subsidized units developed only with local funds.

Inclusionary Housing

Stakeholders said San Francisco's inclusionary housing ordinance has had a limited impact. Inclusionary Housing began as a policy in 1992 and later became "part of the Planning Code" in 2002; it was revised in 2006 and 2010 (San Francisco Mayor's Office of Housing and Community Development, 2014). The policy requires developers to build affordable units equal to 15% to 20% of a market-rate development or pay a fee in lieu of building such units. The policy has resulted in the creation of 1,560 units of below-market rental and ownership units in San Francisco between 1992 and 2013 (Table 4.5).

Table 4.5: Inclusionary Housing, 1992 - 2013

	Projects with Inclusionary Units (On or Off-Site) or In-Lieu Fees	Projects Choosing On-Site Inclusionary Housing		Projects Choosing Off-Site Inclusionary Housing		Projects Choosing to pay Fee
		Number of Projects	Number of Affordable Units	Number of Projects	Number of Affordable Units	
Mission District ¹⁰	24	21	136	0	0	3
San Francisco	198	157	1,214	7	346	34

Source: San Francisco Mayor's Office of Housing and Community Development, 2014

However, a court ruling in 2009 has limited the impact of the ordinance. In the case, *Palmer/Sixth Street Properties LP vs. City of Los Angeles*, the California Supreme Court let stand a lower court's ruling that held jurisdictions may not mandate developers to build inclusionary rental units, since doing so entails the setting of rents by the city, which was banned by the Costa-Hawkins Rental Housing Act (California Planning and Development Report, 2009; Reuben, Junius & Rose LLP, 2009). The ruling does not affect inclusionary policies for ownership units. The city made revisions to the law in 2010 that "require developers to pay an affordable housing fee rather than construct inclusionary affordable housing" (San Francisco Budget and Legislative Analyst, 2012). That resulted in a significant decrease in the number of inclusionary units produced under the program, from 384 in 2008 to 32 in 2009, without a comparable increase in the fees paid, which could be related to the overall dynamics of the real estate market in these years (San Francisco Mayor's Office of Housing and Community Development, 2014).

Community Opposition to Development at 16th and Mission Streets

Some believe more housing for all income levels is needed to improve affordability in San Francisco, while others believe housing production should focus on affordability for low-income residents. An example of this tension is the proposed ten-story, 351-unit building on the corner of 16th and Mission Streets. The development is under community scrutiny, with the Plaza 16 Coalition leading the opposition. The new apartment complex would replace a Walgreens, a Burger King, a bar, a Chinese restaurant, a market and a parking lot (Elsen, 2014). Despite the fact that no existing tenants

or housing would be displaced, the coalition argues that if this development were to proceed, it would result in business and residential displacement (Christopher, 2014). This type of opposition highlights the social and cultural complexity of gentrification. The 10-story luxury apartment complex represents development for new residents, leaving the Latino community feeling neglected and disrespected. According to a community-based organization stakeholder, the "Plaza 16 Coalition has made substantive arguments against the project ranging from the height, impacts on the adjacent school, traffic concerns, and yes, the pressures luxury condos have on housing prices in the neighborhood."

The developer of the 16th street Mission housing apartment complex has yet to determine how it will satisfy the city's affordable housing requirement (Dineen, 2013). Yet regardless of how the developer will satisfy the affordable housing requirement, residents oppose this development as the project represents a change in the Mission's character. In an article entitled, "Coalition protests 16th Street development", an organizer for Causa Justa :: Just Cause put this clash succinctly, "the height of these towers will keep Marshall Elementary [School] next door in a constant shadow....this project will literally overshadow the Latino students attending that school" (Christopher, 2014). While it may be true that residents will not be directly displaced by the development, the project will have an impact on surrounding businesses and could potentially increase the cost of living in the neighborhood. A city official explained that once new housing development happens "there is such a huge impact on the surrounding area, prices immediately respond." This same city official expressed skepticism that simply building more housing will make the Mission more affordable.

¹⁰ As defined by the Mayor's Office on Housing; a map was not provided to compare to the area we have defined as the Mission.

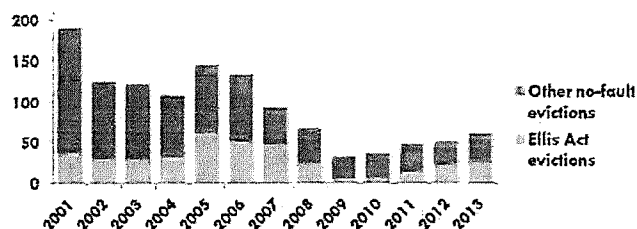
Ellis Act Evictions

Another highly public issue in the Mission has been the impact of the Ellis Act. The Ellis Act is a state law passed in 1985 that allows landlords to evict tenants building-wide by removing the building from the rental market entirely or for five years before being allowed to rent apartments at market rate. The result in San Francisco has been a decrease of rental options in a city where the supply of housing is already strained. The increase in the percent of residents who are homeowners from 13% in 1980 to 24% in 2010 may reflect, at least in part, Ellis Act condo conversions.

While the Ellis Act continues to be a subject of contention in the housing market debate, Figure 4.10 shows that the number of evictions has decreased since 2001. The number of Ellis Act evictions tends to mimic the health of the economy and housing market: in down periods, such as after the crash of the dot-com boom (2001-2004) and during the recent recession, evictions decrease. During up periods, such as in 2005-2007 during the height of the housing boom and more recently, as the economy has begun to recover, evictions increase.

A city official working in the government for the last three decades commented that the planning department saw the peak of Ellis Act evictions in the nineties. This is supported by compiled data from the time referencing 1998 as the “peak” year of Ellis Act evictions (Capps, 2014). The city official believes that since the Planning Department has authority over land use it could restrict the conversion of rental properties to ownership properties. For example, zoning changes or other policy interventions could restrict conversion or make it difficult to do, thereby deterring landlords from pursuing it.

Regardless of the fact that the total number of Ellis Act and no fault evictions has gone down since 2001, the total number of evictions for the Mission compared to the rest of the city has been very high during this twelve-year timeframe. The Mission District (represented in the report issued by the SF Board of Supervisors Budget and Legislative Analyst by the zip code 94110) had a higher number of Ellis Act and no-fault evictions than any other neighborhood, with 383 evictions and 1,222 notices, respectively. Between 2009 and 2013, of the seven neighborhoods with the most Ellis Act evictions, the Mission continued to exhibit the highest number of evictions with 71 evictions, a demonstration of its lucrative housing market (Table 4.6).



Ellis Act Evictions allow landlords to exit the rental housing business. Other “no fault” evictions include those where the eviction is not a result of tenant’s actions (e.g., owner move-ins, etc.)

Figure 4.10: No-Fault Evictions in the Mission, 2001-2013

Source: SF Rent Board as reported by SF Board of Supervisors Budget and Legislative Analyst, 2012

Table 4.6: Top Seven Neighborhoods for Ellis Act Evictions, 2009-2013

Neighborhood	Ellis Act Eviction Notices
Mission	71
Russian Hill/Polk Gulch	46
Castro/Eureka Valley	43
Outer Richmond	41
Inner Richmond	38
North Beach	37
Haight-Ashbury/Western Addition	29
Total	305
San Francisco Total	476

Source: SF Rent Board, accessed through (San Francisco Board of Supervisors Budget and Legislative Analyst, 2013)

Tenant Buyouts

In addition to evictions, tenant buyouts are another strategy in which landlords attempt to lure current tenants out of their homes with cash to increase rent for wealthier residents. The Mission district has experienced the highest concentration of buyouts from 2008-2014 (“Tenant Buyouts Are On The Rise In S.F., As Are The Dollars Involved - SocketSiteTM,” 2014). Buyouts offer landlords several advantages over Ellis Act evictions: the landlord can immediately rent out the unit at market value and retain the option to convert units into condominiums at a later date. The total number of reported buyouts in SF went from 90 in 2007 to 175 in 2013¹¹ (City and County of San Francisco,

¹¹ The data reported by the SF Tenant Union likely undercounts the number of actual buyouts as these are self-reported by tenants.

Budget and Legislative Analyst's Office, 2014). The Mission district had the highest number of buyouts in 2008-2014 with 165 or about 28% of the total share of buyouts, however there is no requirement to report buyouts so these are likely underestimates. There is no regulation of the amount that must be paid for a buyout and sometimes tenants are offered just a few thousand dollars (City and County of San Francisco, Budget and Legislative Analyst's Office, 2014). San Francisco Supervisor David Campos has introduced legislation to regulate buyouts. One of the regulatory features he is proposing is to impose the condo conversion prohibitions that are already in place for no-fault evictions (Taylor, 2014).

Sales and Investment

While the percent of households who are mortgage burdened has stayed constant over time, the cost to buy a home has increased substantially since the 1980s in the Bay Area, San Francisco, and, especial-

ly, the Mission District, as shown in Figure 4.11 and Figure 4.12. The rise in price during the dotcom boom is clear, as is the more recent rise in costs between 2002-2007, then a slight downturn during the recession with a quick recovery since 2012. Single-family homes have shown more dramatic change, particularly recently in the Mission, whose home have shot up in price above San Francisco and the Bay Area.

Use Changes

The increases in housing prices have been paralleled by a gradual increase in the number of parcels whose land use is residential. Many of these are new construction, but others represent use changes. A small portion of parcels changed use each year, but in 2007, 9% of parcels with a commercial use had converted from other uses (mostly industrial and miscellaneous) and 5% of parcels with a residential use had converted from other uses (mostly commercial) (Dataquick, 2014).

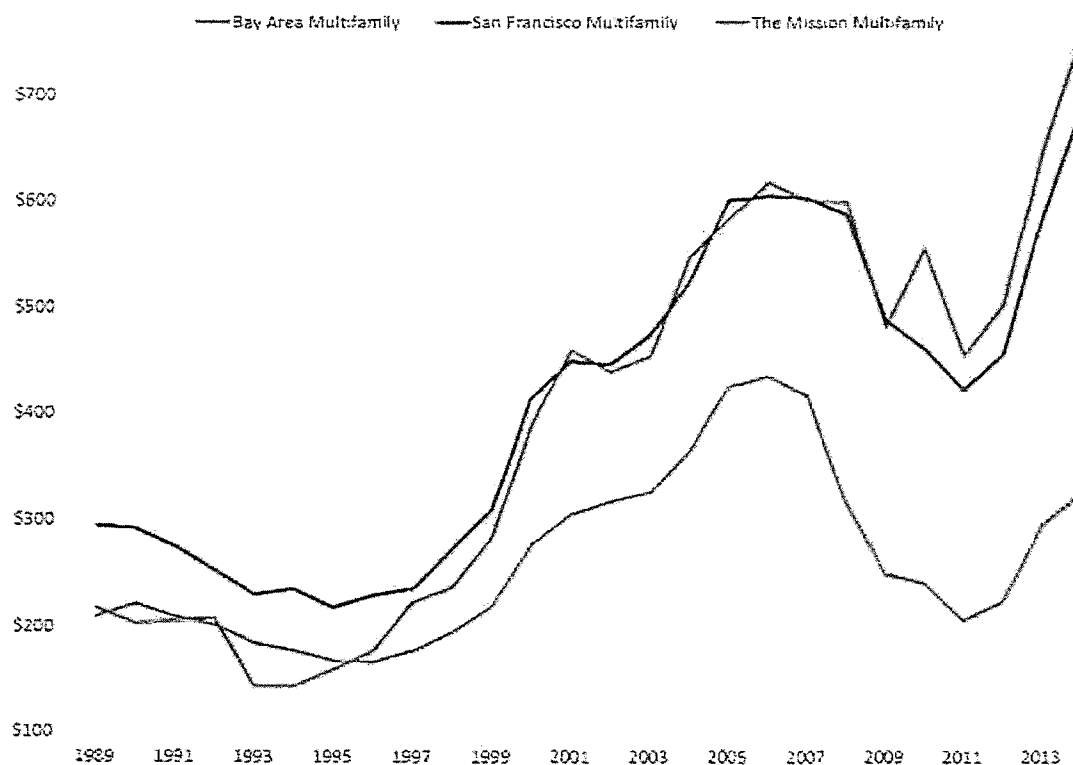


Figure 4.11: Median Sale Price per Square Foot – Multi-Family Properties

Source: Dataquick, "Bay Area" includes all tracts in the 9-county area)

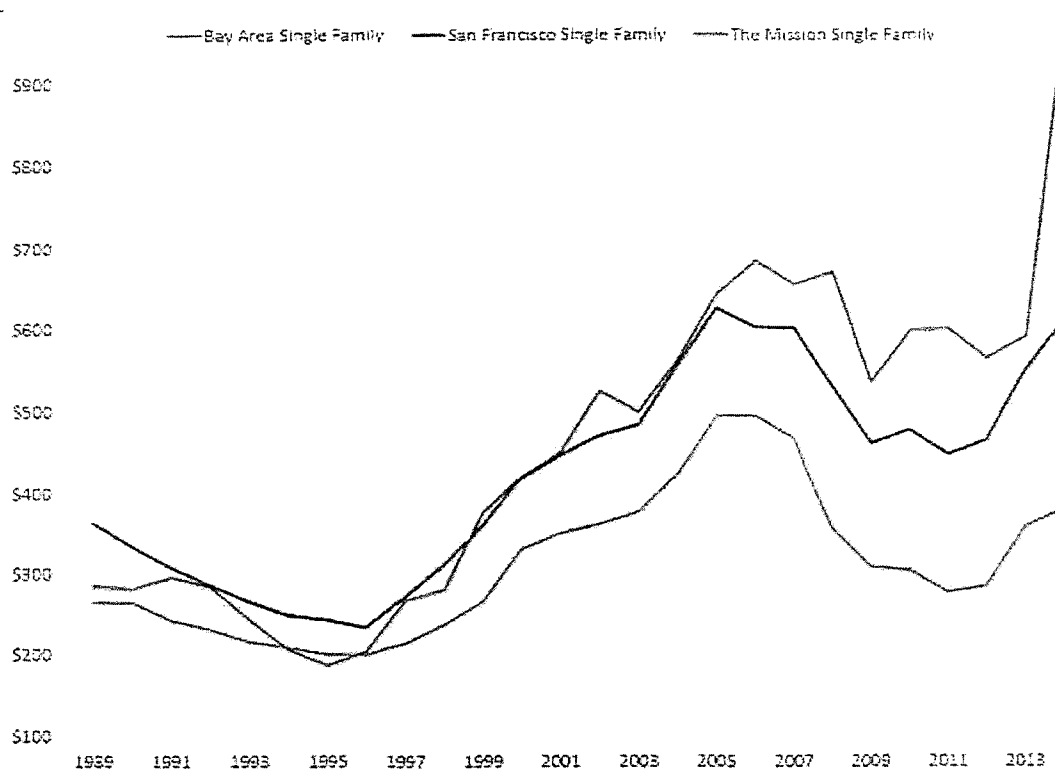


Figure 4.12: Median Sale Price Per Square Foot - Single Family Homes
 Source: Dataquick, "Bay Area" includes all tracts in the 9-county area)

Private Investment

We examined trends in sales and building permit data to identify spatial characteristics of investment in residential property. This analysis has the potential to demonstrate how outside pressures and public investments impact patterns of private investment in the Mission District over time.¹² As Figure 4.13 shows, there are a higher number of residential sales in the northwest and central-western portions of the Mission. The northwestern concentration may be related to higher density of housing stock.

¹² Sales data was taken from the first quarter of 2003 through the fourth quarter of 2013 from DataQuick, (DataQuick, 2014). We joined the data to a shapefile containing San Francisco parcels and converted to point data using ArcGIS (ABAG, 2005). These points, which each represent a sale, were spatially analyzed and visualized at different geographies through spatial joining. Building permit data from the San Francisco Planning Department were analyzed similarly (San Francisco Planning Department, 2014a).

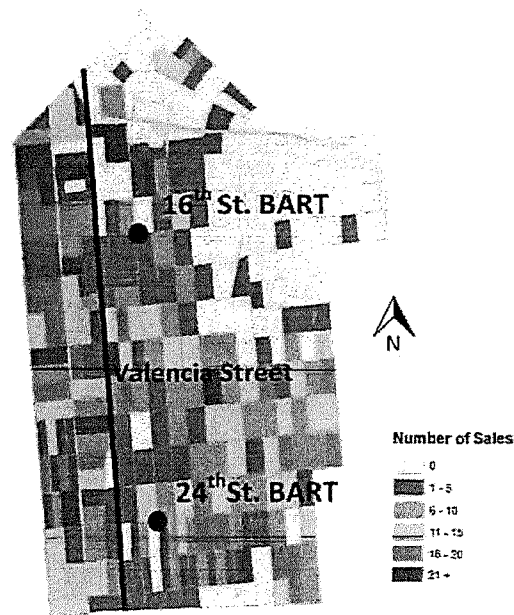


Figure 4.13: Number of Residential Sales by Block, 2003 – 2013

The number of residential sales peaked in 2003 and 2004, declined through the housing bubble burst, but appears to have stabilized (Figure 4.14). San Francisco as a whole recovered from the impact of the financial recession and housing market crash much faster than the rest of the nation.

Figure 4.15 displays the average residential sales prices per square foot in the Mission and shows a slightly different pattern than Figure 4.14, with the largest cluster of high prices seen in the southwest.

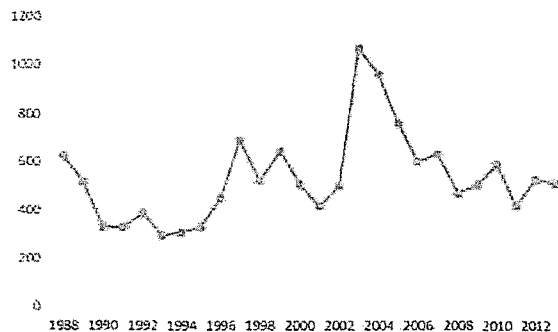


Figure 4.14: Yearly Total Number of Residential Sales in the Mission, 1988-2013
Source: Dataquick, 2014

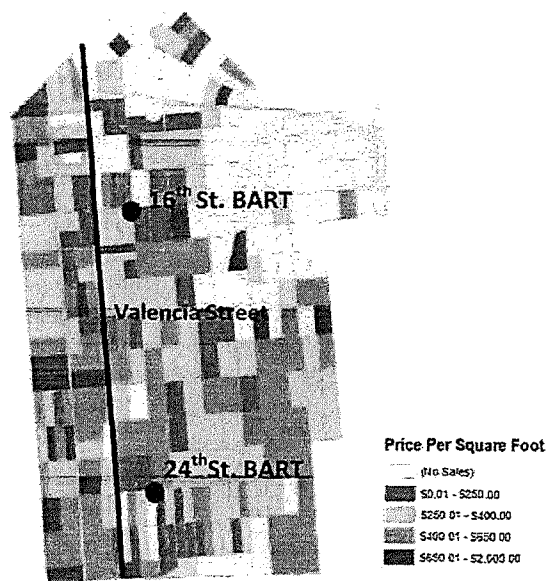


Figure 4.15: Average Residential Sales Price per Square foot by Block, 2003-2013

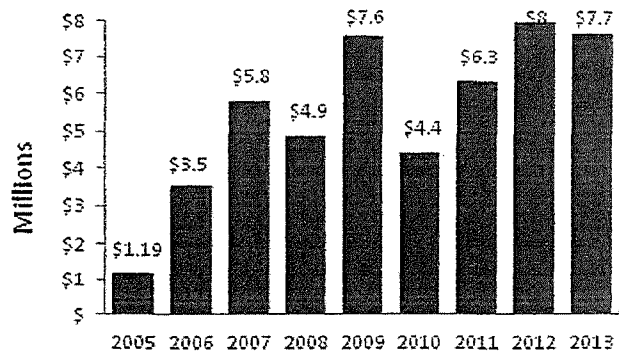


Figure 4.16: Total Annual Cost of Residential Permits in the Mission, 2005-2013
Source: San Francisco Planning Department, 2014

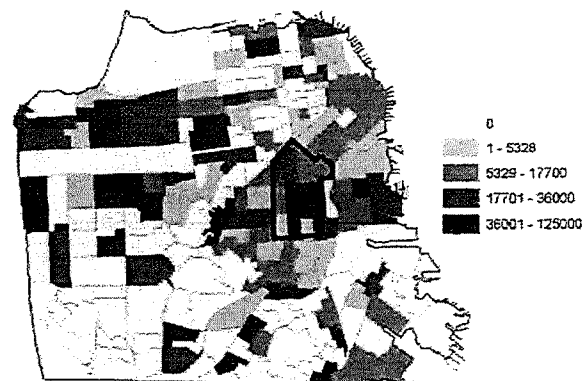


Figure 4.17: Average Permit Cost per Unit in the Mission by Census Tracts, 2005-2013
Source: San Francisco Planning Department, 2014a

The amount of private investment in residential properties has also been increasing since 2005 (Figure 4.16). The total annual value of permits (as ascertained through the cost of building permits) in the Mission increased by 545% from 2005 to 2013. When comparing investment in the Mission to the rest of the city, Figure 4.17 shows how parts of the Mission are averaging higher permitting investments per unit.

Public Investment

Public investment, in so far as it makes the neighborhood more desirable, has the potential to contribute to gentrification pressures. The public project that seems most clearly related to gentrification is one on Valencia Street between 15th and 19th streets completed

by the Department of Public Works in July 2010 at a cost of \$6.1 million. In 2004 the Municipal Transportation Agency (MTA) began the planning for the Valencia Streetscape Project, which expanded and beautified sidewalks, resurfaced and restriped the street with bike lanes, and provided other infrastructure improvements (City of San Francisco, n.d.). The street looks nicer than nearby streets and, today, the commercial establishments along Valencia Street are mostly new places that serve a higher-income clientele (further analysis of commercial change is in the next section). By contrast, along Mission Street, another main commercial corridor in the district, more of the older, legacy resident-serving establishments are still around, and visible gentrification is less advanced. This may be, at least in part, connected to the completion of the Valencia street beautification process. Additional improvements (some completed, some planned) include several streetscape improvement projects, road diets, and new plazas throughout the district. These are detailed in an appendix.

Together, these projects signal an interest in the Mission on the part of city agencies. The investment they bring is a parallel and reinforcing factor to the other changes discussed here. One stakeholder interviewed said that a lot of residents see streetscape improvements like these as a sign of gentrification. All of these projects included public processes, and several affirm the Latino cultural identity of the neighborhood. They also ostensibly improve the neighborhood for existing residents. On the other hand, the improvements could contribute to residents' dissonance, especially if they feel the neighborhood is being upgraded for others or being made more attractive for outsiders to move in. The improvements may make the area even more desirable to higher-income people and, therefore, encourage gentrification and displacement.

None of the improvements include provisions to ensure permanent housing affordability for existing residents to stay in the neighborhood and enjoy the new streets, plazas, and parks. In this way, the investments may not benefit existing residents in the long run, representing a missed opportunity to stabilize the neighborhood.

Commercial Displacement

In order to understand how gentrification may put pressure on retail businesses, we evaluated data on commercial establishments from the National Employment Time-Series Database (NETS), a proprietary database (Walls & Associates, 2013). Using census tracts, we analyzed the data by dividing the Mission District into three distinct commercial neighborhoods shown in Figure 4.18 based on our own assessment of commercial uses.

In 1990, there were more retail businesses in the 24th Street corridor neighborhood than in the 16th St. BART neighborhood (Figure 4.19). Since then, the number of retail businesses has steadily declined in the 24th Street corridor and steadily increased in the 16th Street neighborhood. Today there are about twice as many businesses in the 16th Street BART neighborhood as in the 24th Street corridor.

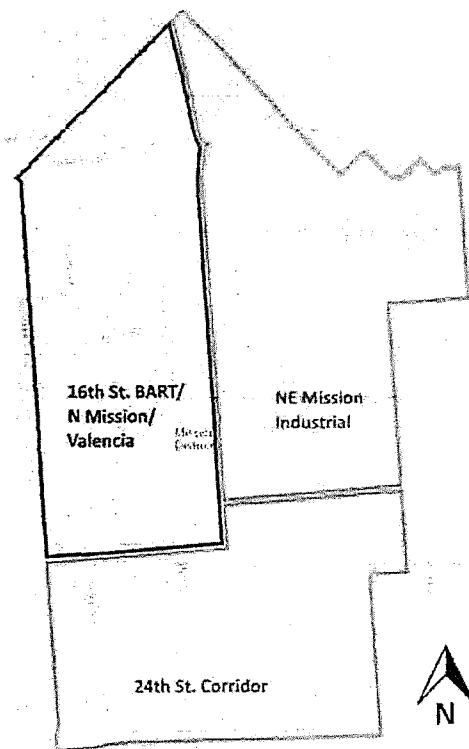


Figure 4.18: The Mission District, Commercial Neighborhoods

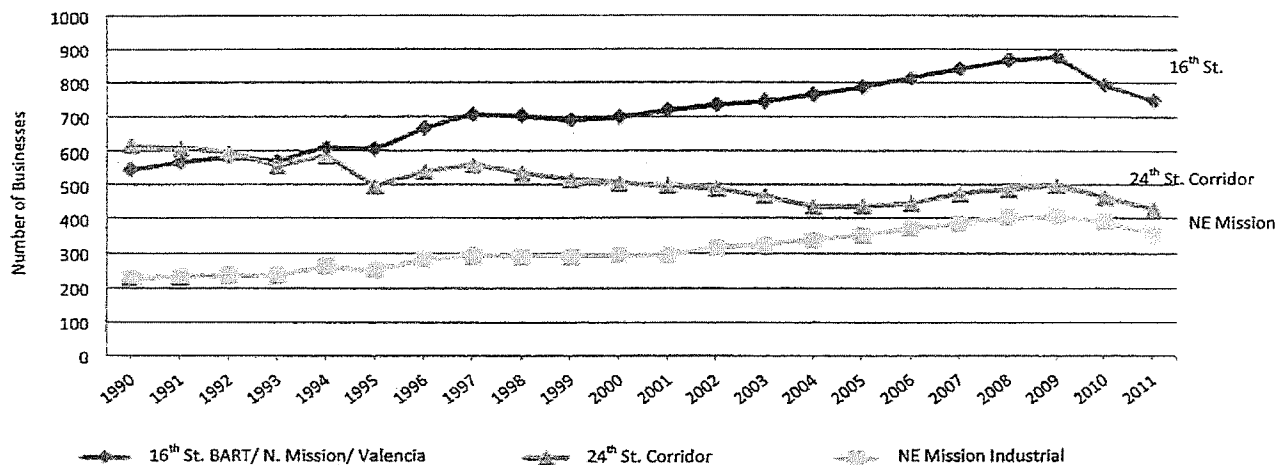


Figure 4.19: Number of Retail Businesses in the Mission, 1990-2011
Source: National Employment Time-Series (NETS) Database

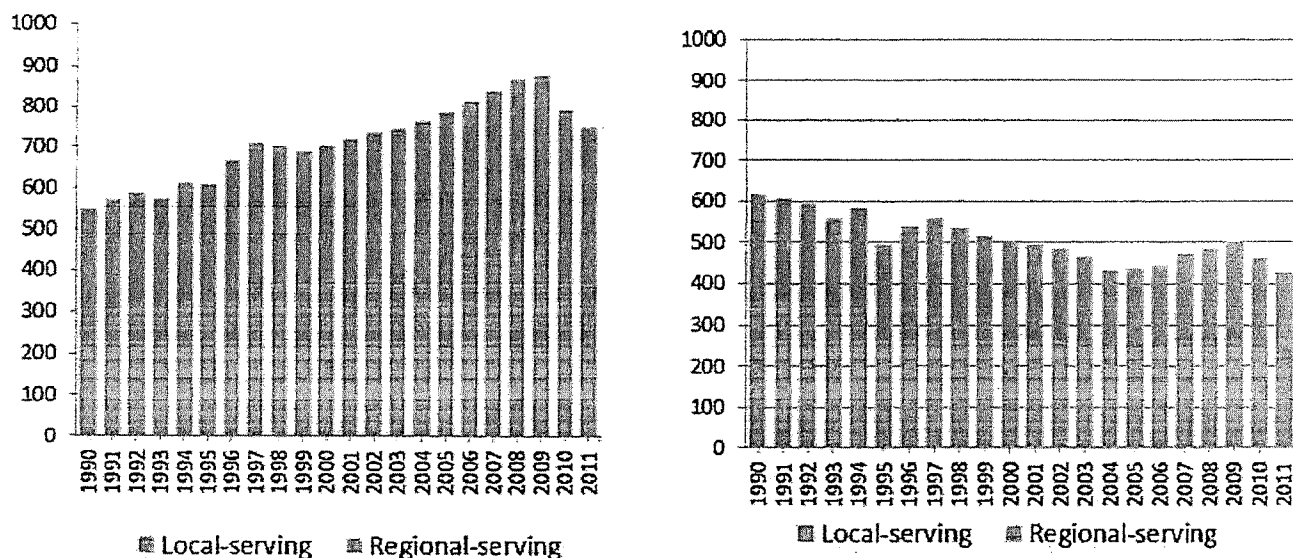


Figure 4.20: Total Number of Businesses, 16th St. BART (left) and 24th Street Corridor (right)
Source: National Employment Time-Series (NETS) database

Here, we compare trends in the 16th Street BART and 24th Street Corridor areas¹³. The businesses in the 16th Street BART neighborhood may face problems due to neighborhood gentrification, customer dislocation, and increased wage costs for their workers. Businesses along 24th street may feel less pressures, in part due to the activism that has led to protecting businesses and tenants in the area (Dicum, 2005).

¹³ The number of retail businesses in the Northeast Mission Industrial neighborhood increased slightly, but is lower than the other two neighborhoods; we exclude it from the remainder of our analysis.

To ascertain the change in local- versus regional-serving businesses, we categorize them based on their North American Industrial Classification System (NAICS) code into businesses that are more likely to serve local residents (such as markets, drug stores, and hardware stores) and businesses more likely to serve regional markets (such as department stores and furniture stores). In the 16th Street BART neighborhood, growth has occurred in both local and regional serving businesses, while on 24th Street, local-serving businesses have decreased in number (Figure 4.20).

This suggests that changes in the 16th Street area may be spurred both by changes in the local resident population and in the neighborhood's capacity to draw customers from the region. For example, this corridor is a night-life destination where people from outside come to visit restaurants and bars. Changes in the 24th Street corridor, by contrast, appear to be more related to changes in the local residential population, resulting in a decline in local-serving businesses, without comparable increases in regional-serving businesses.

When asked about how different parts of the Mission have experienced change differently, a non-profit stakeholder identified the 24th and Mission neighborhood as one that has maintained its character more than others, keeping a high percentage of Hispanic-owned retail businesses. However, an analysis of businesses owned by Hispanic people on the 24th Street corridor reveals a different story. Of the businesses that closed in recent years (2007-2010), nearly 50% of them were owned by Hispanics, compared to 38% of businesses that opened over the same time frame.¹⁴ Additionally, the overall proportion of businesses owned by Hispanic people decreased from 40% to 36% between 2000 and 2011. Though this is a small change, it still shows a change in the character of local retail and minority owned businesses.

Nonprofit funding has changed since the first wave of displacement as well. During the first dotcom era, funding and staff were available to Mission Housing when it spearheaded MAC. Today, the organization has fewer resources. One stakeholder believes the "velocity of change" is faster today than the previous dotcom boom; another commented that, due to fewer resources, more-formidable opponents (large technology firms as opposed to smaller start-ups during the previous era), and the "Mayor's pro-tech agenda," the community's capacity to respond has diminished.

Conclusion

The Mission District is a potent example of the demographic and commercial changes that can occur in a high-demand location with walkability, accessibility, and access to amenities in the center of an expensive region. The data presented here show clear signs of change in the Mission.

¹⁴ The corridor is defined as 24th Street between Mission and Potrero; note that this definition is different than that used in the other figures in this section. Source: NETS data and 2000 US Census. Methodology explained in appendix.

Over the last thirty years, the area has seen a decrease in the proportion of family households and a decrease in the Latino population, while the percentage of the population with a bachelor degree or higher and median income have both increased dramatically—all consistent with gentrification patterns.

Despite an increase in income, housing burden has increased in the Mission, demonstrating the neighborhood's high desirability and, therefore, high cost of living. Rent control, public and subsidized housing, and inclusionary zoning all seek to limit displacement and increase affordability for low income households, but all have shortcomings, and, overall, are only partially mitigating the intense displacement resulting from new investment.

Evictions and buyouts are two of the processes contributing to displacement. While the number of Ellis Act and no-fault evictions has gone down in the last decade, the Mission continues to see the highest rate of evictions in the city. Meanwhile, buyouts in the Mission are at a rapid incline, perhaps indicating a switch in landlords' tactics from evictions to buyouts.

A perennial question in anti-displacement policy is which of two approaches to pursue: preserving existing housing as affordable, or increasing production of new housing, either market-rate or affordable. Preservation, in the face of strong market forces, is difficult. As during the dotcom boom, today streams of high income workers are flooding the housing market, placing upward pressure on housing prices and encouraging landlords to use various tactics to raise rents. Furthermore, there is a dwindling supply of naturally affordable housing units left to preserve; most renters are already cost-burdened, and with vacancy decontrol, even rent control units can jump to market simply from someone moving. Strengthening eviction policies could limit these effects.

Increased production of market-rate units is considered an affordable housing strategy by some, but not all: the increased overall supply, some would argue, will bring down rents across the board. However, community opposition to this approach is fierce, as evidenced by the 16th and Mission project. While in the long run new housing may relieve pressure on rents, in the short term it is certain to contribute to upward pressure as the neighborhood gentrifies. In addition, the scarcity of land in the Mission means that new development will be limited. Can enough new housing be built that these supply effects will bring down rents?

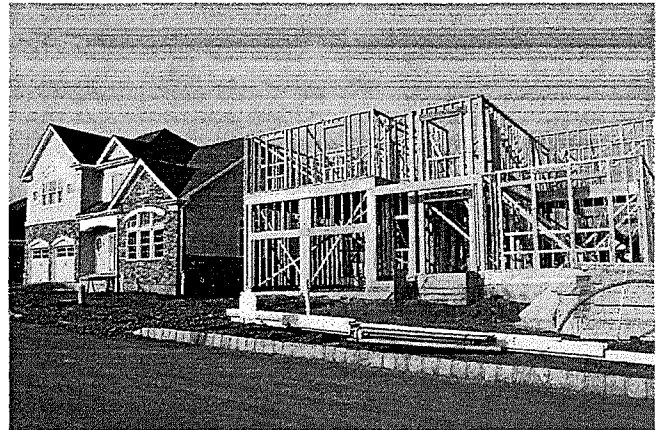
That is unlikely, especially since new housing is likely to be oriented toward the highest end of the market, given the larger trends in the economy.

Therefore, to ensure a long-term supply of affordable housing in the Mission, affordable housing production, in addition to preservation of the existing stock, is key. Inclusionary housing has produced only 136 units in the Mission in over twenty years; this policy's future impact will be limited due to recent legal changes. The area is host to nearly 2,000 units of affordable housing. But more will be needed to keep low-income families living in this area.

The Mission has already undergone significant gentrification and continues to experience displacement. This neighborhood has been here before: the dotcom boom at the turn of the century foreshadowed (and set the stage for) many of the changes facing it today. The capacity building activists engaged in at that time provide a foundation for residents and advocates to incorporate successful tactics—and new approaches—to the present situation. While Valencia Street on a Saturday night may be unrecognizable to residents from twenty years ago, the neighborhood still hosts a sizable Latino population, and, in the words of a community-based organization stakeholder, “contestation for place and the right to stay is still going on.”

Housing Production, Filtering and Displacement: Untangling the Relationships

Miriam Zuk
Karen Chapple



EXECUTIVE SUMMARY:

Research Implies the Importance of Increasing Production of Subsidized and Market-Rate Housing

Debate over the relative importance of subsidized and market-rate housing production in alleviating the current housing crisis continues to preoccupy policymakers, developers, and advocates. This research brief adds to the discussion by providing a nuanced analysis of the relationship between housing production, affordability, and displacement in the San Francisco Bay Area, finding that:

- At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.
- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.
- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply.

Although more detailed analysis is needed to clarify the complex relationship between development, affordability,

and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities.

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Housing Production, Filtering, and Displacement: Untangling the Relationships

Introduction

The ongoing crisis of housing affordability in California has deepened the divide between those who believe it can be resolved by expanding the supply of market-rate housing and those who believe that market-rate construction on its own will not meet the needs of low-income households, for whom more subsidized housing needs to be built or stabilized. These arguments over the role of market-rate versus subsidized housing have plagued strong-market cities, which are engaging in political debates at the ballot box (e.g., the “Mission Moratorium,” a ballot measure that would ban luxury units in San Francisco’s Mission neighborhood) and in city hall (e.g., housing density bonus programs like New York City’s inclusionary housing plan) over the role and impact of housing development.

In the February 2016 report “Perspectives on Helping Low-Income Californians Afford Housing” (hereafter “the LAO Report”), the California Legislative Analyst’s Office (LAO) used data we posted on our Urban Displacement Project website (www.urbandisplacement.org) to argue that market-rate development would be the most effective investment to prevent low-income households from being displaced from their neighborhoods.¹

In this research brief we present a more nuanced view to contribute to this debate. We correct for the omission of subsidized housing production from the LAO Report and find that both market-rate and subsidized housing reduce displacement at the regional level, yet subsidized housing has over double the impact of market-rate units. After evaluating the impact of market-rate and subsidized housing built in the 1990s on displacement occurring in the 2000s, to ensure that we are examining before and after relationships, we find that market-rate development has an insignificant effect on displacement. Finally, when looking at the local, neighborhood scale in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions. These findings also provide support for increasing spending on subsidized housing to ensure

both neighborhood stability and income diversity into the future.

We begin this research brief by describing why the filtering process, the phenomenon in which older market-rate housing becomes more affordable as new units are added to the market, may fall short of producing affordable housing. We next revisit the question of the impact of market-rate development, looking also at the role of subsidized housing development, in mitigating displacement. After an examination of the impact of housing production on displacement over the short- and long-term, we look at why adding to housing supply in a region might not reduce housing market pressures in all neighborhoods. We conclude by suggesting next steps for research.

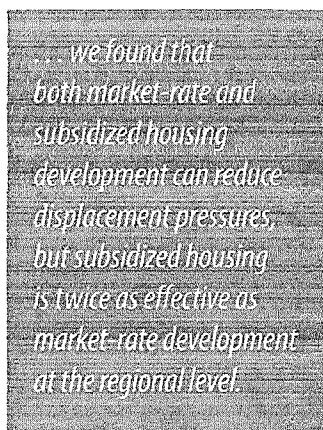
Filtering Is Not Enough

Using our data, the LAO report concluded that the most important solution to the housing crisis in California’s coastal communities is to build more market-rate housing. The report found that new market-rate construction reduced displacement of low-income households across the region. After outlining the challenges and limited funding for subsidized units, the report argued that filtering, or the phenomenon in which older market-rate housing becomes more affordable as new units are added to the market, was the most effective way to exit the affordable-housing crisis. The report neglects the many challenges of using market-rate housing development as the main mechanism for providing housing for low-income households, in particular the timing and quality of the “filtered” housing stock.² The

filtering process can take generations, meaning that units may not filter at a rate that meets needs at the market’s peak, and the property may deteriorate too much to be habitable. Further, in many strong-market cities, changes in housing preferences have increased the desirability of older, architecturally significant property, essentially disrupting the filtering process.

Although our data is not tailored to answer questions about the speed of filtering, other researchers³ have found that on average across the United States, rental units become occupied by lower-

income households at a rate of approximately 2.2% per year. Yet in strong housing markets such as California and New England the rate is much lower and researchers find that filtering rates have an inverse relationship with housing price inflation; in other words, places that have rapidly rising housing prices have slower filtering rates.⁴ Using the estimates of Rosenthal (2014) and an annual appreciation rate



... we found that both market-rate and subsidized housing development can reduce displacement pressures, but subsidized housing is twice as effective as market-rate development at the regional level.

of 3.3% over the last 20 years, the pace at which units filter down to lower-income households for the Bay Area's rental market is estimated at roughly 1.5% per year. Yet, Rosenthal finds that rents decline by only 0.3% per year, indicating that units become occupied by lower-income households at a faster rate than rents are falling, which could result in heightened housing cost burden. Furthermore, if we were to assume that developers are building housing for people at the median income, then it would take approximately 15 years before those units filtered down to people at 80% of the median income and closer to 50 years for households earning 50% of the median income.⁵ Again, however, this does not mean that such units are actually affordable to the low-income households occupying them.

We examined the relationship between market-rate housing construction, rents, and housing cost burden (Table 1). Initial results indicate a filtering effect for units produced in the 1990s on median rents in 2013. Yet market-rate development in the 2000s is associated with higher rents, which could be expected as areas with higher rents are more lucrative places for developers to build housing. Furthermore, development in both the 1990s and 2000s is positively associated with housing cost burden for low-income households. Thus, while filtering may eventually help lower rents decades later, these units may still not be affordable to low-income households.

Developing Subsidized Units Is Even More Protective

While numerous critiques of the LAO report have circulated,⁶ we believe that the omission of subsidized housing production data from the analysis has the greatest potential to skew results.⁷ We have reanalyzed the data on housing production, including that of subsidized housing, and show that the path to reducing displacement is more complex than to simply rely on market-rate development and filtering. Following, we present our analysis that replicates the LAO analysis with the addition of subsidized housing data.

To examine the relationship between market-rate housing construction, subsidized housing construction, and displacement of low-income households, we developed an econometric model that estimates the probability of a low-income Bay Area neighborhood experiencing displacement. We employ the same methodology as the LAO Report, using probit regression analysis to evaluate how various factors affect the likelihood of a census tract experiencing displacement between 2000 and 2013 (see the technical appendix for definitions).

Consistent with the LAO Report, we find that new market-rate units built from 2000 to 2013 significantly predict a reduction in the displacement indicator from 2000 to 2013 (Table 2, Model 1).⁸ Higher shares of nonwhite population and higher housing density also produced significant reduc-

tions in displacement. Higher shares of housing built before 1950, college-educated population in 2000, and low-income population in 2000 increased the likelihood of the census tract experiencing displacement. These results are generally consistent with previous research: existing residents in neighborhoods with historic housing stock and college-educated populations are at higher risk of displacement.⁹ We also find, however, that the production of subsidized units has a protective effect, which appears to be greater than the effect of the market-rate units (Model 2). This includes units built with low-income housing tax credits and other federal and state subsidies.¹⁰ We find the effect of subsidized units in reducing the probability of displacement to be more than double the effect of market-rate units. In other words, for every one subsidized unit, we would need to produce two or more market-rate units to have the same reduction in displacement pressure.¹¹

What we find largely supports the argument that building more housing, both market-rate and subsidized, will reduce displacement. However, we find that subsidized housing will have a much greater impact on reducing displacement than market-rate housing. We agree that market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population. However, our analysis strongly suggests that subsidized housing production is even more important when it comes to reducing displacement of low-income households.

ABOUT THE AUTHORS

Miriam Zuk, Ph.D. is project director of the Urban Displacement Project at UC Berkeley. She specializes in equitable development and environmental justice. Dr. Zuk holds a B.A. in Environmental Sciences from Barnard College, an M.S. in Technology and Policy from MIT, and a Ph.D. in City and Regional Planning from UC Berkeley. Prior to academia, she served as the Deputy Director of Air Quality Research for the Mexican Ministry of Environment.

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Table 1. The Impact of Development on Median Rent and Housing Cost Burden for Low-Income Households for the SF Bay Area Census Tracts (linear model)

	Median Rent (2009-2013)	Percent of Low Income Households that are Housing Cost Burdened (2009-2013)
% of housing units built pre-1950 in 2000	-202.52***	-0.04***
% of population nonwhite in 2000	47.28	0.08***
% of adult population with college degree in 2000	445.65***	0.03*
Housing density (pop/square mile) in 2000	2.6E-04	-1.6E-07
% of households with income below 80% of county median in 2000	-1185.37***	-0.05**
Number of new market-rate units built between 1990-2000	-0.05**	2.7E-05***
Number of new market-rate units built between 2000-2013	0.07***	2.6E-05***
Proximity to rail transit station (<1/2 mile) in 2000	60.30***	0.01
Intercept	1827.80***	0.56***
n	1569	1568
R ²	0.51	0.06
***<.01 **<.05 *<.10 significance level		

Table 2. The Impact of Market-Rate and Subsidized Developments on Displacement Bay Area Tracts 2000-2013

	Model 1	Model 2
% of housing units built pre-1950 in 2000	0.612***	0.481***
% of population nonwhite in 2000	-0.956***	-0.943***
% of adult population with college degree in 2000	1.775***	1.824***
Housing density (pop/square mile) in 2000	-1.04E-05***	-1.01E-05***
% of households with income below 80% of county median in 2000	2.447***	3.054***
Number of new market-rate units built between 2000-2013	-0.002***	-0.002***
Number of subsidized units built between 2000-2013	—	-0.005***
Intercept	-1.576***	-1.709***
n	1569	1569
Pseudo R ²	0.1456	0.1693
***<.01 **<.05 *<.10 significance level		

Table 3. The Impact of Market-Rate and Subsidized Developments on Displacement Bay-Area Tracts 1990-2000 and 2000-2013

	Model 3	Model 4	Model 5
% of housing units built pre-1950 in 2000	0.614***	0.565***	0.446**
% of population nonwhite in 2000	-1.071***	-1.090***	-0.955***
% of adult population with college degree in 2000	1.689***	1.700***	1.820***
Housing density (pop/square mile) in 2000	-5.95E-06*	-5.09E-06	-9.73E-06**
% of households with income below 80% of county median in 2000	2.251***	2.474***	3.105***
Number of new market-rate units built between 1990-2000	-3.25E-04**	-2.91E-04**	-6.85E-05
Number of subsidized units built between 1990-2000	--	-0.004***	-0.002*
Number of new market-rate units built between 2000-2013	--	--	-0.002***
Number of subsidized units built between 2000-2013	--	--	-0.005***
Intercept	-1.613***	-1.660***	-1.699***
n	1571	1571	1569
Pseudo R ²	0.108	0.118	0.171
***<.01 **<.05 *<.10 significance level			

The Effectiveness of Market-Rate Production in Mitigating Displacement Diminishes over Time

The LAO Report used data that we posted to our website for housing production numbers that were built over the same time period as our data on the change in low-income households. Yet, since both housing production and household change are occurring in a 13-year period from 2000 to 2013, it is unclear which came first: conceivably, the change in households occurred before the development, rather than vice versa, however it is also feasible that developers prefer to build in neighborhoods experiencing a decline in low-income households. This creates the potential for errors in the model. To account for this, we correct the potential error in the LAO Report by adding housing production data that precede changes in low-income households, which we use as the proxy for displacement. In other words, instead of looking at the incidence of displacement in the same decade as housing production, we evaluate the impact of market-rate and subsidized housing built in one decade (e.g., 1990s) on what happens to residents in a subsequent decade (e.g., 2000s).

We find that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013 (Table 3, Model 3), confirming the findings of the

LAO Report. Yet, once again, subsidized housing built in the previous decade has more than double the effect of market-rate development in that decade (Model 4). When looking at housing production in both the 1990s and 2000s (Model 5), subsidized housing continues to play a greater role in mitigating displacement in 2010s, while market development in the 1990s becomes insignificant. This suggests that there are factors dictating development in the 1990s that are related to development in the 2000s as well as displacement that are not included in the model, such as housing sales prices or school quality. An alternative interpretation of the disappearance of an effect for market-rate housing built in the 1990s is that market-rate housing in and of itself, or the filtering process, has no effect on displacement. Future research will need to further analyze these relationships as well as other factors that may improve the predictive power of the models.

Regardless of when construction happens relative to displacement—before or concurrently—our analysis shows that subsidized housing has double the impact of market-rate development. Further, the effectiveness of market-rate housing in mitigating displacement seems to diminish as more market-rate housing is built in a subsequent decade. More research would be necessary to understand this phenomenon, but this result suggests that over time, the con-

struction of market-rate housing may have a catalytic effect on a neighborhood, increasing its attractiveness to upper-income residents, rather than a protective effect of filtering.

Housing Production May Not Reduce Displacement Pressure in a Neighborhood

As Rick Jacobus explains,¹² because market mechanisms work differently at different geographic scales, market-rate construction can simultaneously alleviate housing pressures across the region while also exacerbating them at the neighborhood level. At the regional scale, the interaction of supply and demand determines prices; producing more market-rate housing will result in decreased housing prices and reduce displacement pressures. At the local, neighborhood scale, however, new luxury buildings could change the perception of a neighborhood and send signals to the market that such neighborhoods are desirable and safer for wealthier residents, resulting in new demand. Given the unmet demand for real estate in certain neighborhoods, new construction could simply induce more in-moving.¹³ By ex-

tension, then, one would expect market-rate development to reduce displacement at the regional scale but increase it or have no or a negative impact at the local neighborhood scale.

Here we test this hypothesis. We do this by analyzing our regional data set at the tract level¹⁴ and comparing the results to the block group level for San Francisco,¹⁵ where we have our most accurate data on housing production. What we find largely confirms this regional versus local argument; there is some, albeit limited evidence that at the regional level market-rate housing production is associated with reductions in the probability of displacement (Model 5), but at the block group level in San Francisco it has an insignificant effect (Table 4, Models 6). Comparing the effect of market-rate and subsidized housing at this smaller geography, we find that neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.

To illustrate this point, in Figure 1 we plot on the X-axis construction of new market-rate units in the 1990s and 2000s and on the Y-axis the change in the number of low-income households from 2000 to 2013 for both tracts in the entire region and block groups in San Francisco. Although at the regional level the relationship between market-rate development and change in low-income households appears linear, the same is not true for the block group level, where no clear pattern emerges.

Housing Production and Neighborhood Change in SOMA, SF

To better grasp the complicated relationship between housing development and displacement at the local block group level we selected two case study areas in San Francisco's South of Market Area (SOMA) that experienced high rates of development of both market-rate and subsidized units since the 1990s, but had divergent results when it came to changes in the income profile of their residents. We examined the dynamics of block groups 2 and 3 in Census Tract 176.01. Both witnessed among the highest levels of housing construction in San Francisco for both market-rate and subsidized units, yet from 2000 to 2013 our data show that Block Group 2 gained low-income households and Block Group 3 lost low-income households.

Block Group 2

At the heart of downtown San Francisco, this seven-block area is home to nearly 2,500 residents today, nearly doubling its population since 2000. In the 1990s, 127 market-rate units were added to the area, mostly in mid-sized

Table 4: The Impact of Market-Rate and Subsidized Developments on Displacement, San Francisco Block Groups, 1990-2000 and 2000-2013

	Model 6
% of housing units built pre-1950 in 2000	1.017***
% of population nonwhite in 2000	-2.306***
% of adult population with college degree in 2000	-0.427
Housing density (pop/square mile) in 2000	-1.0E-05***
% of households with income below 80% of county median in 2000	3.038***
Number of new market-rate units built between 1990-1999	-0.002
Number of subsidized units built between 1990-1999	-0.004
Number of new market-rate units built between 2000-2013	4.2E-04
Number of subsidized units built between 2000-2013	-0.001
Intercept	-0.638
n	578
Pseudo R ²	0.113
***<.01 **<.05 *<.10 significance level	

Figure 1. Housing Production (1990-2013 and Change in Low-Income Households (2000-2013)

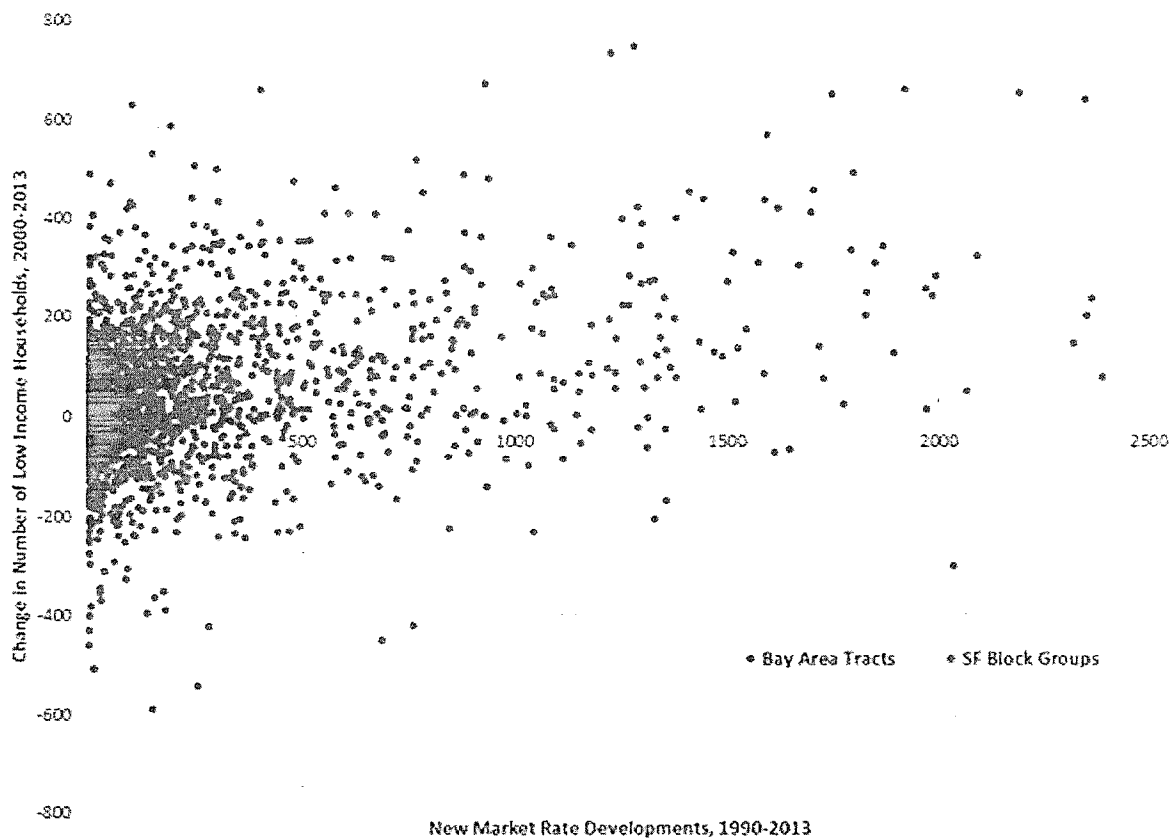
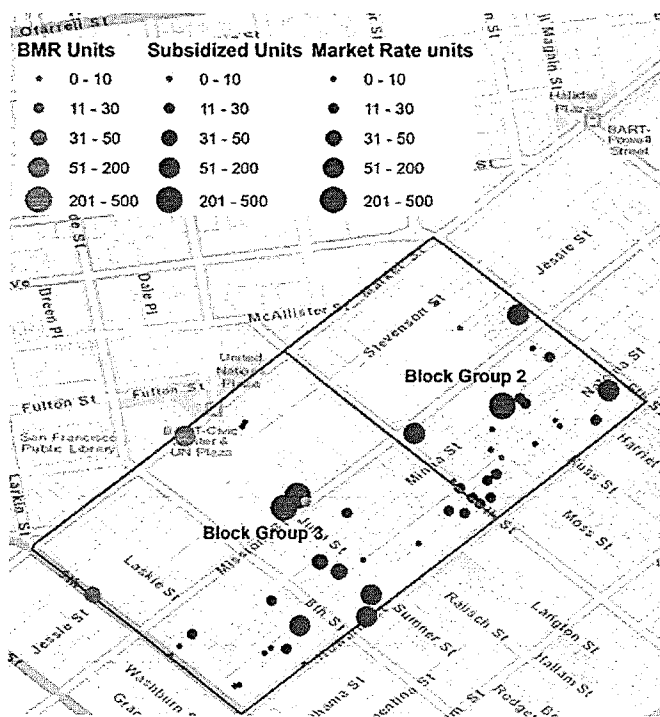


Figure 2. Housing Developments from 1990-2013 in Two Block Groups of the SOMA Neighborhood, SF

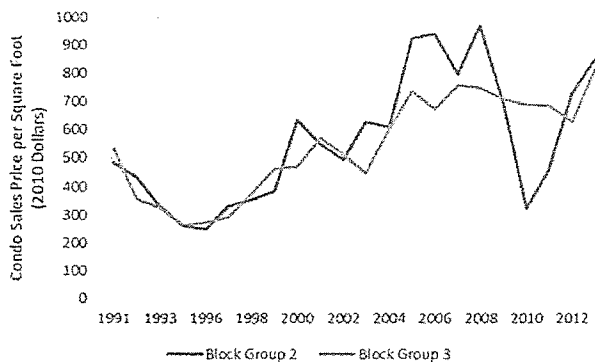


buildings of about 30 units. During that same period, 108 subsidized units were added, including 72 units in a single room occupancy (SRO) hotel. Sales prices for condos dipped in the mid-1990s, but climbed back to nearly \$400 per square foot by 1999 (in 2010 dollars, see Figure 3).

Development of market-rate units continued into the early 2000s, when the 258-unit SOMA Residences apartments were built at 1045 Mission Street in 2001. Three below-market-rate units were developed as part of the city's inclusionary housing program, but no other subsidized units were added. Sales prices increased in the area in the early 2000s, suffered from the housing crisis in the mid-2000s, but reached back up to prerecession values by 2013.

Yet the area did not witness a significant loss of low-income households during the 13-year period of 2000 to 2013, which may be in part related to the fact that nearly a thousand units in the area are in buildings regulated by rent control (nearly 60% of all rental units), which has remained relatively constant since 2000. Finally, this area is bordered by 6th Street to the east, San Francisco's "skid row," with high rates of crime and concentrated poverty which may be dampening the attractiveness of the neighborhood. When we incorporate crime rates into our model, they significant-

Figure 3. Median Condo Sales Price per Square Foot, 1991-2013 (Source: Dataquick 2014)



ly predict a reduction in displacement probability, even at the block group level, which housing production does not.

Block Group 3

Block Group 3 is an eight-block area centered to the north around the Civic Center BART station and home to over 2,100 people (Figure 2). The area gained 101 market-rate units and 104 subsidized units in the 1990s. This block group was the site of a 104-SRO-unit building for disabled homeless adults in 1994. The 101 market-rate units built in the 1990s were in smaller scale developments of 30 units or less. Development accelerated the following decade with 601 market-rate units and 315 subsidized and below-market units. In 2002, 48 units were developed at 675 Minna followed by 162 affordable units at 1188 Howard. In 2008, 244 luxury condos opened in the SOMA Grand at 1160 Mission and in 2010, following years of negotiation, the Trinity Management group opened 440 high-end furnished apartments at 1188 Mission as part of the Trinity Plaza development. The development was at the center of housing debates as it involved the demolition of 377 rent-controlled units. Ultimately the developer agreed to put 360 of its new 1,900 units under rent control.¹⁶ In 2015, however, the management group was accused of renting out some of those rent-controlled units to tourists.¹⁷ Overall the area lost approximately 40% of its rent-controlled housing stock since 2000 and today a little over half of the rental units are under rent control.

Despite the ongoing investments in subsidized housing in the neighborhood, the new high-end developments have contributed to the ongoing transformation of the neighborhood as characterized by the 2013 Yelp review by a SOMA Grand resident:

I bought a place here in 2009 and absolutely love it. While the neighborhood might have a bit of grit to it there are so many great restaurants nearby, in-

Figure 4. Canon Kip Community House Built in 1994 Houses Disabled Homeless Adults in 104 SRO Units



Figure 5. 440 Units Were Developed at Trinity Place, at 1188 Mission Street, in 2010



cluding the one right in the building. . . . This neighborhood is transforming fast too!¹⁸

This, along with the loss of rent-controlled units, has resulted in a net loss over 150 low-income households (with median incomes between 50% and 80% of San Francisco median income) between 2000 and 2013. It is unclear, however, how much of that loss is due to the direct displacement from the Trinity development or from indirect displacement due to rising rents associated with local development or other factors affecting housing demand.

These two block groups illustrate the complex relationships between housing development and demographic change. While both neighborhoods have witnessed dramatic development in one of the fastest growing parts of San Francisco, and have similarly seen significant growth in housing prices, one may be classified as experiencing displacement of low-income households, while the other does not. The ambiguous effects of development at the local level carry over to affordability as well. In Table 5 we show the linear modeling results of housing development on median rent and housing cost burden for low-income households, finding that subsidized units built in the 2000s are associ-

Table 3. The Impact of Development on Median Rent and Housing Cost Burden for Low-Income Households for St. Block Groups (Linear Model)

	Median Rent (2009-2013)	Percent of Low Income Households that are Housing Cost Burdened (2009-2013)
% of housing units built pre-1950 in 2000	94.615	0.030
% of population nonwhite in 2000	-230.837	0.126
% of adult population with college degree in 2000	692.844**	0.113
Housing density (pop/square mile) in 2000	-5.2E-04	9.5E-08
% of households with income below 80% of county median in 2000	-616.005***	-0.109*
Number of new market-rate units built between 1990-2000	6.0E-01	-3.5E-05
Number of subsidized units built between 1990-2000	1.0E+00	2.6E-05
Number of new market-rate units built between 2000-2013	3.4E-02	1.5E-04*
Number of subsidized units built between 2000-2013	-9.1E-01**	-3.6E-04*
Intercept	1526.485***	0.590***
n	578	563
R ²	0.250	0.020
***<.01 **<.05 *<.10 significance level		

ated with a decline in median rent and housing cost burden, whereas market-rate developments are associated with greater housing cost burden. Development of subsidized and market-rate units in the 1990s appears to have no significant impact on affordability in the subsequent decade at the block group level. As discussed above, housing affordability and displacement may be related to other neighborhood and regional factors, such as employment dynamics and neighborhood amenities that were not included in the models. Additional research will be needed with higher-resolution housing data along with other information about neighborhood amenities to better understand the dynamics and impact of housing production at the local scale.

Conclusions

There is no denying the desperate need for housing in California's coastal communities and similar housing markets around the U.S. Yet, while places like the Bay Area are suffering from ballooning housing prices that are affecting people at all income levels, the development of market-rate housing may not be the most effective tool to prevent the displacement of low-income residents from their neighbor-

hoods, nor to increase affordability at the neighborhood scale.

Through our analysis, we found that both market-rate and subsidized housing development can reduce displacement pressures, but subsidized housing is twice as effective as market-rate development at the regional level. It is unclear, however, if subsidized housing production can have a protective effect on the neighborhood even for those not fortunate enough to live in the subsidized units themselves.

By looking at data from the region and drilling down to local case studies, we also see that the housing market dynamics and their impact on displacement operate differently at these different scales. Further research and more detailed data would be needed to better understand the mechanisms via which housing production affects neighborhood affordability and displacement pressures. We know that other neighborhood amenities such as parks, schools, and transit have a significant impact on housing demand and neighborhood change¹⁹ and it will take additional research to better untangle the various processes at the local level.

In overheated markets like San Francisco, addressing the displacement crisis will require aggressive preservation strategies in addition to the development of subsidized and

market-rate housing, as building alone won't protect specific vulnerable neighborhoods and households. This does not mean that we should not continue and even accelerate building. However, to help stabilize existing communities we need to look beyond housing development alone to strategies that protect tenants and help them stay in their homes.

Technical Appendix

Data

We use the same dataset released on our website urban-displacement.org as used in the LAO report. We add data on the production of subsidized units using data from the California Housing Partnership Corporation that compiled information from federal LIHTC and HUD subsidies, as well as California state subsidies.²⁰ We supplement this data with information for San Francisco on parcel level housing data and information on units produced under their Below Market-Rate (inclusionary housing) program.

Defining Displacement

For the purposes of comparison, we use the same definition of displacement as the LAO report. They defined a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased, or (2) its overall population decreased and the rate of low-income households declined at a faster rate than the overall population decline. The time period for change in low-income households is 2000 to 2013. We apply the same methodology for San Francisco block groups.

It's important to note the limitations of this data in proxying for displacement, as it is feasible that the change in low-income households is a result not only of people moving out and in, but also income mobility of households moving down and becoming low income or up and becoming higher income. From our analysis of data from the Panel Study on Income Dynamics we estimate that there would have been a net increase in low-income households in most places from 2000 to 2013 likely due to the Great Recession; therefore, our estimates of displacement are likely an underestimate. Ideally we would be able to more accurately proxy for displacement by using a measure of out-migration of low-income households from a tract. Future research is needed accessing mobility datasets to better capture the displacement phenomenon for the Bay Area.

Sensitivity Analysis

In their response to the LAO Report, Alex Karner and Chris Benner argued that the LAO results may be due to lumping together the major cities and low-density suburbs into the same analysis.²¹ Although the inclusion of density should account for such differences, there may be additional

impacts from centrality of location. When we control for location in the three major cities (San Francisco, Oakland, and San Jose), the effect of market-rate housing remains, but so too does the magnitude of the effect of subsidized housing²² (Table 6, City Controls Model). In other words, all locations being equal, subsidized housing still has a greater impact.

It has also been suggested that the results may be driven by neighborhood distress during the foreclosure crisis where greater evictions occurred or fewer market rate units were developed. To test this hypothesis, we controlled for foreclosure rates between 2006 and 2013, finding the results to be robust (Table 6, Distressed Tracts Model).

Finally, the categorical indicator developed by the LAO could feasibly be labeling neighborhoods as experiencing displacement that are in fact a result of other issues of decline such as high rates of foreclosures. We originally attempted to control for this by excluding tracts that had experienced overall population decline, however it is feasible that gentrifying neighborhoods that witness a shift from family to smaller households could also experience population decline. For this reason, we deemed the LAO definition of displacement acceptable for the purposes of this analysis. Nevertheless, we also ran a set of tests using a modified indicator that only counted tracts that grew from 2000-2013 as potentially experiencing displacement and also ran linear regression models on the change of low income households. When we did this, the direction and implications of the results remained the same.

Notes

1. Brian Uhler, "Perspectives on Helping Low-Income Californians Afford Housing," LAO Brief (Legislative Analyst's Office, February 9, 2016). Data available at urban-displacement.org.
2. Michael Smith-Heimer, "The Potential for Filtering as Public Policy," *Berkeley Planning Journal* 5, no. 1 (1990): 94-104.
3. Stuart S. Rosenthal, "Are Private Markets and Filtering a Viable Source of Low-Income Housing? Estimates from a 'Repeat Income' Model †," *American Economic Review* 104, no. 2 (February 2014): 687-706, doi:10.1257/aer.104.2.687.
4. For rentals, Rosenthal estimates that filtering rate = $-0.0237 + 0.2522 \times \text{housing price appreciation}$.
5. Allowing for annual compounding effects assuming a constant annual filtering rate of 1.5%, the amount a unit would filter down in X years is calculated as $(1 - 0.015)^X$.
6. See Emily Badger, "How to Make Expensive Cities Affordable for Everyone Again," *Washington Post* (February 19, 2016). Accessed at <https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affordable-for-everyone-again/>.
7. This is perhaps unsurprising, since we did not publish this data online.
8. Note the coefficients of Model 1 do not match identically those of Figure A1 in the LAO report. The year of the independent variables used for the LAO model were not indicated. We tried

Table 6. Sensitivity Analysis of Regional Displacement Model

	City Controls Model	Distressed Tracts Model
% of housing units built pre-1950 in 2000	0.517**	0.517**
% of population nonwhite in 2000	-0.887***	-0.880***
% of adult population with college degree in 2000	1.840***	1.817***
Housing density (pop/square mile) in 2000	-8.82E-06**	-8.87E-06**
% of households with income below 80% of county median in 2000	3.005***	2.992***
Number of new market-rate units built between 2000-2013	-0.002***	-0.002***
Number of subsidized units built between 2000-2013	-0.005***	-0.005***
San Francisco control	-0.102	-0.104
San Jose control	-0.121	-0.124
Oakland control	-0.067	-0.067
Foreclosure rate, 2006-2013		-0.262
Intercept	-1.715***	-1.697***
n	1569	1569
Pseudo R ²	0.172	0.172
***<.01 **<.05 *<.10 significance level		

both variables for 2000 and 2013, but were unable to replicate the coefficients identically. Nevertheless, the coefficient for market rate housing production is very similar to that produced in the LAO model and the other variables have similar results in scale, directionality, and significance.

9. Lance Freeman, "Displacement or Succession? Residential Mobility in Gentrifying Neighborhoods," *Urban Affairs Review* 40, no. 4 (March 2005): 463-91.

10. We do not analyze units developed with local funding only (e.g., Redevelopment money or through inclusionary zoning) due to lack of availability for the entire region

11. These relationships were robust for several other measures of displacement we tested including the absolute change in low-income households.

12. Rick Jacobus, "Why We Must Build," *Shelterforce*, March 9, 2016, <http://www.shelterforce.org/article/4408/why_we_must_build/>.

13. Karen Chapple and Mitchell Crispell, "Mission Accomplished? Revisiting the Solutions," November 9, 2015, <<http://www.urbandisplacement.org/blog/mission-accomplished-revisiting-solutions>>.

14. On average in the Bay Area tracts have 1,656 households (min=15, max=6474) and 4,593 people (min 39, max 13,855).

15. On average in SF block groups have 603 households (min=41, max=4,082) and 1,434 people (min=45, max=8,621).

16. Randy Shaw, "Historic Trinity Plaza Deal Finalized," *Beyond Chron*, June 9, 2005.

17. Laura Dudnick, "Trinity Place Developer Accused of Illegally Leasing Apartments," *San Francisco Examiner*, August 6, 2015.

18. "SOMA Grand Residential Condos - SoMa - San Francisco, CA," Yelp, accessed May 2, 2016, <<http://www.yelp.com/biz/soma-grand-residential-condos-san-francisco>>.

19. Miriam Zuk et al., "Gentrification, Displacement, and the Role of Public Investment: A Literature Review," Working Paper (Federal Reserve Bank of San Francisco, August 24, 2015), <<http://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/>>.

20. <<http://chpc.net/advocacy-research/preservation/preservation-database/>>.

21. Cities that produce a lot of market-rate housing and experience high displacement pressures with places in the suburbs and urban fringe where there has been a lot of construction but little displacement pressure.

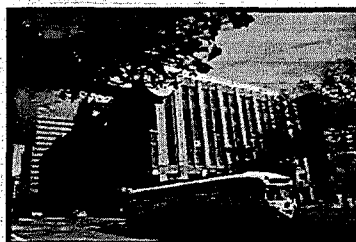
22. The same is true if we restrict our analysis only to census tracts with above average density. The effect is also consistent when we control for tracts that gentrified in either decade (149 tracts).



San Francisco Neighborhoods

Socio-Economic Profiles

American Community Survey 2005-2009



SAN FRANCISCO
PLANNING DEPARTMENT
May 2011

SAN FRANCISCO NEIGHBORHOODS

Socio-Economic Profiles

2005-2009 American Community Survey

San Francisco Planning Department

May 2011



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Foreword

San Francisco's 2010 population – at 805,330 – has well surpassed its all-time high in the 1950s. Despite some long term shifts in proportional shares, San Francisco's racial and ethnic composition remains diverse. The City's Asian population is growing steadily but the number of Black residents continues to drop. San Franciscans of Latin or Hispanic origin are also increasing, although not at rates seen at state or national levels.

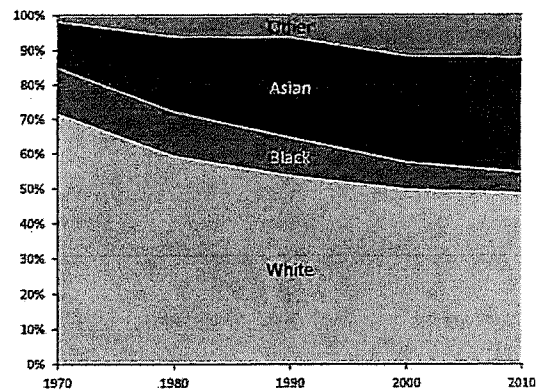
San Franciscans are also getting older, with a median age of 38.2 years. There are more children under 5 years old but San Francisco continues to be in the top three of major cities with the fewest children. The numbers of older San Franciscans are growing as well. Family households are increasing but there are also more single-person households.

Our citizens are also better educated: a third of San Franciscans over 25 years old have earned a B.A. diploma and about one in five hold a graduate or professional degree. Median incomes rose, although once adjusted for inflation, are almost unchanged from 2000.

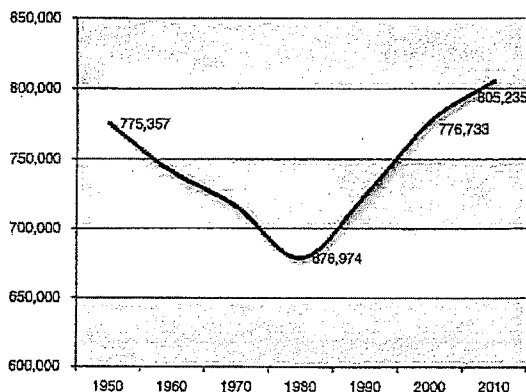
More employed San Franciscans are taking transit to work. Commuting by car has dropped and other travel to work modes such as biking and walking are becoming more popular. Working at home is also increasing. A growing number of San Francisco households are car-free.

San Francisco is a city of neighborhoods, diverse in composition and character. This report compiles recently released 2005-2009 American Community Survey census data for each neighborhood. It provides select demographic and housing characteristics as well as information on employment and the commute to work.

San Francisco Change in Racial Composition 1970-2010

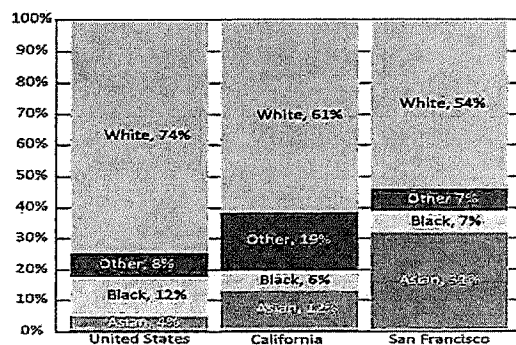


San Francisco Population, 1950 - 2010



Source: Bay Area Census ; US Bureau of the Census

Racial Distribution, San Francisco - California - United States, 2010



Data Sources

Statistics in each neighborhood profiles come from two datasets produced by the U.S. Census Bureau: the 2005-2009 American Community Survey and the 2010 Census. For this report, figures for total population, race and Latino/Hispanic origins come from the 2010 Census PL-94-171 redistricting data. The bulk of the statistics presented, however, are based on the 2005-2009 American Community Survey (ACS).

The annual ACS, which is conducted year-round, has replaced the 10-year, April 1 Census "long form" and includes detailed socio-economic statistics such as income, poverty, educational attainment, occupation, language spoken and commute to work. Yearly ACS data is pooled in sets of five years to generate sampling similar to the decennial Census. The 2005-2009 ACS is the first five-year estimate released and provides the most current demographic profile of the country at the census tract level.

Because the ACS figures are estimates based on samples, there will be few references in absolute numbers. The statistics are, instead, presented as percentage shares. When absolute numbers are provided, these are rounded to the nearest 10. The Census Bureau also publishes margins of error (MOE) for all tables which we have included in an Appendix.

The Census Bureau also provides approximation formulas for calculating MOEs for derived or aggregated measures. Moreover, the Bureau also advises that derived MOEs are increasingly imprecise once more than four individual values are summed. For example, adding high school graduates for five census tracts to get to the neighborhood level constitutes five such values. Also, adding smaller age intervals to report data by larger ones would introduce the same problem. As most of these neighborhood profiles comprise

more than four individual tracts and often aggregate published categories (age, commute mode, race), the margins of error themselves become approximations.

Above all, when using data from the American Community Survey, one must keep in mind that sample data is inherently subject to error, and estimates should be interpreted with some caution. In the Appendix (page 80), the steps are included for identifying applicable margins of error.

The Planning Department will analyze additional Census 2010 data once these are released. The Department will also provide yearly updates based on the American Community Survey's five-year estimates.

Data Geography

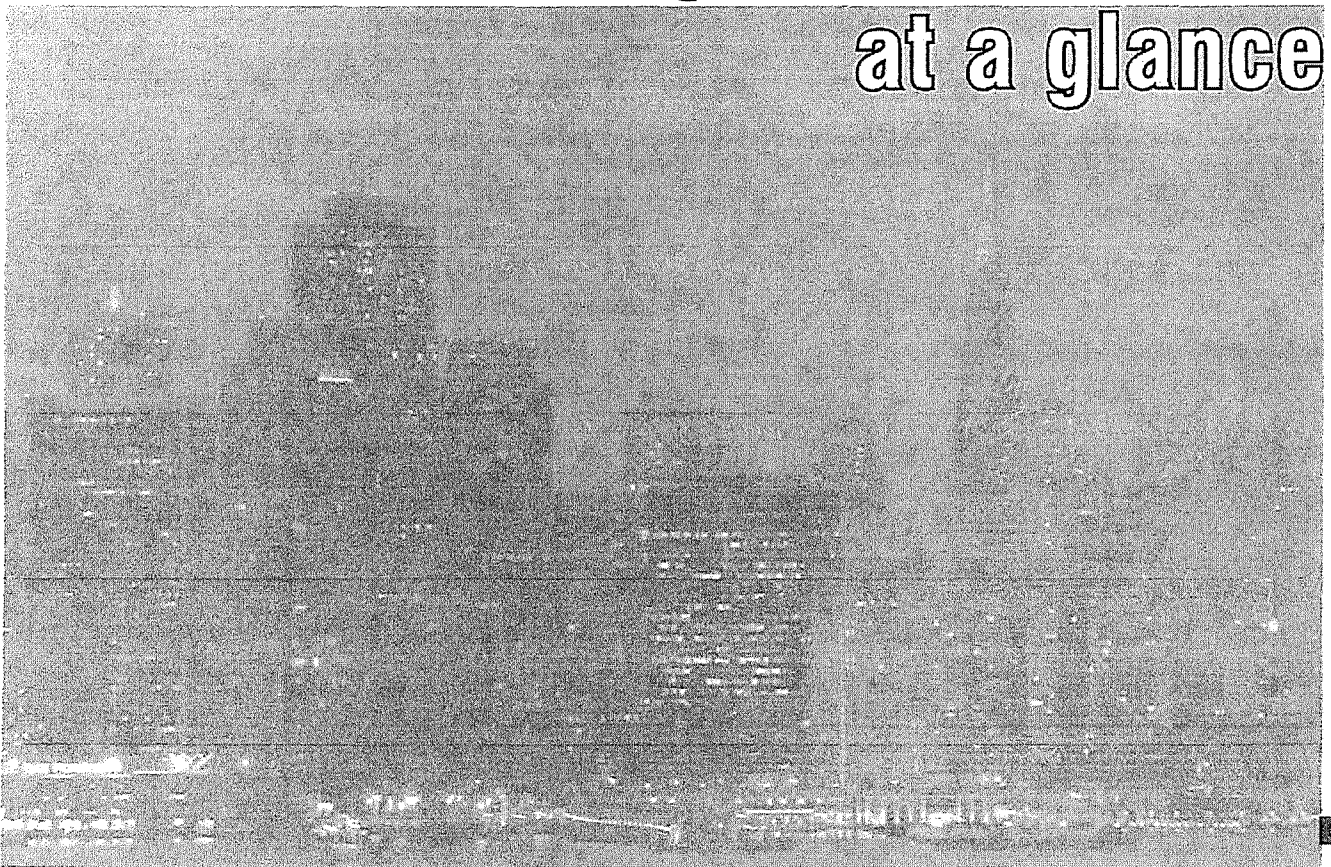
Data from the 2005-2009 American Community Survey sample use the 2000 census tract geographies and are consistent over the decade, allowing for comparison. For this report, the Planning Department aggregated census tracts into popularly-defined neighborhoods. Because the census tracts don't perfectly match neighborhood boundaries¹—with some tracts overlapping districts—the Planning Department assigned such tracts in its entirety to a specific neighborhood. The map on the following page shows neighborhoods and the census tracts assigned.

¹ While Census Block Group geographies allow for better fit within neighborhoods, ACS data is not always available at this level of geography.

Neighborhood Boundaries and Census Tracts



San Francisco Neighborhood Profiles *at a glance*



San Francisco at a Glance

DEMOGRAPHICS

Total Population*	805,240
Group Quarter Population	17117
Percent Female	49%

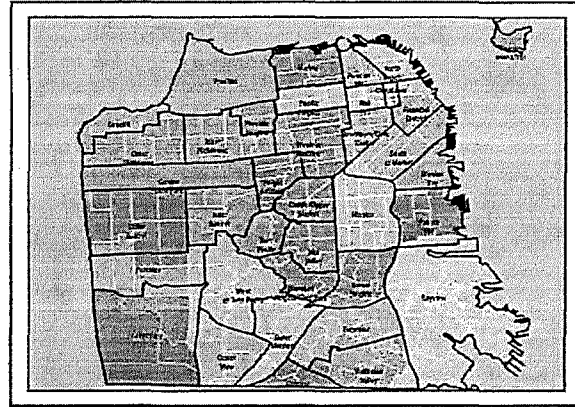
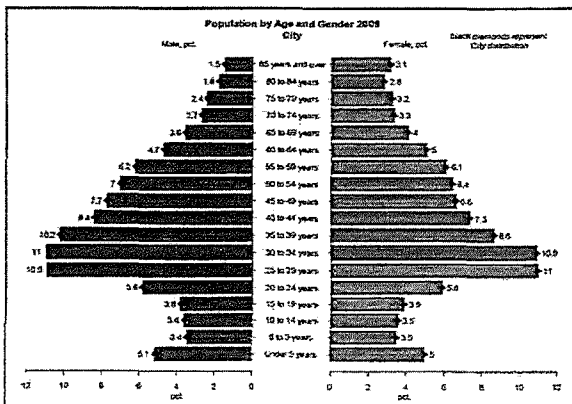
Households	324,180
Family Households	44%
Households with Children, Pct of Total	18%
Non-Family Households	56%
Single Person Households, Pct of Total	41%
Avg Household Size	2.4
Avg Family Household Size	3.5

Race/Ethnicity*

Black/African American	6%
Asian	33%
White	48%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	11%
% Latino (of Any Race)	14%

Age

0 - 4 years	5%
5 - 17 years	9%
18 - 34 years	29%
35 - 59 years	37%
60 and older	19%



Educational Attainment

(Residents 25 years and older)

High School or Less	29%
Some College/Associate Degree	20%
College Degree	32%
Graduate/Professional Degree	19%

Nativity and Language

Foreign Born	34%
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Language Spoken at home

(Residents 5 years and older)

English Only	56%
Spanish Only	12%
Asian/Pacific Islander	26%
Other European Language	6%
Other Languages	1%

Linguistic Isolation

% of All Households	13%
% of Spanish-Speaking Households	23%
% of Asian Language Speaking Households	40%
% of Other European-Speaking Households	22%
% of Households Speaking Other Languages	17%

San Francisco at a Glance

HOUSING CHARACTERISTICS

Total Number of Units	358,380
Units Built 2000 to 2009+	22,220
Median Year Structure Built‡	1939

Occupied Units	324,180
Owner occupied	38%
Renter occupied	62%

Vacant Units	10%
For rent	36%
For sale only	6%
Rented or sold, not occupied	11%
For seasonal, recreational, or occasional use	16%
Other vacant	32%

Median Year Moved In to Unit (Own)	1995
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	34%
2 - 4 Units	21%
5 - 9 Units	10%
10 - 19 Units	10%
20 Units or more	24%
Other	0%

Housing Prices

Median Rent	\$1,220
Median Home Value	\$781,490
Median Rent as Percentage of HH Income	26%

Vehicles Available	349,240
Homeowners	56%
Renters	44%
Vehicles Per Capita	0.45
Households with no vehicle	95,280
Percent of Homeowning households	9%
Percent of Renting Households	42%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$70,117
Median Family Income	\$86,665
Per Capita Income	\$44,373
Percent in Poverty	11%

Employment

Unemployment Rate	7%
Employed Residents	443,140
Managerial and Prof. Occupations	51%
Service Occupations	16%
Sales and Office Occupations	23%
Farming related Occupations	0.1%
Construction and Maintenance Occup.	5%
Production and Transportation Occup.	6%

Journey to Work

Workers 16 years and over	431,900
Car	47%
Drove Alone	39%
Carpooled	8%
Transit	32%
Bike	3%
Walk	10%
Other	2%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Bayview: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	35,890
Group Quarter Population	0
Percent Female	50%

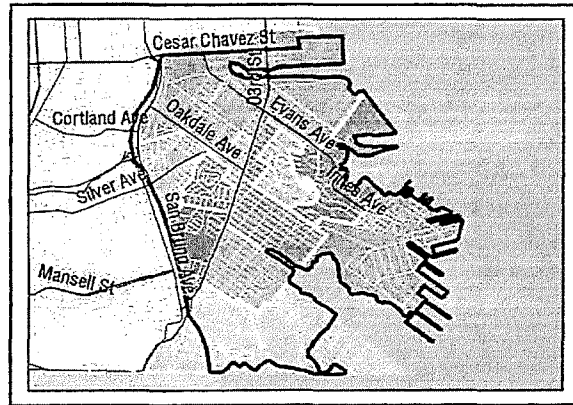
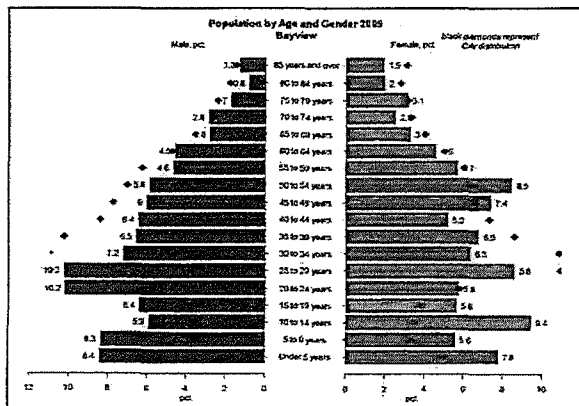
Households	9,480
Family Households	70%
Households with Children, Pct of Total	40%
Non-Family Households	30%
Single Person Households, Pct of Total	26%
Avg Household Size	3.6
Avg Family Household Size	4.5

Race/Ethnicity*

Black/African American	32%
Asian	33%
White	12%
Native American Indian	1%
Native Hawaiian/Pacific Islander	3%
Other/Two or More Races	20%
% Latino (of Any Race)	25%

Age

0 - 4 years	8%
5 - 17 years	19%
18 - 34 years	26%
35 - 59 years	32%
60 and older	16%



Educational Attainment

(Residents 25 years and older)	
High School or Less	56%
Some College/Associate Degree	26%
College Degree	13%
Graduate/Professional Degree	4%

Nativity and Language

Foreign Born	33%
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Language Spoken at home

(Residents 5 years and older)	
English Only	51%
Spanish Only	21%
Asian/Pacific Islander	27%
Other European Language	1%
Other Languages	1%

Linguistic Isolation

% of All Households	12%
% of Spanish-Speaking Households	27%
% of Asian Language Speaking Households	34%
% of Other European-Speaking Households	3%
% of Households Speaking Other Languages	23%

Bayview

HOUSING CHARACTERISTICS

Total Number of Units	10,540
Units Built 2000 to 2009+	760
Median Year Structure Built†	1952

Occupied Units	9,480
Owner occupied	51%
Renter occupied	49%

Vacant Units	10%
For rent	11%
For sale only	11%
Rented or sold, not occupied	2%
For seasonal, recreational, or occasional use	2%
Other vacant	75%

Median Year Moved In to Unit (Own)	1992
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	68%
2 - 4 Units	12%
5 - 9 Units	7%
10 - 19 Units	5%
20 Units or more	7%
Other	1%

Housing Prices

Median Rent	\$768
Median Home Value	\$586,201
Median Rent as Percentage of HH Income	29%

Vehicles Available

Vehicles Available	12,760
Homeowners	66%
Renters	34%
Vehicles Per Capita	0.38
Households with no vehicle	2,030
Percent of Homeowning households	8%
Percent of Renting Households	35%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$43,155
Median Family Income	\$50,029
Per Capita Income	\$19,484
Percent in Poverty	18%

Employment

Unemployment Rate	14%
Employed Residents	13,740
Managerial and Prof. Occupations	23%
Service Occupations	26%
Sales and Office Occupations	25%
Farming related Occupations	0.4%
Construction and Maintenance Occup.	12%
Production and Transportation Occup.	13%

Journey to Work

Workers 16 years and over	13,010
Car	62%
<i>Drove Alone</i>	50%
<i>Carpooled</i>	12%
Transit	29%
Bike	0%
Walk	4%
Other	1%
Worked at Home	3%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 230.01, 230.02, 230.03, 231.01, 231.02, 231.03, 232, 233, 234, 606, 609, 610

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Bernal Heights: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	23,390
Group Quarter Population	311
Percent Female	50%

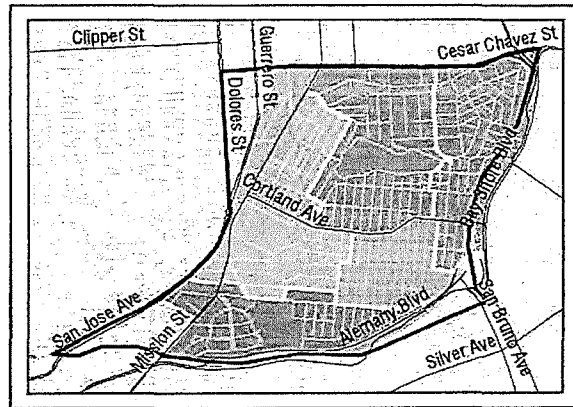
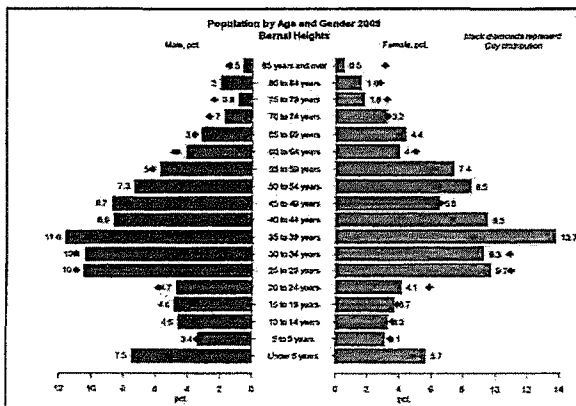
Households	9,170
Family Households	51%
Households with Children, Pct of Total	26%
Non-Family Households	49%
Single Person Households, Pct of Total	28%
Avg Household Size	2.8
Avg Family Household Size	3.8

Race/Ethnicity*

Black/African American	5%
Asian	16%
White	59%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	19%
% Latino (of Any Race)	29%

Age

0 - 4 years	7%
5 - 17 years	10%
18 - 34 years	26%
35 - 59 years	44%
60 and older	14%



Educational Attainment

(Residents 25 years and older)	
High School or Less	28%
Some College/Associate Degree	21%
College Degree	30%
Graduate/Professional Degree	21%

Nativity and Language

Foreign Born	28%
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Language Spoken at home

(Residents 5 years and older)	
English Only	58%
Spanish Only	27%
Asian/Pacific Islander	11%
Other European Language	4%
Other Languages	0%

Linguistic Isolation

% of All Households	7%
% of Spanish-Speaking Households	21%
% of Asian Language Speaking Households	18%
% of Other European-Speaking Households	4%
% of Households Speaking Other Languages	0%

Bernal Heights

HOUSING CHARACTERISTICS

Total Number of Units	9,710
Units Built 2000 to 2009+	460
Median Year Structure Built†	1939

Occupied Units	9,170
Owner occupied	58%
Renter occupied	42%

Vacant Units	6%
For rent	18%
For sale only	0%
Rented or sold, not occupied	2%
For seasonal, recreational, or occasional use	18%
Other vacant	61%

Median Year Moved In to Unit (Own)	1995
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	65%
2 - 4 Units	27%
5 - 9 Units	4%
10 - 19 Units	2%
20 Units or more	2%
Other	0%

Housing Prices

Median Rent	\$1,373
Median Home Value	\$747,500
Median Rent as Percentage of HH Income	26%

Vehicles Available

	12,520
Homeowners	66%
Renters	34%
Vehicles Per Capita	0.48
Households with no vehicle	1,430
Percent of Homeowning households	8%
Percent of Renting Households	26%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$85,607
Median Family Income	\$88,507
Per Capita Income	\$41,317
Percent in Poverty	9%

Employment

Unemployment Rate	6%
Employed Residents	15,860
Managerial and Prof. Occupations	51%
Service Occupations	19%
Sales and Office Occupations	20%
Farming related Occupations	0.1%
Construction and Maintenance Occup.	5%
Production and Transportation Occup.	5%

Journey to Work

Workers 16 years and over	15,510
Car	52%
<i>Drove Alone</i>	44%
<i>Carpooled</i>	8%
Transit	32%
Bike	5%
Walk	3%
Other	2%
Worked at Home	5%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 251, 252, 253, 254.01, 254.02, 254.03

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Castro/Upper Market: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	19,790
Group Quarter Population	0
Percent Female	36%

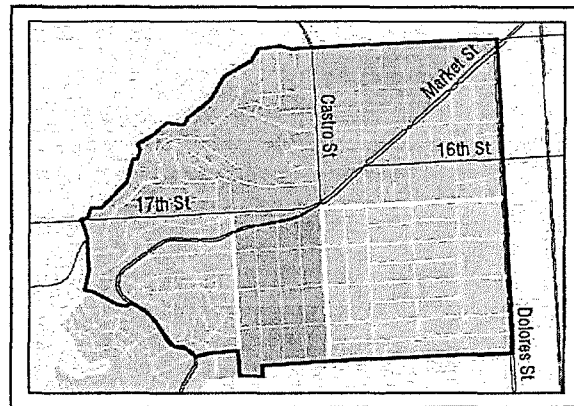
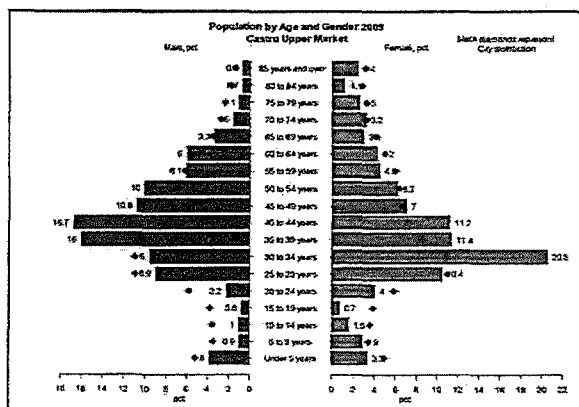
Households	13,810
Family Households	23%
Households with Children, Pct of Total	8%
Non-Family Households	77%
Single Person Households, Pct of Total	47%
Avg Household Size	1.9
Avg Family Household Size	2.8

Race/Ethnicity*

Black/African American	2%
Asian	10%
White	80%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	8%
% Latino (of Any Race)	8%

Age

0 - 4 years	4%
5 - 17 years	3%
18 - 34 years	26%
35 - 59 years	53%
60 and older	14%



Educational Attainment

(Residents 25 years and older)	
High School or Less	10%
Some College/Associate Degree	19%
College Degree	43%
Graduate/Professional Degree	28%

Nativity and Language

Foreign Born	16%
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Language Spoken at home

(Residents 5 years and older)	
English Only	79%
Spanish Only	7%
Asian/Pacific Islander	5%
Other European Language	8%
Other Languages	1%

Linguistic Isolation

% of All Households	3%
% of Spanish-Speaking Households	9%
% of Asian Language Speaking Households	19%
% of Other European-Speaking Households	10%
% of Households Speaking Other Languages	0%

Castro/Upper Market

HOUSING CHARACTERISTICS

Total Number of Units	14,810
Units Built 2000 to 2009+	140
Median Year Structure Built†	1939

Occupied Units	13,810
Owner occupied	34%
Renter occupied	66%

Vacant Units	7%
For rent	38%
For sale only	3%
Rented or sold, not occupied	11%
For seasonal, recreational, or occasional use	19%
Other vacant	29%

Median Year Moved In to Unit (Own)	1998
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	24%
2 - 4 Units	37%
5 - 9 Units	15%
10 - 19 Units	15%
20 Units or more	9%
Other	0%

Housing Prices

Median Rent	\$1,485
Median Home Value	\$946,246
Median Rent as Percentage of HH Income	25%

Vehicles Available	14,890
Homeowners	45%
Renters	55%
Vehicles Per Capita	0.58
Households with no vehicle	2,950
Percent of Homeowning households	8%
Percent of Renting Households	28%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$92,237
Median Family Income	\$127,165
Per Capita Income	\$67,206
Percent in Poverty	8%

Employment

Unemployment Rate	5%
Employed Residents	18,110
Managerial and Prof. Occupations	66%
Service Occupations	9%
Sales and Office Occupations	21%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	2%
Production and Transportation Occup.	2%

Journey to Work

Workers 16 years and over	17,800
Car	46%
<i>Drove Alone</i>	41%
<i>Carpooled</i>	5%
Transit	35%
Bike	2%
Walk	6%
Other	2%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 169, 170, 203, 204, 205, 206

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Chinatown: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	14,540
Group Quarter Population	0
Percent Female	50%

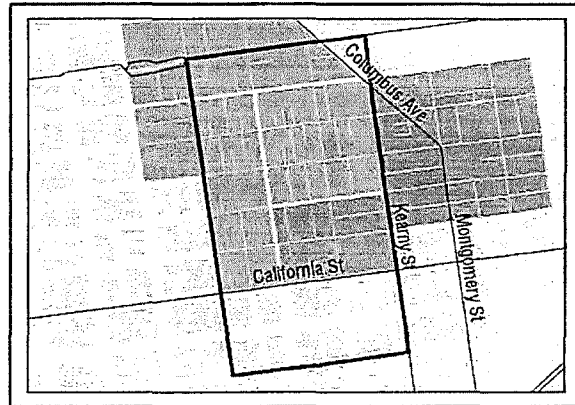
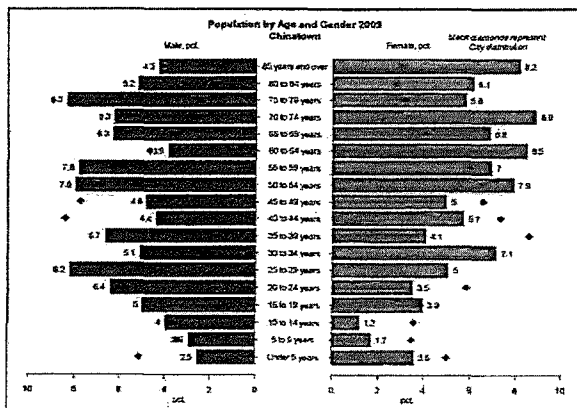
Households	6,720
Family Households	48%
Households with Children, Pct of Total	13%
Non-Family Households	52%
Single Person Households, Pct of Total	49%
Avg Household Size	2.1
Avg Family Household Size	3.2

Race/Ethnicity*

Black/African American	2%
Asian	84%
White	12%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	2%
% Latino (of Any Race)	2%

Age

0 - 4 years	3%
5 - 17 years	8%
18 - 34 years	19%
35 - 59 years	31%
60 and older	39%



Educational Attainment

(Residents 25 years and older)	
High School or Less	70%
Some College/Associate Degree	13%
College Degree	12%
Graduate/Professional Degree	4%

Nativity and Language

Foreign Born	75%
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Language Spoken at home

(Residents 5 years and older)	
English Only	14%
Spanish Only	1%
Asian/Pacific Islander	84%
Other European Language	1%
Other Languages	0%

Linguistic Isolation

% of All Households	66%
% of Spanish-Speaking Households	24%
% of Asian Language Speaking Households	84%
% of Other European-Speaking Households	21%
% of Households Speaking Other Languages	#Num!

Chinatown

HOUSING CHARACTERISTICS

Total Number of Units	7,490
Units Built 2000 to 2009+	80
Median Year Structure Built†	1939

Occupied Units	6,720
Owner occupied	6%
Renter occupied	94%

Vacant Units	10%
For rent	57%
For sale only	0%
Rented or sold, not occupied	13%
For seasonal, recreational, or occasional use	11%
Other vacant	19%

Median Year Moved In to Unit (Own)	1995
Median Year Moved In to Unit (Rent)	1999

Structure Type	
Single Family Housing	3%
2 - 4 Units	10%
5 - 9 Units	11%
10 - 19 Units	14%
20 Units or more	61%
Other	1%

Housing Prices	
Median Rent	\$478
Median Home Value	\$781,746
Median Rent as Percentage of HH Income	27%

Vehicles Available	1,560
Homeowners	13%
Renters	87%
Vehicles Per Capita	0.11
Households with no vehicle	5,410
Percent of Homeowning households	48%
Percent of Renting Households	83%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$17,630
Median Family Income	\$22,691
Per Capita Income	\$18,574
Percent in Poverty	31%

Employment	
Unemployment Rate	15%
Employed Residents	5,350
Managerial and Prof. Occupations	22%
Service Occupations	41%
Sales and Office Occupations	23%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	10%

Journey to Work	
Workers 16 years and over	5,230
Car	20%
<i>Drove Alone</i>	15%
<i>Carpooled</i>	5%
Transit	31%
Bike	0%
Walk	41%
Other	2%
Worked at Home	6%

Additional Sources:
 * 2010 Census Redistricting Data (Public Law 94-171).
 + Planning Department Housing Inventory
 † "1939" represents 1939 or earlier
 2000 Census Tracts for area: 107, 113, 114, 115, 118
 May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Crocker Amazon: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	14,420
Group Quarter Population	0
Percent Female	49%

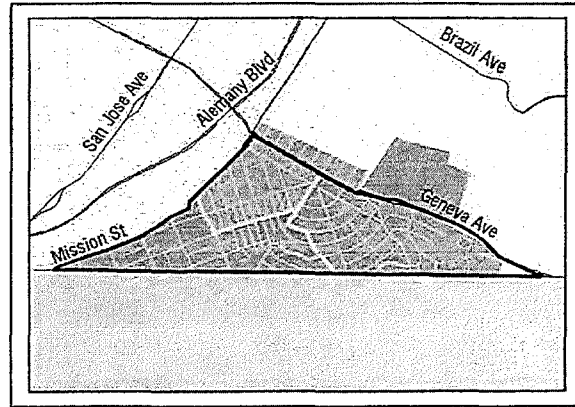
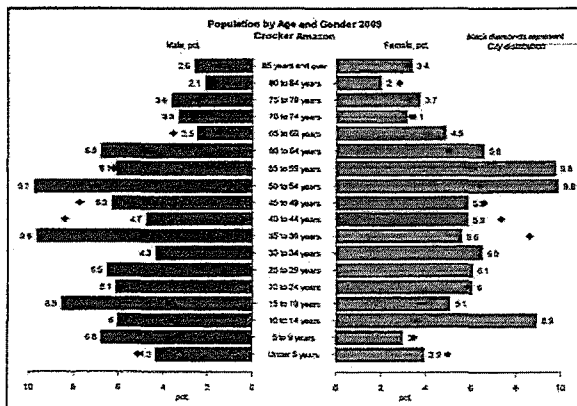
Households	3,390
Family Households	77%
Households with Children, Pct of Total	34%
Non-Family Households	23%
Single Person Households, Pct of Total	17%
Avg Household Size	3.9
Avg Family Household Size	4.6

Race/Ethnicity*

Black/African American	2%
Asian	58%
White	22%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	18%
% Latino (of Any Race)	26%

Age

0 - 4 years	4%
5 - 17 years	16%
18 - 34 years	21%
35 - 59 years	37%
60 and older	22%



Educational Attainment

(Residents 25 years and older)	
High School or Less	52%
Some College/Associate Degree	25%
College Degree	18%
Graduate/Professional Degree	5%

Nativity and Language

Foreign Born	52%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	31%
Spanish Only	19%
Asian/Pacific Islander	47%
Other European Language	3%
Other Languages	0%

Linguistic Isolation

% of All Households	17%
% of Spanish-Speaking Households	22%
% of Asian Language Speaking Households	27%
% of Other European-Speaking Households	42%
% of Households Speaking Other Languages	39%

Crocker Amazon

HOUSING CHARACTERISTICS

Total Number of Units	3,620
Units Built 2000 to 2009+	220
Median Year Structure Built†	1943

Occupied Units	3,390
Owner occupied	68%
Renter occupied	32%

Vacant Units	6%
For rent	41%
For sale only	18%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	15%
Other vacant	26%

Median Year Moved In to Unit (Own)	1991
Median Year Moved In to Unit (Rent)	2003

Structure Type	
Single Family Housing	80%
2 - 4 Units	9%
5 - 9 Units	4%
10 - 19 Units	4%
20 Units or more	4%
Other	0%

Housing Prices	
Median Rent	\$1,287
Median Home Value	\$623,471
Median Rent as Percentage of HH Income	28%

Vehicles Available	5,900
Homeowners	74%
Renters	26%
Vehicles Per Capita	0.44
Households with no vehicle	280
Percent of Homeowning households	5%
Percent of Renting Households	15%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$68,705
Median Family Income	\$73,056
Per Capita Income	\$23,644
Percent in Poverty	7%

Employment	
Unemployment Rate	9%
Employed Residents	6,370
Managerial and Prof. Occupations	26%
Service Occupations	29%
Sales and Office Occupations	24%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	8%
Production and Transportation Occup.	13%

Journey to Work	
Workers 16 years and over	6,310
Car	57%
<i>Drove Alone</i>	47%
<i>Carpooled</i>	10%
Transit	36%
Bike	1%
Walk	1%
Other	1%
Worked at Home	4%

Additional Sources:
 * 2010 Census Redistricting Data (Public Law 94-171).
 + Planning Department Housing Inventory
 ‡ "1939" represents 1939 or earlier
 2000 Census Tracts for area: 263.01, 263.02, 263.03
 May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>



Diamond Heights/Glen Park: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	7,790
Group Quarter Population	0
Percent Female	51%

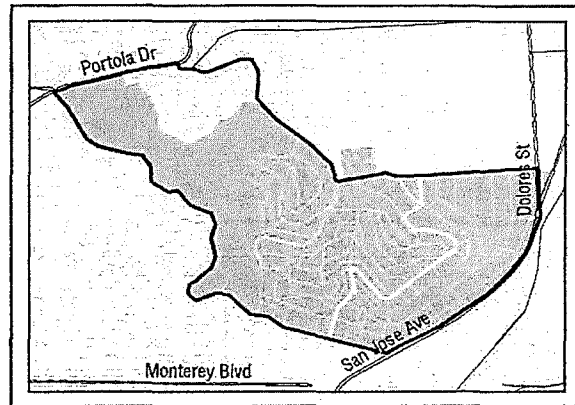
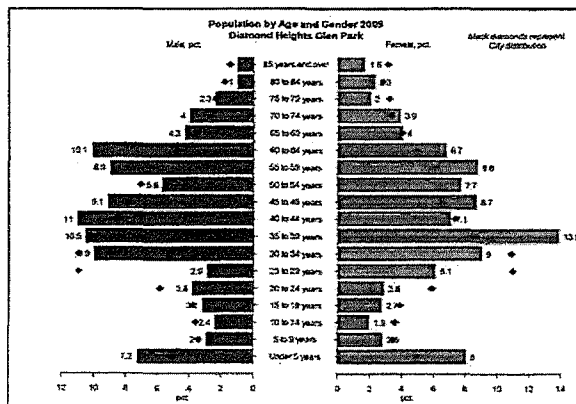
Households	3,810
Family Households	47%
Households with Children, Pct of Total	22%
Non-Family Households	53%
Single Person Households, Pct of Total	37%
Avg Household Size	2.2
Avg Family Household Size	3.0

Race/Ethnicity*

Black/African American	6%
Asian	14%
White	70%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	9%
% Latino (of Any Race)	13%

Age

0 - 4 years	8%
5 - 17 years	7%
18 - 34 years	18%
35 - 59 years	46%
60 and older	22%



Educational Attainment

(Residents 25 years and older)	
High School or Less	17%
Some College/Associate Degree	15%
College Degree	33%
Graduate/Professional Degree	34%

Nativity and Language

Foreign Born	18%
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Language Spoken at home

(Residents 5 years and older)	
English Only	78%
Spanish Only	8%
Asian/Pacific Islander	8%
Other European Language	5%
Other Languages	1%

Linguistic Isolation

% of All Households	6%
% of Spanish-Speaking Households	34%
% of Asian Language Speaking Households	26%
% of Other European-Speaking Households	5%
% of Households Speaking Other Languages	0%

Diamond Heights/Glen Park

HOUSING CHARACTERISTICS

Total Number of Units	4,020
Units Built 2000 to 2009+	40
Median Year Structure Built‡	1955

Occupied Units	3,810
Owner occupied	68%
Renter occupied	32%

Vacant Units	5%
For rent	0%
For sale only	43%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional us	0%
Other vacant	57%

Median Year Moved In to Unit (Own)	1994
Median Year Moved In to Unit (Rent)	1999

Structure Type

Single Family Housing	67%
2 - 4 Units	21%
5 - 9 Units	3%
10 - 19 Units	1%
20 Units or more	8%
Other	0%

Housing Prices

Median Rent	\$1,381
Median Home Value	\$918,255
Median Rent as Percentage of HH Income	21%

Vehicles Available	5,280
Homeowners	75%
Renters	25%
Vehicles Per Capita	0.62
Households with no vehicle	48%
Percent of Homeowning households	8%
Percent of Renting Households	21%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$90,510
Median Family Income	\$128,000
Per Capita Income	\$59,158
Percent in Poverty	9%

Employment

Unemployment Rate	6%
Employed Residents	5,060
Managerial and Prof. Occupations	65%
Service Occupations	6%
Sales and Office Occupations	19%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	5%

Journey to Work

Workers 16 years and over	4,840
Car	56%
<i>Drove Alone</i>	48%
<i>Carpooled</i>	7%
Transit	32%
Bike	1%
Walk	2%
Other	0%
Worked at Home	9%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 217, 218

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Downtown/Civic Center: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	44,240
Group Quarter Population	712
Percent Female	39%

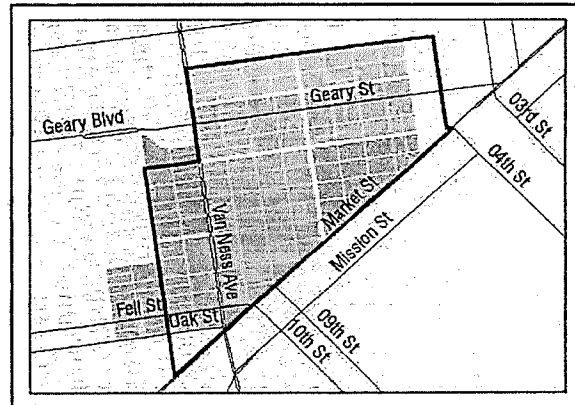
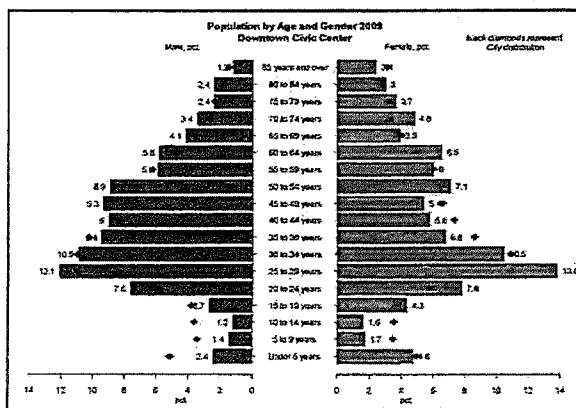
Households	21,570
Family Households	19%
Households with Children, Pct of Total	6%
Non-Family Households	81%
Single Person Households, Pct of Total	71%
Avg Household Size	1.6
Avg Family Household Size	3.2

Race/Ethnicity*

Black/African American	10%
Asian	28%
White	46%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	15%
% Latino (of Any Race)	18%

Age

0 - 4 years	3%
5 - 17 years	4%
18 - 34 years	33%
35 - 59 years	38%
60 and older	21%



Educational Attainment

(Residents 25 years and older)

High School or Less	41%
Some College/Associate Degree	25%
College Degree	23%
Graduate/Professional Degree	11%

Nativity and Language

Foreign Born	41%
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Language Spoken at home

(Residents 5 years and older)

English Only	53%
Spanish Only	15%
Asian/Pacific Islander	24%
Other European Language	6%
Other Languages	2%

Linguistic Isolation

% of All Households	19%
% of Spanish-Speaking Households	36%
% of Asian Language Speaking Households	56%
% of Other European-Speaking Households	38%
% of Households Speaking Other Languages	52%

Downtown/Civic Center

HOUSING CHARACTERISTICS

Total Number of Units	25,840
Units Built 2000 to 2009+	1,560
Median Year Structure Built†	1939

Occupied Units	21,570
Owner occupied	4%
Renter occupied	96%

Vacant Units	17%
For rent	57%
For sale only	0%
Rented or sold, not occupied	13%
For seasonal, recreational, or occasional use	19%
Other vacant	11%

Median Year Moved In to Unit (Own)	2000
Median Year Moved In to Unit (Rent)	2004

Structure Type

Single Family Housing	2%
2 - 4 Units	2%
5 - 9 Units	2%
10 - 19 Units	9%
20 Units or more	85%
Other	0%

Housing Prices

Median Rent	\$806
Median Home Value	\$497,297
Median Rent as Percentage of HH Income	30%

Vehicles Available

Homeowners	14%
Renters	86%
Vehicles Per Capita	0.11
Households with no vehicle	17,620
Percent of Homeowning households	45%
Percent of Renting Households	83%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$24,491
Median Family Income	\$33,409
Per Capita Income	\$26,003
Percent in Poverty	25%

Employment

Unemployment Rate	9%
Employed Residents	18,060
Managerial and Prof. Occupations	36%
Service Occupations	33%
Sales and Office Occupations	22%
Farming related Occupations	0.1%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	6%

Journey to Work

Workers 16 years and over	17,590
Car	12%
Drove Alone	11%
Carpooled	2%
Transit	47%
Bike	3%
Walk	29%
Other	1%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 120, 121, 122, 123, 124, 125, 160, 162

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Excelsior: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	37,960
Group Quarter Population	1463
Percent Female	50%

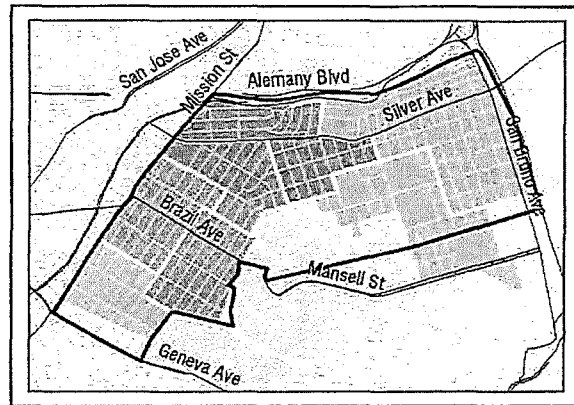
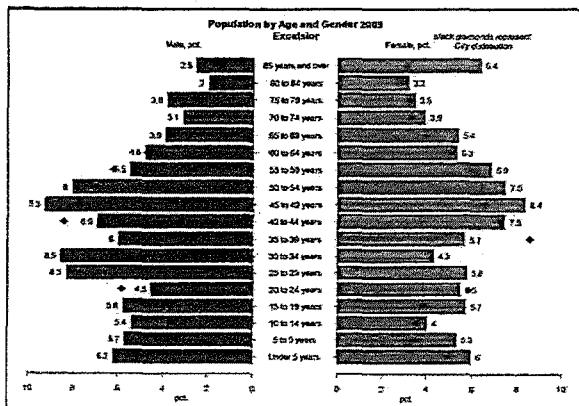
Households	9,510
Family Households	75%
Households with Children, Pct of Total	35%
Non-Family Households	25%
Single Person Households, Pct of Total	18%
Avg Household Size	3.7
Avg Family Household Size	4.4

Race/Ethnicity*

Black/African American	3%
Asian	49%
White	26%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	21%
% Latino (of Any Race)	30%

Age

0 - 4 years	6%
5 - 17 years	14%
18 - 34 years	21%
35 - 59 years	36%
60 and older	24%



Educational Attainment

(Residents 25 years and older)	
High School or Less	55%
Some College/Associate Degree	22%
College Degree	17%
Graduate/Professional Degree	6%

Nativity and Language

Foreign Born	50%
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Language Spoken at home

(Residents 5 years and older)	
English Only	29%
Spanish Only	27%
Asian/Pacific Islander	39%
Other European Language	4%
Other Languages	1%

Linguistic Isolation

% of All Households	19%
% of Spanish-Speaking Households	26%
% of Asian Language Speaking Households	31%
% of Other European-Speaking Households	17%
% of Households Speaking Other Languages	22%

Excelsior**HOUSING CHARACTERISTICS**

Total Number of Units	10,080
Units Built 2000 to 2009+	90
Median Year Structure Built‡	1943

Occupied Units	9,510
Owner occupied	73%
Renter occupied	27%

Vacant Units	6%
For rent	19%
For sale only	12%
Rented or sold, not occupied	9%
For seasonal, recreational, or occasional use	9%
Other vacant	50%

Median Year Moved In to Unit (Own)	1991
Median Year Moved In to Unit (Rent)	2002

Structure Type

Single Family Housing	88%
2 - 4 Units	9%
5 - 9 Units	2%
10 - 19 Units	1%
20 Units or more	1%
Other	0%

Housing Prices

Median Rent	\$1,239
Median Home Value	\$624,593
Median Rent as Percentage of HH Income	31%

Vehicles Available

	15,870
Homeowners	78%
Renters	22%
Vehicles Per Capita	0.45
Households with no vehicle	1,190
Percent of Homeowning households	9%
Percent of Renting Households	22%

INCOME, EMPLOYMENT AND JOURNEY TO WORK**Income**

Median Household Income	\$67,398
Median Family Income	\$72,326
Per Capita Income	\$23,562
Percent in Poverty	11%

Employment

Unemployment Rate	9%
Employed Residents	17,060
Managerial and Prof. Occupations	28%
Service Occupations	25%
Sales and Office Occupations	26%
Farming related Occupations	0.2%
Construction and Maintenance Occup.	10%
Production and Transportation Occup.	11%

Journey to Work

Workers 16 years and over	16,440
Car	64%
<i>Drove Alone</i>	53%
<i>Carpooled</i>	11%
Transit	29%
Bike	1%
Walk	1%
Other	1%
Worked at Home	3%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 256, 257, 259, 260.01, 260.02, 260.03, 260.04

May 2011

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Financial District: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	1,780
Group Quarter Population	82
Percent Female	44%

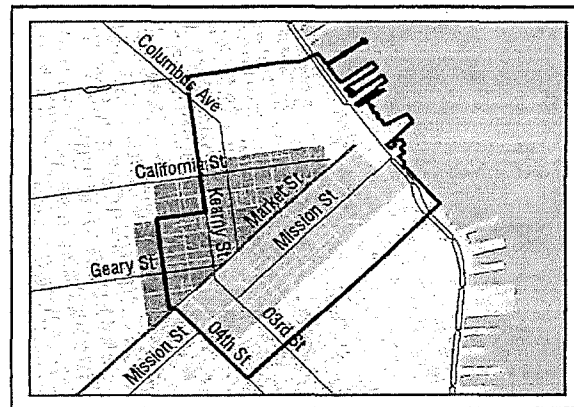
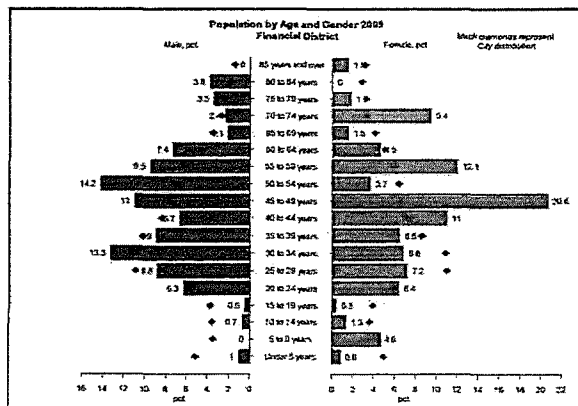
Households	1,620
Family Households	21%
Households with Children, Pct of Total	4%
Non-Family Households	79%
Single Person Households, Pct of Total	70%
Avg Household Size	1.5
Avg Family Household Size	3.0

Race/Ethnicity*

Black/African American	6%
Asian	47%
White	39%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	7%
% Latino (of Any Race)	7%

Age

0 - 4 years	1%
5 - 17 years	3%
18 - 34 years	25%
35 - 59 years	52%
60 and older	19%



Educational Attainment

(Residents 25 years and older)

High School or Less	24%
Some College/Associate Degree	20%
College Degree	33%
Graduate/Professional Degree	22%

Nativity and Language

Foreign Born	44%
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Language Spoken at home

(Residents 5 years and older)

English Only	53%
Spanish Only	4%
Asian/Pacific Islander	34%
Other European Language	8%
Other Languages	1%

Linguistic Isolation

% of All Households	14%
% of Spanish-Speaking Households	16%
% of Asian Language Speaking Households	54%
% of Other European-Speaking Households	6%
% of Households Speaking Other Languages	0%

Financial District

HOUSING CHARACTERISTICS

Total Number of Units	2,330
Units Built 2000 to 2009+	1,630
Median Year Structure Built†	1980

Occupied Units	1,620
Owner occupied	14%
Renter occupied	86%

Vacant Units	30%
For rent	45%
For sale only	2%
Rented or sold, not occupied	14%
For seasonal, recreational, or occasional use	34%
Other vacant	4%

Median Year Moved In to Unit (Own)	2010
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	3%
2 - 4 Units	1%
5 - 9 Units	0%
10 - 19 Units	4%
20 Units or more	91%
Other	0%

Housing Prices

Median Rent	\$1,002
Median Home Value	\$942,568
Median Rent as Percentage of HH Income	31%

Vehicles Available

Homeowners	31%
Renters	69%
Vehicles Per Capita	0.31
Households with no vehicle	980
Percent of Homeowning households	12%
Percent of Renting Households	68%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$45,221
Median Family Income	\$104,167
Per Capita Income	\$70,997
Percent in Poverty	18%

Employment

Unemployment Rate	6%
Employed Residents	1,600
Managerial and Prof. Occupations	56%
Service Occupations	16%
Sales and Office Occupations	22%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	1%
Production and Transportation Occup.	7%

Journey to Work

Workers 16 years and over	1,580
Car	15%
<i>Drove Alone</i>	14%
<i>Carpooled</i>	1%
Transit	21%
Bike	0%
Walk	50%
Other	3%
Worked at Home	11%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 117, 176.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Haight Ashbury: Neighborhood at a Glance

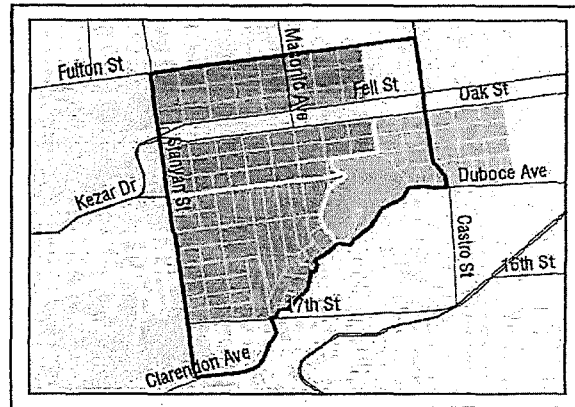
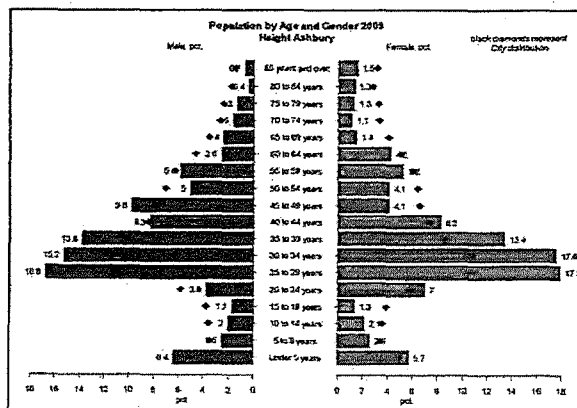
DEMOGRAPHICS

Total Population*	21,800
Group Quarter Population	464
Percent Female	46%

Households	10,370
Family Households	33%
Households with Children, Pct of Total	13%
Non-Family Households	67%
Single Person Households, Pct of Total	43%
Avg Household Size	2.1
Avg Family Household Size	2.9

Race/Ethnicity*	
Black/African American	5%
Asian	10%
White	77%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	8%
% Latino (of Any Race)	9%

Age	
0 - 4 years	6%
5 - 17 years	6%
18 - 34 years	39%
35 - 59 years	39%
60 and older	10%



Educational Attainment

(Residents 25 years and older)

High School or Less	10%
Some College/Associate Degree	18%
College Degree	43%
Graduate/Professional Degree	29%

Nativity and Language

Foreign Born	15%
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Language Spoken at home

(Residents 5 years and older)

English Only	83%
Spanish Only	6%
Asian/Pacific Islander	4%
Other European Language	7%
Other Languages	0%

Linguistic Isolation

% of All Households	3%
% of Spanish-Speaking Households	2%
% of Asian Language Speaking Households	29%
% of Other European-Speaking Households	14%
% of Households Speaking Other Languages	0%

Haight Ashbury

HOUSING CHARACTERISTICS

Total Number of Units	11,470
Units Built 2000 to 2009+	120
Median Year Structure Built†	1939

Occupied Units	10,370
Owner occupied	30%
Renter occupied	70%

Vacant Units	10%
For rent	23%
For sale only	13%
Rented or sold, not occupied	7%
For seasonal, recreational, or occasional use	6%
Other vacant	51%

Median Year Moved In to Unit (Own)	2000
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	17%
2 - 4 Units	39%
5 - 9 Units	24%
10 - 19 Units	12%
20 Units or more	8%
Other	0%

Housing Prices

Median Rent	\$1,409
Median Home Value	\$943,062
Median Rent as Percentage of HH Income	26%

Vehicles Available

	10,040
Homeowners	45%
Renters	55%
Vehicles Per Capita	0.47
Households with no vehicle	3,080
Percent of Homeowning households	9%
Percent of Renting Households	39%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$85,539
Median Family Income	\$125,394
Per Capita Income	\$57,953
Percent in Poverty	11%

Employment

Unemployment Rate	4%
Employed Residents	14,890
Managerial and Prof. Occupations	68%
Service Occupations	11%
Sales and Office Occupations	17%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	2%
Production and Transportation Occup.	1%

Journey to Work

Workers 16 years and over	14,700
Car	36%
<i>Drove Alone</i>	31%
<i>Carpooled</i>	5%
Transit	40%
Bike	7%
Walk	6%
Other	3%
Worked at Home	8%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 165, 166, 167, 171

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Inner Richmond: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	39,690
Group Quarter Population	2459
Percent Female	55%

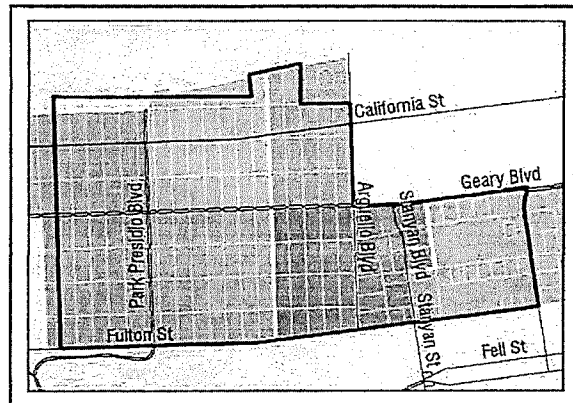
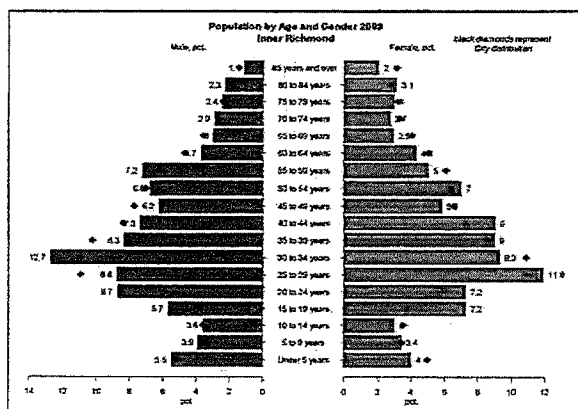
Households	17,350
Family Households	49%
Households with Children, Pct of Total	21%
Non-Family Households	51%
Single Person Households, Pct of Total	34%
Avg Household Size	2.4
Avg Family Household Size	3.2

Race/Ethnicity*

Black/African American	2%
Asian	38%
White	51%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	8%
% Latino (of Any Race)	6%

Age

0 - 4 years	5%
5 - 17 years	9%
18 - 34 years	34%
35 - 59 years	36%
60 and older	17%



Educational Attainment

(Residents 25 years and older)	
High School or Less	22%
Some College/Associate Degree	21%
College Degree	35%
Graduate/Professional Degree	22%

Nativity and Language

Foreign Born	32%
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Language Spoken at home

(Residents 5 years and older)	
English Only	57%
Spanish Only	4%
Asian/Pacific Islander	29%
Other European Language	9%
Other Languages	0%

Linguistic Isolation

% of All Households	15%
% of Spanish-Speaking Households	2%
% of Asian Language Speaking Households	42%
% of Other European-Speaking Households	33%
% of Households Speaking Other Languages	0%

Inner Richmond

HOUSING CHARACTERISTICS

Total Number of Units	19,080
Units Built 2000 to 2009+	490
Median Year Structure Built†	1939

Occupied Units	17,350
Owner occupied	32%
Renter occupied	68%

Vacant Units	9%
For rent	22%
For sale only	3%
Rented or sold, not occupied	2%
For seasonal, recreational, or occasional use	11%
Other vacant	62%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type	
Single Family Housing	22%
2 - 4 Units	48%
5 - 9 Units	16%
10 - 19 Units	10%
20 Units or more	4%
Other	0%

Housing Prices	
Median Rent	\$1,337
Median Home Value	\$941,194
Median Rent as Percentage of HH Income	26%

Vehicles Available	20,050
Homeowners	42%
Renters	58%
Vehicles Per Capita	0.47
Households with no vehicle	4,120
Percent of Homeowning households	12%
Percent of Renting Households	29%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$69,861
Median Family Income	\$88,804
Per Capita Income	\$41,369
Percent in Poverty	12%

Employment	
Unemployment Rate	6%
Employed Residents	24,660
Managerial and Prof. Occupations	52%
Service Occupations	14%
Sales and Office Occupations	26%
Farming related Occupations	0.1%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	5%

Journey to Work	
Workers 16 years and over	23,690
Car	45%
<i>Drove Alone</i>	35%
<i>Carpooled</i>	9%
Transit	35%
Bike	3%
Walk	9%
Other	2%
Worked at Home	6%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 156, 157, 401, 402, 426, 451, 452, 476

May 2011

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Inner Sunset

HOUSING CHARACTERISTICS

Total Number of Units	12,490
Units Built 2000 to 2009+	100
Median Year Structure Built†	1945

Occupied Units	11,590
Owner occupied	40%
Renter occupied	60%

Vacant Units	7%
For rent	22%
For sale only	11%
Rented or sold, not occupied	8%
For seasonal, recreational, or occasional use	16%
Other vacant	43%

Median Year Moved In to Unit (Own)	1992
Median Year Moved In to Unit (Rent)	2004

Structure Type	
Single Family Housing	40%
2 - 4 Units	33%
5 - 9 Units	11%
10 - 19 Units	8%
20 Units or more	7%
Other	0%

Housing Prices	
Median Rent	\$1,469
Median Home Value	\$883,481
Median Rent as Percentage of HH Income	24%

Vehicles Available	15,480
Homeowners	47%
Renters	53%
Vehicles Per Capita	0.56
Households with no vehicle	1,680
Percent of Homeowning households	8%
Percent of Renting Households	19%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$85,696
Median Family Income	\$102,639
Per Capita Income	\$51,086
Percent in Poverty	8%

Employment	
Unemployment Rate	4%
Employed Residents	16,730
Managerial and Prof. Occupations	66%
Service Occupations	9%
Sales and Office Occupations	19%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	3%

Journey to Work	
Workers 16 years and over	16,470
Car	52%
Drove Alone	41%
Carpooled	10%
Transit	30%
Bike	2%
Walk	7%
Other	2%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 301.01, 301.02, 302.01, 302.02, 303.01, 303.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Lakeshore: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	16,630
Group Quarter Population	997
Percent Female	55%

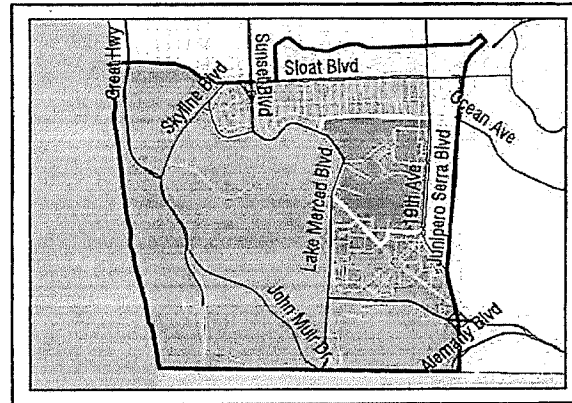
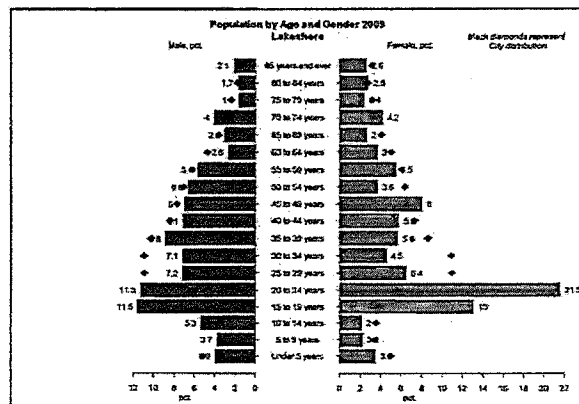
Households	6,030
Family Households	48%
Households with Children, Pct of Total	17%
Non-Family Households	52%
Single Person Households, Pct of Total	36%
Avg Household Size	2.5
Avg Family Household Size	3.1

Race/Ethnicity*

Black/African American	5%
Asian	34%
White	49%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	11%
% Latino (of Any Race)	9%

Age

0 - 4 years	4%
5 - 17 years	8%
18 - 34 years	40%
35 - 59 years	31%
60 and older	17%



Educational Attainment

(Residents 25 years and older)	
High School or Less	21%
Some College/Associate Degree	24%
College Degree	35%
Graduate/Professional Degree	20%

Nativity and Language

Foreign Born	38%
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Language Spoken at home

(Residents 5 years and older)	
English Only	54%
Spanish Only	5%
Asian/Pacific Islander	26%
Other European Language	13%
Other Languages	2%

Linguistic Isolation

% of All Households	15%
% of Spanish-Speaking Households	9%
% of Asian Language Speaking Households	30%
% of Other European-Speaking Households	40%
% of Households Speaking Other Languages	14%

Lakeshore

HOUSING CHARACTERISTICS

Total Number of Units	6,710
Units Built 2000 to 2009+	120
Median Year Structure Built†	1955

Occupied Units	6,030
Owner occupied	23%
Renter occupied	77%

Vacant Units	10%
For rent	54%
For sale only	3%
Rented or sold, not occupied	13%
For seasonal, recreational, or occasional use	3%
Other vacant	28%

Median Year Moved In to Unit (Own)	1992
Median Year Moved In to Unit (Rent)	2004

Structure Type

Single Family Housing	28%
2 - 4 Units	4%
5 - 9 Units	5%
10 - 19 Units	8%
20 Units or more	56%
Other	0%

Housing Prices

Median Rent	\$1,495
Median Home Value	\$901,153
Median Rent as Percentage of HH Income	29%

Vehicles Available

Homeowners	58%
Renters	42%
Vehicles Per Capita	0.29
Households with no vehicle	920
Percent of Homeowning households	7%
Percent of Renting Households	18%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$62,904
Median Family Income	\$85,654
Per Capita Income	\$32,513
Percent in Poverty	17%

Employment

Unemployment Rate	8%
Employed Residents	8,570
Managerial and Prof. Occupations	47%
Service Occupations	14%
Sales and Office Occupations	32%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	4%

Journey to Work

Workers 16 years and over	8,360
Car	59%
<i>Drove Alone</i>	50%
<i>Carpooled</i>	9%
Transit	27%
Bike	1%
Walk	7%
Other	0%
Worked at Home	5%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 331, 332.01, 332.02, 604

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Marina: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	22,810
Group Quarter Population	0
Percent Female	55%

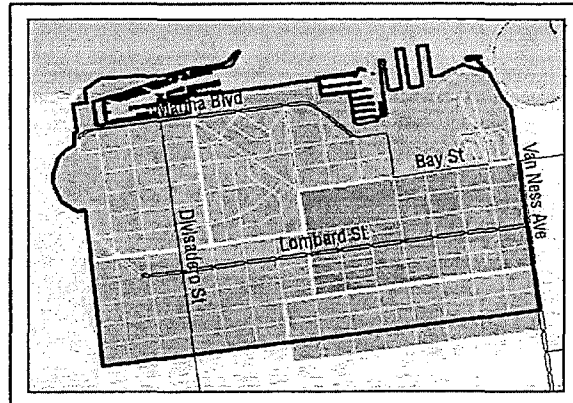
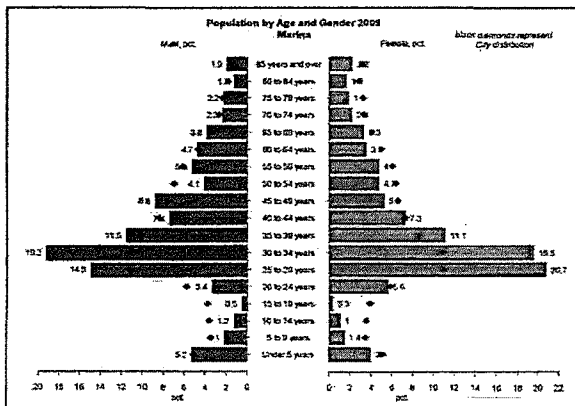
Households	13,010
Family Households	27%
Households with Children, Pct of Total	7%
Non-Family Households	73%
Single Person Households, Pct of Total	58%
Avg Household Size	1.7
Avg Family Household Size	2.6

Race/Ethnicity*

Black/African American	1%
Asian	11%
White	84%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	4%
% Latino (of Any Race)	6%

Age

0 - 4 years	5%
5 - 17 years	3%
18 - 34 years	42%
35 - 59 years	35%
60 and older	15%



Educational Attainment

(Residents 25 years and older)	
High School or Less	7%
Some College/Associate Degree	13%
College Degree	50%
Graduate/Professional Degree	29%

Nativity and Language

Foreign Born	15%
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Language Spoken at home

(Residents 5 years and older)	
English Only	84%
Spanish Only	4%
Asian/Pacific Islander	5%
Other European Language	7%
Other Languages	1%

Linguistic Isolation

% of All Households	2%
% of Spanish-Speaking Households	6%
% of Asian Language Speaking Households	8%
% of Other European-Speaking Households	17%
% of Households Speaking Other Languages	0%

Marina

HOUSING CHARACTERISTICS

Total Number of Units	14,850
Units Built 2000 to 2009+	240
Median Year Structure Built†	1939

Occupied Units	13,010
Owner occupied	25%
Renter occupied	75%

Vacant Units	12%
For rent	35%
For sale only	7%
Rented or sold, not occupied	6%
For seasonal, recreational, or occasional use	14%
Other vacant	38%

Median Year Moved In to Unit (Own)	1999
Median Year Moved In to Unit (Rent)	2004

Structure Type

Single Family Housing	12%
2 - 4 Units	30%
5 - 9 Units	13%
10 - 19 Units	31%
20 Units or more	14%
Other	0%

Housing Prices

Median Rent	\$1,684
Median Home Value	\$1,836,082
Median Rent as Percentage of HH Income	22%

Vehicles Available	14,500
Homeowners	32%
Renters	68%
Vehicles Per Capita	0.66
Households with no vehicle	2,390
Percent of Homeowning households	9%
Percent of Renting Households	21%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$102,442
Median Family Income	\$152,941
Per Capita Income	\$87,353
Percent in Poverty	6%

Employment

Unemployment Rate	5%
Employed Residents	15,890
Managerial and Prof. Occupations	68%
Service Occupations	3%
Sales and Office Occupations	26%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	2%
Production and Transportation Occup.	1%

Journey to Work

Workers 16 years and over	15,740
Car	54%
Drove Alone	45%
Carpooled	9%
Transit	30%
Bike	0%
Walk	5%
Other	2%
Worked at Home	9%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).
 + Planning Department Housing Inventory
 † "1939" represents 1939 or earlier

2000 Census Tracts for area: 126, 127, 128, 129, 130

May 2011

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Mission: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	57,300
Group Quarter Population	867
Percent Female	47%

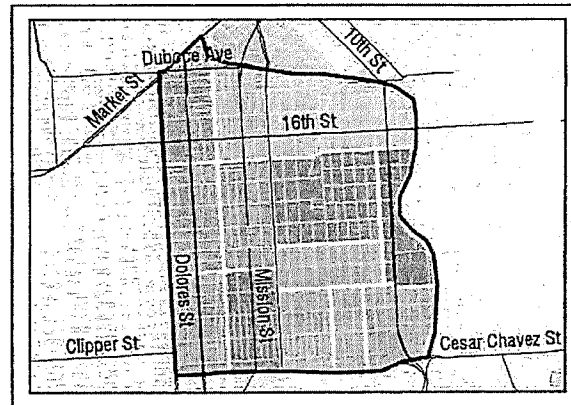
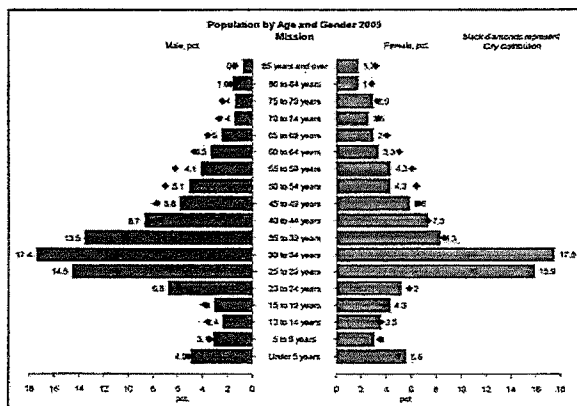
Households	22,190
Family Households	38%
Households with Children, Pct of Total	17%
Non-Family Households	62%
Single Person Households, Pct of Total	38%
Avg Household Size	2.6
Avg Family Household Size	3.8

Race/Ethnicity*

Black/African American	4%
Asian	13%
White	57%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	25%
% Latino (of Any Race)	41%

Age

0 - 4 years	5%
5 - 17 years	8%
18 - 34 years	40%
35 - 59 years	34%
60 and older	13%



Educational Attainment

(Residents 25 years and older)	
High School or Less	35%
Some College/Associate Degree	17%
College Degree	31%
Graduate/Professional Degree	18%

Nativity and Language

Foreign Born	39%
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Language Spoken at home

(Residents 5 years and older)	
English Only	48%
Spanish Only	37%
Asian/Pacific Islander	10%
Other European Language	5%
Other Languages	1%

Linguistic Isolation

% of All Households	16%
% of Spanish-Speaking Households	41%
% of Asian Language Speaking Households	29%
% of Other European-Speaking Households	21%
% of Households Speaking Other Languages	6%

Mission

HOUSING CHARACTERISTICS

Total Number of Units	23,840
Units Built 2000 to 2009+	1,610
Median Year Structure Built†	1939

Occupied Units	22,190
Owner occupied	26%
Renter occupied	74%

Vacant Units	7%
For rent	43%
For sale only	6%
Rented or sold, not occupied	6%
For seasonal, recreational, or occasional use	5%
Other vacant	39%

Median Year Moved In to Unit (Own)	2001
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	26%
2 - 4 Units	28%
5 - 9 Units	16%
10 - 19 Units	13%
20 Units or more	17%
Other	0%

Housing Prices

Median Rent	\$1,083
Median Home Value	\$738,529
Median Rent as Percentage of HH Income	26%

Vehicles Available	19,000
Homeowners	39%
Renters	61%
Vehicles Per Capita	0.33
Households with no vehicle	8,640
Percent of Homeowning households	12%
Percent of Renting Households	48%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$63,627
Median Family Income	\$57,897
Per Capita Income	\$37,667
Percent in Poverty	13%

Employment

Unemployment Rate	5%
Employed Residents	37,410
Managerial and Prof. Occupations	45%
Service Occupations	21%
Sales and Office Occupations	20%
Farming related Occupations	0.1%
Construction and Maintenance Occup.	7%
Production and Transportation Occup.	7%

Journey to Work

Workers 16 years and over	36,950
Car	30%
Drove Alone	24%
Carpooled	7%
Transit	43%
Bike	8%
Walk	11%
Other	2%
Worked at Home	5%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 177, 201, 202, 207, 208, 209, 210, 228.01, 228.02, 228.03, 229.01, 229.02, 229.03

May 2011

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Mission Bay: Neighborhood at a Glance

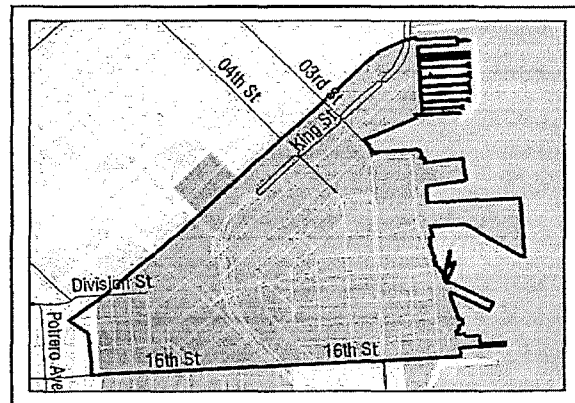
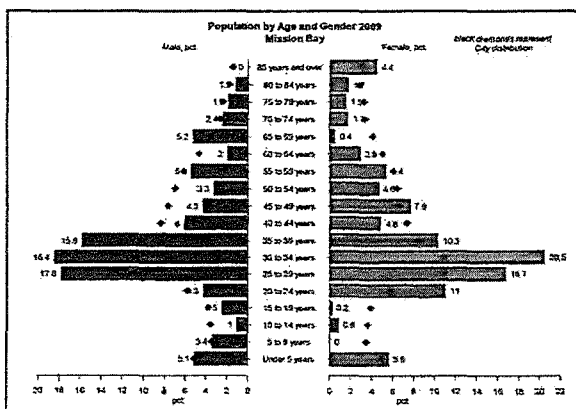
DEMOGRAPHICS

Total Population*	9,080
Group Quarter Population	0
Percent Female	41%

Households	2,190
Family Households	42%
Households with Children, Pct of Total	12%
Non-Family Households	58%
Single Person Households, Pct of Total	43%
Avg Household Size	2.0
Avg Family Household Size	2.9

Race/Ethnicity*	
Black/African American	4%
Asian	39%
White	49%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	8%
% Latino (of Any Race)	9%

Age	
0 - 4 years	5%
5 - 17 years	3%
18 - 34 years	45%
35 - 59 years	34%
60 and older	13%



Educational Attainment

(Residents 25 years and older)	
High School or Less	19%
Some College/Associate Degree	14%
College Degree	37%
Graduate/Professional Degree	31%

Nativity and Language

Foreign Born	41%
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Language Spoken at home

(Residents 5 years and older)	
English Only	57%
Spanish Only	2%
Asian/Pacific Islander	25%
Other European Language	15%
Other Languages	0%

Linguistic Isolation

% of All Households	10%
% of Spanish-Speaking Households	37%
% of Asian Language Speaking Households	27%
% of Other European-Speaking Households	19%
% of Households Speaking Other Languages	0%

Mission Bay

HOUSING CHARACTERISTICS

Total Number of Units	2,440
Units Built 2000 to 2009+	3,550
Median Year Structure Built†	2003

Occupied Units	2,190
Owner occupied	29%
Renter occupied	71%

Vacant Units	10%
For rent	13%
For sale only	32%
Rented or sold, not occupied	10%
For seasonal, recreational, or occasional use	11%
Other vacant	33%

Median Year Moved In to Unit (Own)	2010
Median Year Moved In to Unit (Rent)	2010

Structure Type

Single Family Housing	3%
2 - 4 Units	0%
5 - 9 Units	0%
10 - 19 Units	2%
20 Units or more	95%
Other	0%

Housing Prices

Median Rent	\$2,315
Median Home Value	\$832,176
Median Rent as Percentage of HH Income	26%

Vehicles Available	2,200
Homeowners	35%
Renters	65%
Vehicles Per Capita	0.49
Households with no vehicle	430
Percent of Homeowning households	4%
Percent of Renting Households	26%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$103,942
Median Family Income	\$112,500
Per Capita Income	\$69,135
Percent in Poverty	9%

Employment

Unemployment Rate	8%
Employed Residents	2,820
Managerial and Prof. Occupations	59%
Service Occupations	7%
Sales and Office Occupations	26%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	4%

Journey to Work

Workers 16 years and over	2,760
Car	40%
Drove Alone	35%
Carpooled	4%
Transit	31%
Bike	1%
Walk	17%
Other	6%
Worked at Home	5%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 607

May 2011

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Nob Hill: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	22,860
Group Quarter Population	248
Percent Female	52%

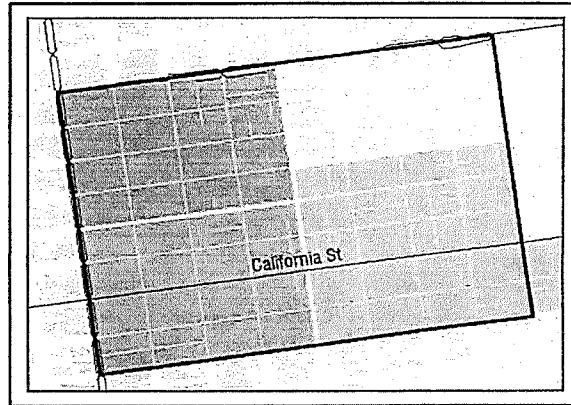
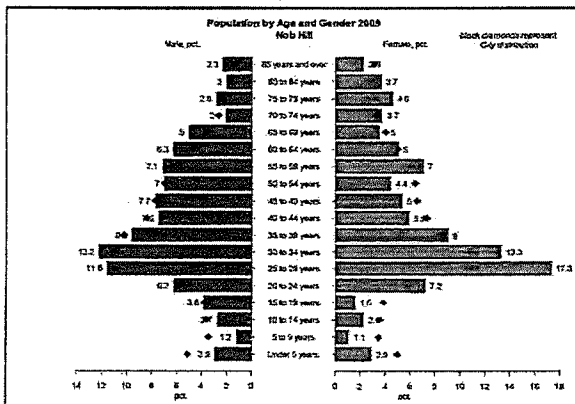
Households	9,800
Family Households	30%
Households with Children, Pct of Total	9%
Non-Family Households	70%
Single Person Households, Pct of Total	56%
Avg Household Size	1.9
Avg Family Household Size	3.0

Race/Ethnicity*

Black/African American	2%
Asian	39%
White	53%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	6%
% Latino (of Any Race)	8%

Age

0 - 4 years	3%
5 - 17 years	5%
18 - 34 years	35%
35 - 59 years	35%
60 and older	22%



Educational Attainment

(Residents 25 years and older)	
High School or Less	28%
Some College/Associate Degree	21%
College Degree	37%
Graduate/Professional Degree	14%

Nativity and Language

Foreign Born	37%
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Language Spoken at home

(Residents 5 years and older)	
English Only	57%
Spanish Only	5%
Asian/Pacific Islander	32%
Other European Language	6%
Other Languages	0%

Linguistic Isolation

% of All Households	14%
% of Spanish-Speaking Households	13%
% of Asian Language Speaking Households	44%
% of Other European-Speaking Households	26%
% of Households Speaking Other Languages	0%

Nob Hill**HOUSING CHARACTERISTICS**

Total Number of Units	11,650
Units Built 2000 to 2009+	240
Median Year Structure Built†	1939

Occupied Units	9,800
Owner occupied	14%
Renter occupied	86%

Vacant Units	16%
For rent	53%
For sale only	0%
Rented or sold, not occupied	9%
For seasonal, recreational, or occasional use	35%
Other vacant	4%

Median Year Moved In to Unit (Own)	1998
Median Year Moved In to Unit (Rent)	2002

Structure Type

Single Family Housing	2%
2 - 4 Units	10%
5 - 9 Units	14%
10 - 19 Units	22%
20 Units or more	51%
Other	0%

Housing Prices

Median Rent	\$1,081
Median Home Value	\$702,632
Median Rent as Percentage of HH Income	26%

Vehicles Available

Homeowners	5,030
Renters	24%
Vehicles Per Capita	76%
Households with no vehicle	0.27
Percent of Homeowning households	5,850
Percent of Renting Households	25%
	65%

INCOME, EMPLOYMENT AND JOURNEY TO WORK**Income**

Median Household Income	\$53,283
Median Family Income	\$53,138
Per Capita Income	\$46,484
Percent in Poverty	13%

Employment

Unemployment Rate	4%
Employed Residents	11,740
Managerial and Prof. Occupations	49%
Service Occupations	17%
Sales and Office Occupations	26%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	4%

Journey to Work

Workers 16 years and over	11,490
Car	24%
<i>Drove Alone</i>	21%
<i>Carpooled</i>	3%
Transit	30%
Bike	1%
Walk	36%
Other	1%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 110, 111, 112, 119

May 2011

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Noe Valley: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	21,300
Group Quarter Population	0
Percent Female	49%

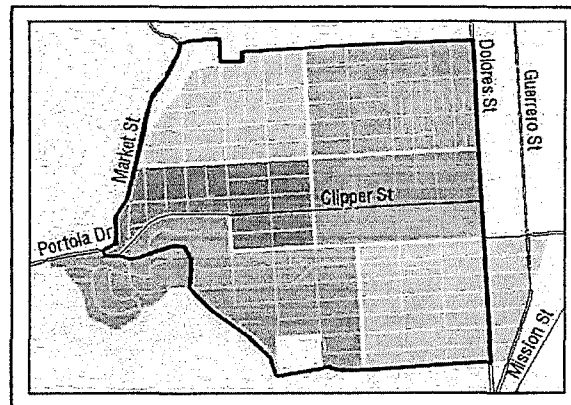
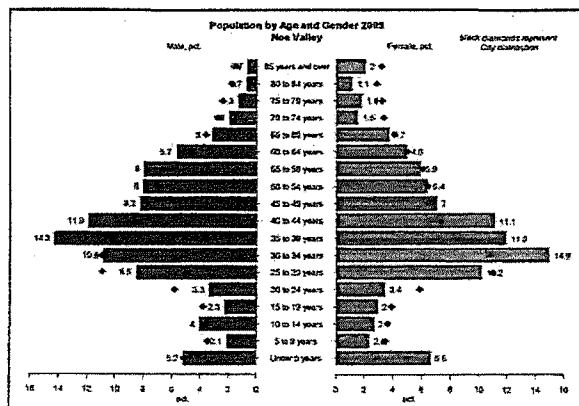
Households	11,370
Family Households	40%
Households with Children, Pct of Total	18%
Non-Family Households	60%
Single Person Households, Pct of Total	42%
Avg Household Size	2.1
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	2%
Asian	12%
White	77%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	9%
% Latino (of Any Race)	11%

Age

0 - 4 years	6%
5 - 17 years	7%
18 - 34 years	26%
35 - 59 years	46%
60 and older	14%



Educational Attainment

(Residents 25 years and older)	
High School or Less	10%
Some College/Associate Degree	17%
College Degree	36%
Graduate/Professional Degree	37%

Nativity and Language

Foreign Born	16%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	79%
Spanish Only	9%
Asian/Pacific Islander	6%
Other European Language	5%
Other Languages	1%

Linguistic Isolation

% of All Households	2%
% of Spanish-Speaking Households	7%
% of Asian Language Speaking Households	6%
% of Other European-Speaking Households	11%
% of Households Speaking Other Languages	0%

Noe Valley**HOUSING CHARACTERISTICS**

Total Number of Units	12,110
Units Built 2000 to 2009+	190
Median Year Structure Built†	1939

Occupied Units	11,370
Owner occupied	50%
Renter occupied	50%

Vacant Units	6%
For rent	23%
For sale only	0%
Rented or sold, not occupied	24%
For seasonal, recreational, or occasional use	19%
Other vacant	34%

Median Year Moved In to Unit (Own)	1997
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	41%
2 - 4 Units	36%
5 - 9 Units	11%
10 - 19 Units	5%
20 Units or more	8%
Other	0%

Housing Prices

Median Rent	\$1,491
Median Home Value	\$998,187
Median Rent as Percentage of HH Income	24%

Vehicles Available	14,580
Homeowners	59%
Renters	41%
Vehicles Per Capita	0.62
Households with no vehicle	1,750
Percent of Homeowning households	8%
Percent of Renting Households	23%

INCOME, EMPLOYMENT AND JOURNEY TO WORK**Income**

Median Household Income	\$105,807
Median Family Income	\$140,939
Per Capita Income	\$72,986
Percent in Poverty	5%

Employment

Unemployment Rate	6%
Employed Residents	15,760
Managerial and Prof. Occupations	68%
Service Occupations	8%
Sales and Office Occupations	19%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	2%

Journey to Work

Workers 16 years and over	15,380
Car	50%
Drove Alone	45%
Carpooled	5%
Transit	32%
Bike	2%
Walk	6%
Other	3%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 211, 212, 213, 214, 215, 216

May 2011

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North Beach: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	14,860
Group Quarter Population	0
Percent Female	46%

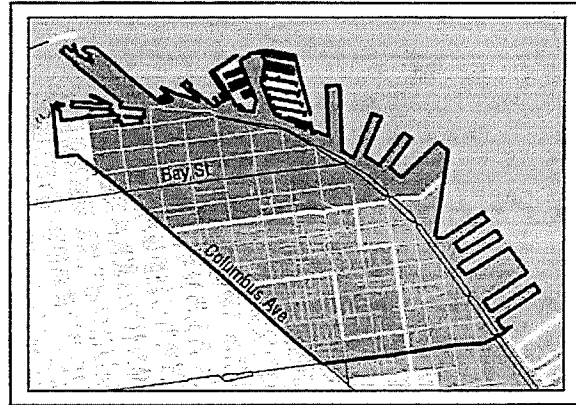
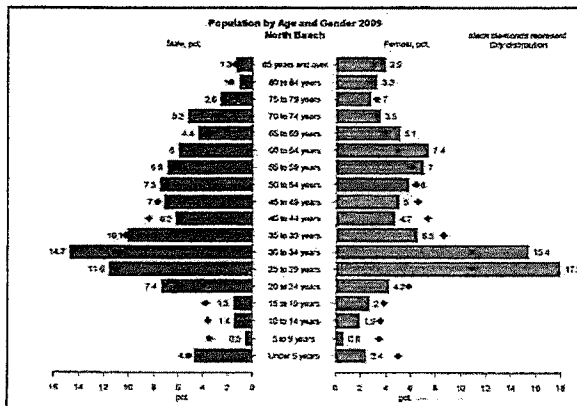
Households	7,680
Family Households	34%
Households with Children, Pct of Total	8%
Non-Family Households	66%
Single Person Households, Pct of Total	52%
Avg Household Size	1.9
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	3%
Asian	37%
White	54%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	5%
% Latino (of Any Race)	7%

Age

0 - 4 years	4%
5 - 17 years	4%
18 - 34 years	36%
35 - 59 years	34%
60 and older	23%



Educational Attainment

(Residents 25 years and older)	
High School or Less	26%
Some College/Associate Degree	14%
College Degree	37%
Graduate/Professional Degree	23%

Nativity and Language

Foreign Born	33%
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Language Spoken at home

(Residents 5 years and older)	
English Only	61%
Spanish Only	4%
Asian/Pacific Islander	27%
Other European Language	6%
Other Languages	2%

Linguistic Isolation

% of All Households	15%
% of Spanish-Speaking Households	12%
% of Asian Language Speaking Households	57%
% of Other European-Speaking Households	18%
% of Households Speaking Other Languages	0%

North Beach

HOUSING CHARACTERISTICS

Total Number of Units	8,950
Units Built 2000 to 2009+	700
Median Year Structure Built‡	1956

Occupied Units	7,680
Owner occupied	21%
Renter occupied	79%

Vacant Units	14%
For rent	42%
For sale only	6%
Rented or sold, not occupied	11%
For seasonal, recreational, or occasional use	38%
Other vacant	3%

Median Year Moved In to Unit (Own)	1997
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	6%
2 - 4 Units	27%
5 - 9 Units	13%
10 - 19 Units	10%
20 Units or more	44%
Other	0%

Housing Prices

Median Rent	\$1,392
Median Home Value	\$844,444
Median Rent as Percentage of HH Income	26%

Vehicles Available

Homeowners	30%
Renters	70%
Vehicles Per Capita	0.38
Households with no vehicle	3,130
Percent of Homeowning households	16%
Percent of Renting Households	48%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$70,067
Median Family Income	\$86,658
Per Capita Income	\$57,906
Percent in Poverty	12%

Employment

Unemployment Rate	5%
Employed Residents	9,120
Managerial and Prof. Occupations	59%
Service Occupations	13%
Sales and Office Occupations	23%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	1%
Production and Transportation Occup.	4%

Journey to Work

Workers 16 years and over	8,960
Car	28%
<i>Drove Alone</i>	25%
<i>Carpooled</i>	3%
Transit	27%
Bike	1%
Walk	34%
Other	1%
Worked at Home	9%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ *1939* represents 1939 or earlier

2000 Census Tracts for area: 101, 104, 105, 106

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Ocean View: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	31,880
Group Quarter Population	180
Percent Female	49%

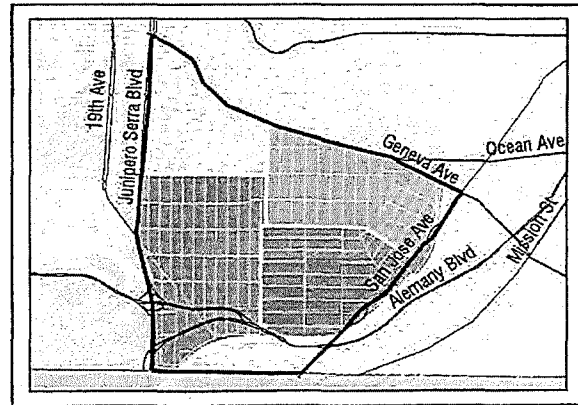
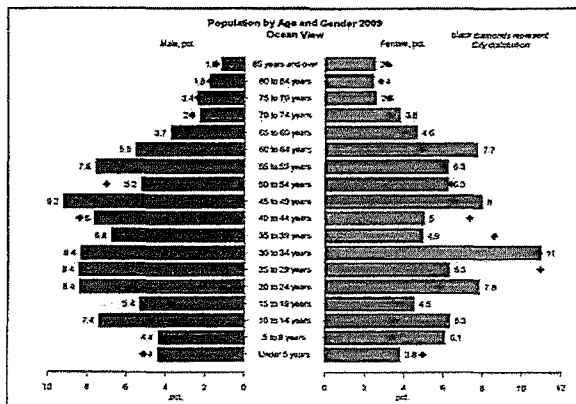
Households	6,590
Family Households	70%
Households with Children, Pct of Total	32%
Non-Family Households	30%
Single Person Households, Pct of Total	24%
Avg Household Size	3.7
Avg Family Household Size	4.7

Race/Ethnicity*

Black/African American	12%
Asian	49%
White	27%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	11%
% Latino (of Any Race)	19%

Age

0 - 4 years	4%
5 - 17 years	15%
18 - 34 years	27%
35 - 59 years	34%
60 and older	20%



Educational Attainment

(Residents 25 years and older)	
High School or Less	44%
Some College/Associate Degree	23%
College Degree	25%
Graduate/Professional Degree	7%

Nativity and Language

Foreign Born	45%
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Language Spoken at home

(Residents 5 years and older)	
English Only	40%
Spanish Only	16%
Asian/Pacific Islander	42%
Other European Language	3%
Other Languages	0%

Linguistic Isolation

% of All Households	13%
% of Spanish-Speaking Households	31%
% of Asian Language Speaking Households	25%
% of Other European-Speaking Households	6%
% of Households Speaking Other Languages	#Num!

Ocean View

HOUSING CHARACTERISTICS

Total Number of Units	7,050
Units Built 2000 to 2009+	440
Median Year Structure Built‡	1943

Occupied Units	6,590
Owner occupied	71%
Renter occupied	29%

Vacant Units	7%
For rent	10%
For sale only	10%
Rented or sold, not occupied	22%
For seasonal, recreational, or occasional use	0%
Other vacant	58%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	82%
2 - 4 Units	9%
5 - 9 Units	2%
10 - 19 Units	1%
20 Units or more	6%
Other	0%

Housing Prices

Median Rent	\$1,032
Median Home Value	\$609,976
Median Rent as Percentage of HH Income	33%

Vehicles Available	11,180
Homeowners	78%
Renters	22%
Vehicles Per Capita	0.46
Households with no vehicle	530
Percent of Homeowning households	4%
Percent of Renting Households	17%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$67,475
Median Family Income	\$78,365
Per Capita Income	\$25,343
Percent in Poverty	11%

Employment

Unemployment Rate	10%
Employed Residents	11,830
Managerial and Prof. Occupations	32%
Service Occupations	24%
Sales and Office Occupations	24%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	9%
Production and Transportation Occup.	11%

Journey to Work

Workers 16 years and over	11,500
Car	59%
<i>Drove Alone</i>	47%
<i>Carpooled</i>	12%
Transit	32%
Bike	1%
Walk	4%
Other	1%
Worked at Home	3%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 312, 313, 314

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Outer Mission: Neighborhood at a Glance

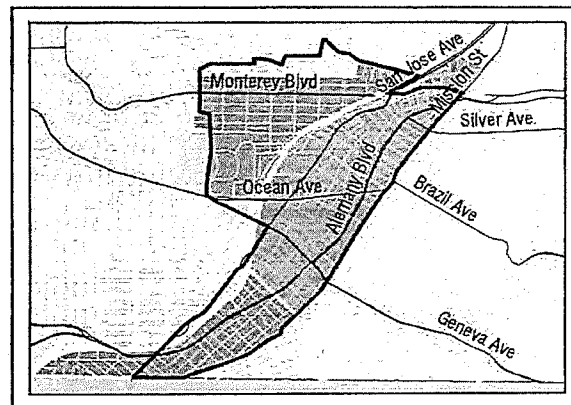
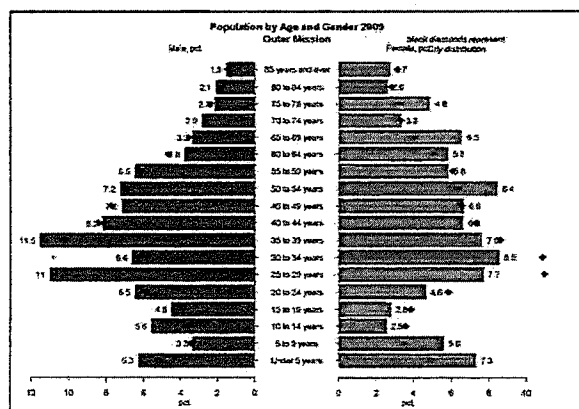
DEMOGRAPHICS

Total Population*	29,040
Group Quarter Population	0
Percent Female	51%

Households	7,920
Family Households	65%
Households with Children, Pct of Total	33%
Non-Family Households	35%
Single Person Households, Pct of Total	23%
Avg Household Size	3.6
Avg Family Household Size	4.5

Race/Ethnicity*	
Black/African American	2%
Asian	49%
White	31%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	17%
% Latino (of Any Race)	26%

Age	
0 - 4 years	7%
5 - 17 years	11%
18 - 34 years	24%
35 - 59 years	38%
60 and older	21%



Educational Attainment

(Residents 25 years and older)	
High School or Less	42%
Some College/Associate Degree	24%
College Degree	26%
Graduate/Professional Degree	8%

Nativity and Language

Foreign Born	47%
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Language Spoken at home

(Residents 5 years and older)	
English Only	37%
Spanish Only	21%
Asian/Pacific Islander	39%
Other European Language	3%
Other Languages	0%

Linguistic Isolation

% of All Households	15%
% of Spanish-Speaking Households	18%
% of Asian Language Speaking Households	28%
% of Other European-Speaking Households	30%
% of Households Speaking Other Languages	0%

Outer Mission

HOUSING CHARACTERISTICS

Total Number of Units	8,320
Units Built 2000 to 2009+	90
Median Year Structure Built†	1939

Occupied Units	7,920
Owner occupied	66%
Renter occupied	34%

Vacant Units	5%
For rent	7%
For sale only	11%
Rented or sold, not occupied	20%
For seasonal, recreational, or occasional use	0%
Other vacant	63%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	78%
2 - 4 Units	13%
5 - 9 Units	4%
10 - 19 Units	3%
20 Units or more	2%
Other	0%

Housing Prices

Median Rent	\$1,292
Median Home Value	\$674,346
Median Rent as Percentage of HH Income	26%

Vehicles Available

Homeowners	74%
Renters	26%
Vehicles Per Capita	0.45
Households with no vehicle	1,020
Percent of Homeowning households	7%
Percent of Renting Households	24%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$79,477
Median Family Income	\$88,273
Per Capita Income	\$32,002
Percent in Poverty	7%

Employment

Unemployment Rate	5%
Employed Residents	14,920
Managerial and Prof. Occupations	39%
Service Occupations	19%
Sales and Office Occupations	23%
Farming related Occupations	0.6%
Construction and Maintenance Occup.	9%
Production and Transportation Occup.	9%

Journey to Work

Workers 16 years and over	14,420
Car	57%
<i>Drove Alone</i>	47%
<i>Carpooled</i>	10%
Transit	35%
Bike	1%
Walk	3%
Other	1%
Worked at Home	3%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 255, 261, 262, 311

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Outer Richmond: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	28,370
Group Quarter Population	428
Percent Female	52%

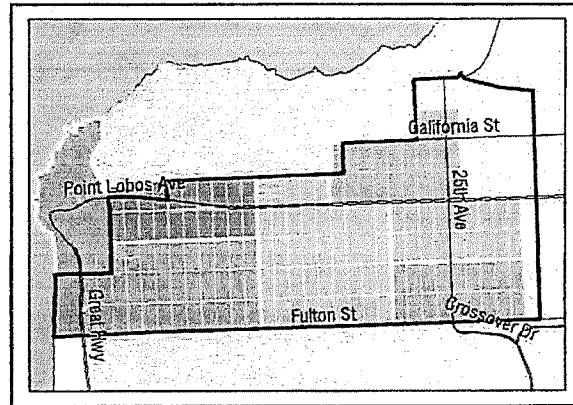
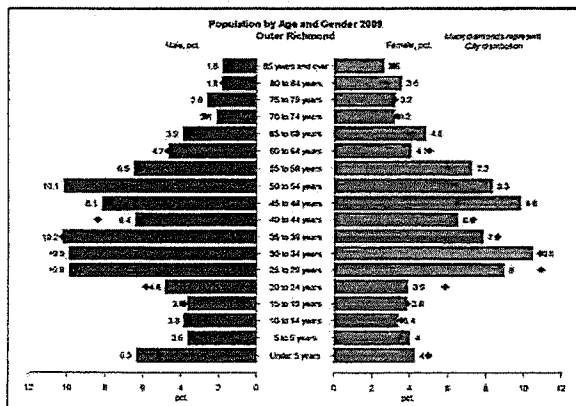
Households	12,600
Family Households	56%
Households with Children, Pct of Total	23%
Non-Family Households	44%
Single Person Households, Pct of Total	35%
Avg Household Size	2.6
Avg Family Household Size	3.5

Race/Ethnicity*

Black/African American	2%
Asian	48%
White	44%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	7%
% Latino (of Any Race)	6%

Age

0 - 4 years	5%
5 - 17 years	10%
18 - 34 years	25%
35 - 59 years	41%
60 and older	19%



Educational Attainment

(Residents 25 years and older)	
High School or Less	26%
Some College/Associate Degree	23%
College Degree	32%
Graduate/Professional Degree	19%

Nativity and Language

Foreign Born	40%
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Language Spoken at home

(Residents 5 years and older)	
English Only	48%
Spanish Only	3%
Asian/Pacific Islander	37%
Other European Language	11%
Other Languages	1%

Linguistic Isolation

% of All Households	18%
% of Spanish-Speaking Households	11%
% of Asian Language Speaking Households	36%
% of Other European-Speaking Households	36%
% of Households Speaking Other Languages	0%

Outer Richmond

HOUSING CHARACTERISTICS

Total Number of Units	13,560
Units Built 2000 to 2009+	180
Median Year Structure Built†	1940

Occupied Units	12,600
Owner occupied	43%
Renter occupied	57%

Vacant Units	7%
For rent	23%
For sale only	4%
Rented or sold, not occupied	23%
For seasonal, recreational, or occasional use	23%
Other vacant	27%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	39%
2 - 4 Units	36%
5 - 9 Units	13%
10 - 19 Units	8%
20 Units or more	4%
Other	0%

Housing Prices

Median Rent	\$1,240
Median Home Value	\$835,293
Median Rent as Percentage of HH Income	26%

Vehicles Available	16,170
Homeowners	53%
Renters	47%
Vehicles Per Capita	0.49
Households with no vehicle	2,230
Percent of Homeowning households	11%
Percent of Renting Households	23%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$72,459
Median Family Income	\$89,541
Per Capita Income	\$38,038
Percent in Poverty	7%

Employment

Unemployment Rate	7%
Employed Residents	18,780
Managerial and Prof. Occupations	49%
Service Occupations	16%
Sales and Office Occupations	26%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	5%
Production and Transportation Occup.	5%

Journey to Work

Workers 16 years and over	18,310
Car	59%
<i>Drove Alone</i>	47%
<i>Carpooled</i>	12%
Transit	30%
Bike	1%
Walk	2%
Other	2%
Worked at Home	6%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 427, 477.01, 477.02, 478, 479.01, 479.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Outer Sunset: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	45,670
Group Quarter Population	484
Percent Female	50%

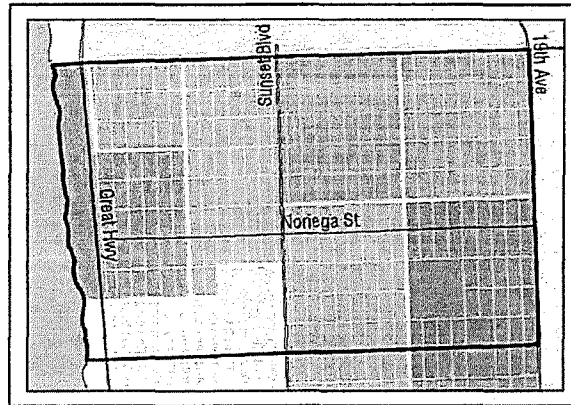
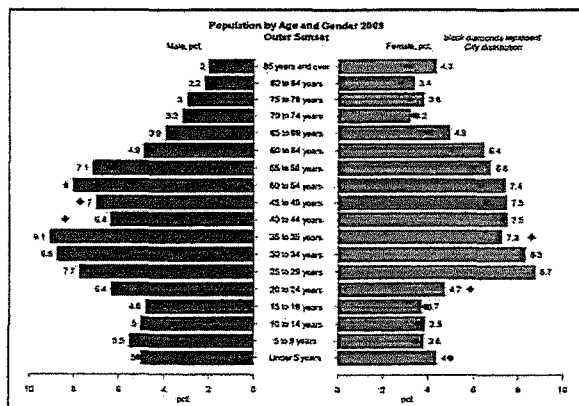
Households	16,830
Family Households	64%
Households with Children, Pct of Total	27%
Non-Family Households	36%
Single Person Households, Pct of Total	26%
Avg Household Size	3.1
Avg Family Household Size	3.8

Race/Ethnicity*

Black/African American	1%
Asian	57%
White	35%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	5%
% Latino (of Any Race)	4%

Age

0 - 4 years	5%
5 - 17 years	12%
18 - 34 years	24%
35 - 59 years	37%
60 and older	23%



Educational Attainment

(Residents 25 years and older)	
High School or Less	31%
Some College/Associate Degree	23%
College Degree	32%
Graduate/Professional Degree	14%

Nativity and Language

Foreign Born	49%
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Language Spoken at home

(Residents 5 years and older)	
English Only	40%
Spanish Only	3%
Asian/Pacific Islander	49%
Other European Language	8%
Other Languages	1%

Linguistic Isolation

% of All Households	18%
% of Spanish-Speaking Households	9%
% of Asian Language Speaking Households	35%
% of Other European-Speaking Households	24%
% of Households Speaking Other Languages	20%

Outer Sunset

HOUSING CHARACTERISTICS

Total Number of Units	17,800
Units Built 2000 to 2009+	300
Median Year Structure Built†	1942

Occupied Units	16,830
Owner occupied	57%
Renter occupied	43%

Vacant Units	5%
For rent	13%
For sale only	12%
Rented or sold, not occupied	4%
For seasonal, recreational, or occasional use	12%
Other vacant	59%

Median Year Moved In to Unit (Own)	1991
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	68%
2 - 4 Units	22%
5 - 9 Units	6%
10 - 19 Units	1%
20 Units or more	3%
Other	0%

Housing Prices

Median Rent	\$1,353
Median Home Value	\$726,851
Median Rent as Percentage of HH Income	26%

Vehicles Available

25,600	
Homeowners	64%
Renters	36%
Vehicles Per Capita	0.50
Households with no vehicle	2,410
Percent of Homeowning households	11%
Percent of Renting Households	18%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$73,728
Median Family Income	\$89,241
Per Capita Income	\$33,633
Percent in Poverty	7%

Employment

Unemployment Rate	6%
Employed Residents	26,580
Managerial and Prof. Occupations	46%
Service Occupations	17%
Sales and Office Occupations	23%
Farming related Occupations	0.2%
Construction and Maintenance Occup.	5%
Production and Transportation Occup.	8%

Journey to Work

Workers 16 years and over	25,640
Car	63%
<i>Drove Alone</i>	49%
<i>Carpooled</i>	14%
Transit	27%
Bike	2%
Walk	2%
Other	1%
Worked at Home	4%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 326, 327, 328, 329, 351, 352.01, 352.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Pacific Heights: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	16,750
Group Quarter Population	135
Percent Female	56%

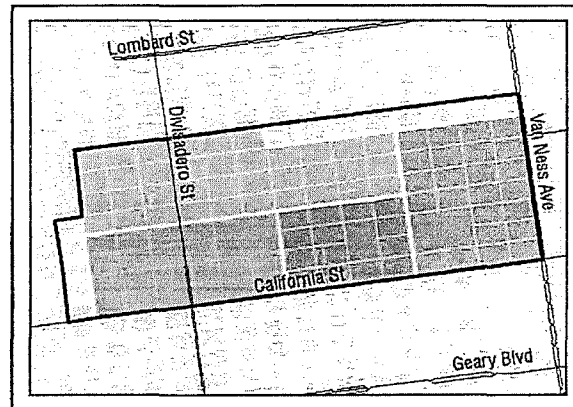
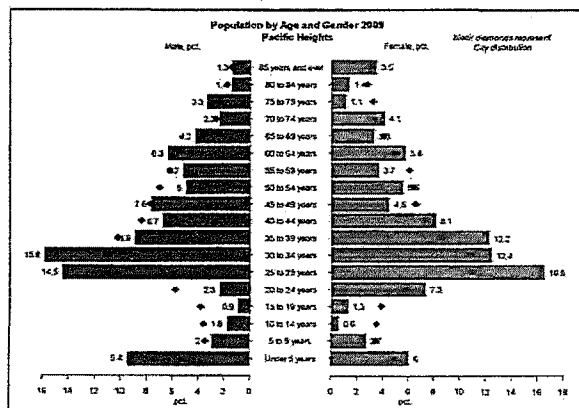
Households	10,170
Family Households	31%
Households with Children, Pct of Total	13%
Non-Family Households	69%
Single Person Households, Pct of Total	56%
Avg Household Size	1.8
Avg Family Household Size	2.8

Race/Ethnicity*

Black/African American	2%
Asian	13%
White	81%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	5%
% Latino (of Any Race)	4%

Age

0 - 4 years	8%
5 - 17 years	5%
18 - 34 years	35%
35 - 59 years	34%
60 and older	19%



Educational Attainment

(Residents 25 years and older)

High School or Less	6%
Some College/Associate Degree	12%
College Degree	43%
Graduate/Professional Degree	39%

Nativity and Language

Foreign Born	15%
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Language Spoken at home

(Residents 5 years and older)

English Only	87%
Spanish Only	2%
Asian/Pacific Islander	3%
Other European Language	6%
Other Languages	0%

Linguistic Isolation

% of All Households	3%
% of Spanish-Speaking Households	7%
% of Asian Language Speaking Households	45%
% of Other European-Speaking Households	10%
% of Households Speaking Other Languages	30%

Pacific Heights

HOUSING CHARACTERISTICS

Total Number of Units	11,230
Units Built 2000 to 2009+	-10
Median Year Structure Built‡	1939

Occupied Units	10,170
Owner occupied	28%
Renter occupied	72%

Vacant Units	9%
For rent	29%
For sale only	0%
Rented or sold, not occupied	27%
For seasonal, recreational, or occasional use	23%
Other vacant	21%

Median Year Moved In to Unit (Own)	2000
Median Year Moved In to Unit (Rent)	2004

Structure Type

Single Family Housing	15%
2 - 4 Units	12%
5 - 9 Units	15%
10 - 19 Units	23%
20 Units or more	35%
Other	0%

Housing Prices

Median Rent	\$1,635
Median Home Value	\$2,300,281
Median Rent as Percentage of HH Income	23%

Vehicles Available	10,940
Homeowners	39%
Renters	61%
Vehicles Per Capita	0.59
Households with no vehicle	2,390
Percent of Homeowning households	8%
Percent of Renting Households	30%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$109,307
Median Family Income	\$199,160
Per Capita Income	\$101,257
Percent in Poverty	7%

Employment	
Unemployment Rate	4%
Employed Residents	11,810
Managerial and Prof. Occupations	70%
Service Occupations	5%
Sales and Office Occupations	23%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	1%
Production and Transportation Occup.	1%

Journey to Work

Workers 16 years and over	11,440
Car	47%
<i>Drove Alone</i>	40%
<i>Carpooled</i>	7%
Transit	25%
Bike	1%
Walk	11%
Other	3%
Worked at Home	13%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 131, 132, 134, 135

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Parkside: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	25,920
Group Quarter Population	71
Percent Female	52%

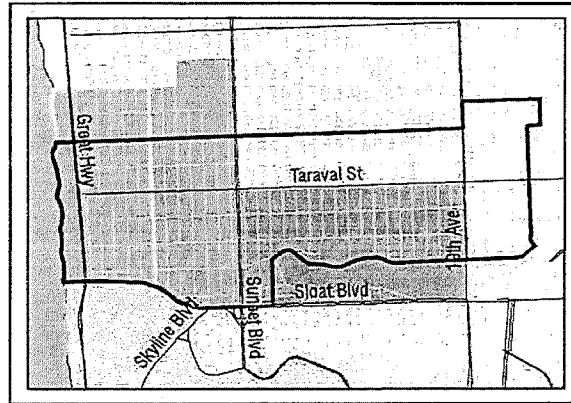
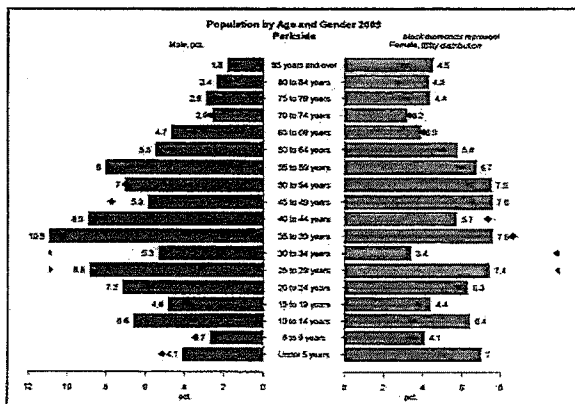
Households	6,860
Family Households	72%
Households with Children, Pct of Total	29%
Non-Family Households	28%
Single Person Households, Pct of Total	19%
Avg Household Size	3.2
Avg Family Household Size	3.8

Race/Ethnicity*

Black/African American	1%
Asian	58%
White	35%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	6%
% Latino (of Any Race)	6%

Age

0 - 4 years	6%
5 - 17 years	13%
18 - 34 years	21%
35 - 59 years	38%
60 and older	23%



Educational Attainment

(Residents 25 years and older)

High School or Less	34%
Some College/Associate Degree	21%
College Degree	31%
Graduate/Professional Degree	14%

Nativity and Language

Foreign Born	43%
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Language Spoken at home

(Residents 5 years and older)

English Only	42%
Spanish Only	4%
Asian/Pacific Islander	46%
Other European Language	6%
Other Languages	1%

Linguistic Isolation

% of All Households	16%
% of Spanish-Speaking Households	7%
% of Asian Language Speaking Households	32%
% of Other European-Speaking Households	25%
% of Households Speaking Other Languages	0%

Parkside

HOUSING CHARACTERISTICS

Total Number of Units	7,280
Units Built 2000 to 2009+	40
Median Year Structure Built±	1945

Occupied Units	6,860
Owner occupied	67%
Renter occupied	33%

Vacant Units	6%
For rent	3%
For sale only	19%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	23%
Other vacant	55%

Median Year Moved In to Unit (Own)	1992
Median Year Moved In to Unit (Rent)	2002

Structure Type

Single Family Housing	84%
2 - 4 Units	10%
5 - 9 Units	5%
10 - 19 Units	2%
20 Units or more	0%
Other	0%

Housing Prices

Median Rent	\$1,148
Median Home Value	\$720,247
Median Rent as Percentage of HH Income	26%

Vehicles Available	11,160
Homeowners	71%
Renters	29%
Vehicles Per Capita	0.51
Households with no vehicle	740
Percent of Homeowning households	6%
Percent of Renting Households	21%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$83,131
Median Family Income	\$95,284
Per Capita Income	\$32,094
Percent in Poverty	8%

Employment

Unemployment Rate	8%
Employed Residents	10,670
Managerial and Prof. Occupations	48%
Service Occupations	14%
Sales and Office Occupations	21%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	8%
Production and Transportation Occup.	9%

Journey to Work

Workers 16 years and over	10,280
Car	62%
<i>Drove Alone</i>	52%
<i>Carpooled</i>	10%
Transit	26%
Bike	0%
Walk	4%
Other	1%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

± "1939" represents 1939 or earlier

2000 Census Tracts for area: 330, 353, 354

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Potrero Hill: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	12,110
Group Quarter Population	0
Percent Female	48%

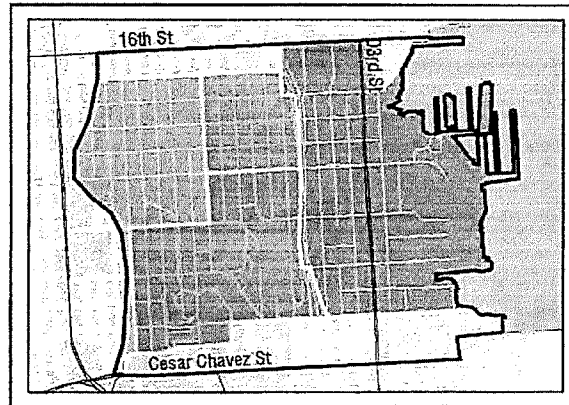
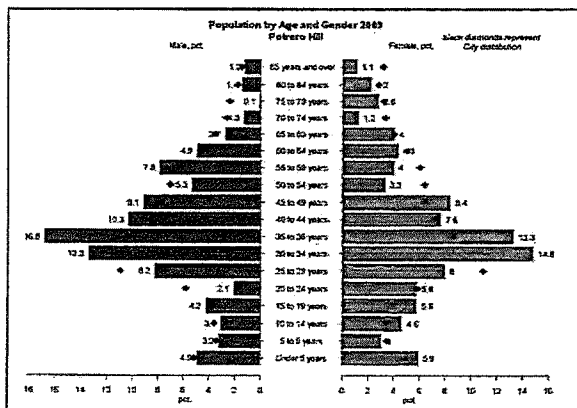
Households	5,810
Family Households	43%
Households with Children, Pct of Total	19%
Non-Family Households	57%
Single Person Households, Pct of Total	38%
Avg Household Size	2.3
Avg Family Household Size	3.2

Race/Ethnicity*

Black/African American	9%
Asian	13%
White	66%
Native American Indian	0%
Native Hawaiian/Pacific Islander	1%
Other/Two or More Races	10%
% Latino (of Any Race)	13%

Age

0 - 4 years	5%
5 - 17 years	11%
18 - 34 years	27%
35 - 59 years	43%
60 and older	14%



Educational Attainment

(Residents 25 years and older)

High School or Less	18%
Some College/Associate Degree	17%
College Degree	36%
Graduate/Professional Degree	28%

Nativity and Language

Foreign Born	17%
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Language Spoken at home

(Residents 5 years and older)

English Only	74%
Spanish Only	11%
Asian/Pacific Islander	5%
Other European Language	10%
Other Languages	0%

Linguistic Isolation

% of All Households	4%
% of Spanish-Speaking Households	23%
% of Asian Language Speaking Households	13%
% of Other European-Speaking Households	6%
% of Households Speaking Other Languages	0%

Potrero Hill

HOUSING CHARACTERISTICS

Total Number of Units	6,140
Units Built 2000 to 2009+	710
Median Year Structure Built‡	1946

Occupied Units	5,810
Owner occupied	45%
Renter occupied	55%

Vacant Units	5%
For rent	5%
For sale only	17%
Rented or sold, not occupied	2%
For seasonal, recreational, or occasional use	14%
Other vacant	62%

Median Year Moved In to Unit (Own)	2000
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	33%
2 - 4 Units	34%
5 - 9 Units	9%
10 - 19 Units	11%
20 Units or more	13%
Other	0%

Housing Prices

Median Rent	\$1,524
Median Home Value	\$836,252
Median Rent as Percentage of HH Income	24%

Vehicles Available

Homeowners	7,870
Renters	54%
Vehicles Per Capita	46%
Households with no vehicle	0.59
Percent of Homeowning households	780
Percent of Renting Households	2%
	23%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$98,182
Median Family Income	\$110,657
Per Capita Income	\$58,650
Percent in Poverty	16%

Employment

Unemployment Rate	9%
Employed Residents	7,880
Managerial and Prof. Occupations	65%
Service Occupations	8%
Sales and Office Occupations	19%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	4%

Journey to Work

Workers 16 years and over	7,780
Car	53%
Drove Alone	48%
Carpooled	5%
Transit	21%
Bike	4%
Walk	6%
Other	4%
Worked at Home	12%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 226, 227.01, 227.02, 227.03

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Presidio: Neighborhood at a Glance

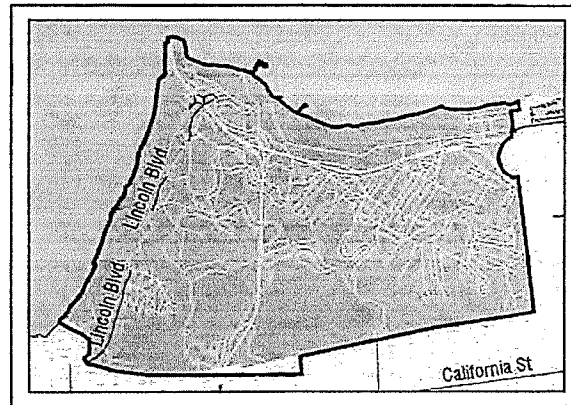
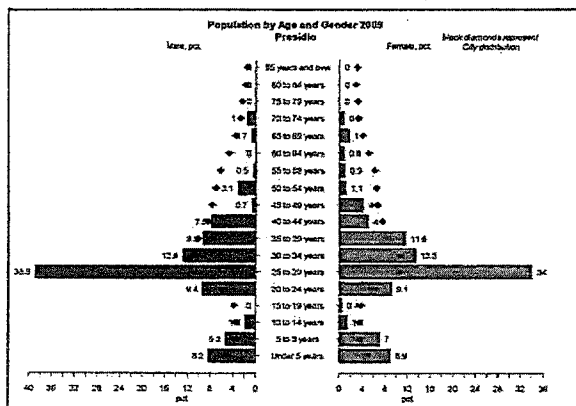
DEMOGRAPHICS

Total Population*	3,240
Group Quarter Population	0
Percent Female	43%

Households	880
Family Households	36%
Households with Children, Pct of Total	21%
Non-Family Households	64%
Single Person Households, Pct of Total	24%
Avg Household Size	3.0
Avg Family Household Size	3.6

Race/Ethnicity*	
Black/African American	2%
Asian	8%
White	80%
Native American Indian	0%
Native Hawaiian/Pacific Islander	1%
Other/Two or More Races	9%
% Latino (of Any Race)	4%

Age	
0 - 4 years	9%
5 - 17 years	8%
18 - 34 years	59%
35 - 59 years	22%
60 and older	3%



Educational Attainment

(Residents 25 years and older)	
High School or Less	6%
Some College/Associate Degree	8%
College Degree	61%
Graduate/Professional Degree	24%

Nativity and Language

Foreign Born	12%
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Language Spoken at home

(Residents 5 years and older)	
English Only	85%
Spanish Only	5%
Asian/Pacific Islander	4%
Other European Language	5%
Other Languages	0%

Linguistic Isolation

% of All Households	1%
% of Spanish-Speaking Households	7%
% of Asian Language Speaking Households	0%
% of Other European-Speaking Households	0%
% of Households Speaking Other Languages	0%

Presidio

HOUSING CHARACTERISTICS

Total Number of Units	1,130
Units Built 2000 to 2009+	0
Median Year Structure Built†	1950

Occupied Units	880
Owner occupied	2%
Renter occupied	98%

Vacant Units	21%
For rent	44%
For sale only	4%
Rented or sold, not occupied	17%
For seasonal, recreational, or occasional use	0%
Other vacant	36%

Median Year Moved In to Unit (Own)	2002
Median Year Moved In to Unit (Rent)	2005

Structure Type

Single Family Housing	33%
2 - 4 Units	49%
5 - 9 Units	15%
10 - 19 Units	0%
20 Units or more	0%
Other	2%

Housing Prices

Median Rent	\$2,818
Median Home Value	\$883,333
Median Rent as Percentage of HH Income	26%

Vehicles Available

Homeowners	
Renters	
Vehicles Per Capita	
Households with no vehicle	20
Percent of Homeowning households	0%
Percent of Renting Households	2%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$116,807
Median Family Income	\$121,591
Per Capita Income	\$61,881
Percent in Poverty	9%

Employment

Unemployment Rate	3%
Employed Residents	1,910
Managerial and Prof. Occupations	59%
Service Occupations	8%
Sales and Office Occupations	30%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	1%
Production and Transportation Occup.	2%

Journey to Work

Workers 16 years and over	1,900
Car	49%
<i>Drove Alone</i>	44%
<i>Carpooled</i>	5%
Transit	27%
Bike	5%
Walk	1%
Other	3%
Worked at Home	16%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 601

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Presidio Heights: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	9,850
Group Quarter Population	242
Percent Female	54%

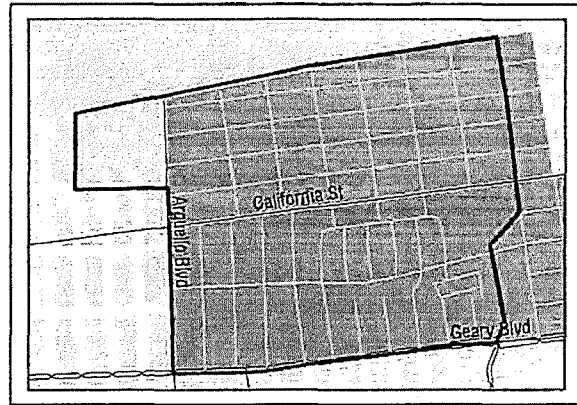
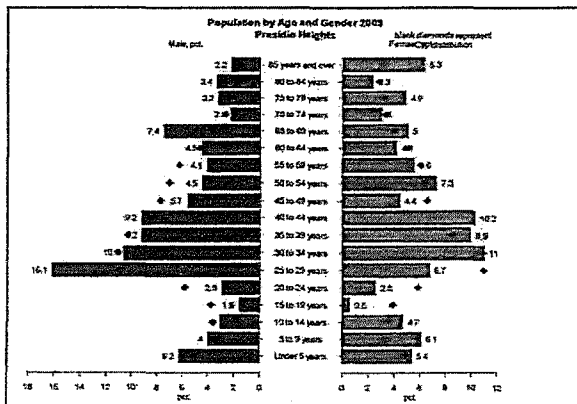
Households	4,580
Family Households	45%
Households with Children, Pct of Total	18%
Non-Family Households	55%
Single Person Households, Pct of Total	45%
Avg Household Size	2.1
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	2%
Asian	17%
White	75%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	5%
% Latino (of Any Race)	4%

Age

0 - 4 years	6%
5 - 17 years	10%
18 - 34 years	25%
35 - 59 years	35%
60 and older	24%



Educational Attainment

(Residents 25 years and older)	
High School or Less	8%
Some College/Associate Degree	16%
College Degree	44%
Graduate/Professional Degree	32%

Nativity and Language

Foreign Born	19%
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Language Spoken at home

(Residents 5 years and older)	
English Only	78%
Spanish Only	3%
Asian/Pacific Islander	10%
Other European Language	8%
Other Languages	0%

Linguistic Isolation

% of All Households	7%
% of Spanish-Speaking Households	29%
% of Asian Language Speaking Households	29%
% of Other European-Speaking Households	20%
% of Households Speaking Other Languages	0%

Presidio Heights

HOUSING CHARACTERISTICS

Total Number of Units	5,040
Units Built 2000 to 2009+	50
Median Year Structure Built±	1939

Occupied Units	4,580
Owner occupied	42%
Renter occupied	58%

Vacant Units	9%
For rent	12%
For sale only	5%
Rented or sold, not occupied	8%
For seasonal, recreational, or occasional use	16%
Other vacant	59%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type	
Single Family Housing	33%
2 - 4 Units	28%
5 - 9 Units	13%
10 - 19 Units	18%
20 Units or more	8%
Other	0%

Housing Prices	
Median Rent	\$1,369
Median Home Value	\$1,963,021
Median Rent as Percentage of HH Income	25%

Vehicles Available	6,080
Homeowners	56%
Renters	44%
Vehicles Per Capita	0.64
Households with no vehicle	750
Percent of Homeowning households	8%
Percent of Renting Households	23%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$96,542
Median Family Income	\$140,642
Per Capita Income	\$74,329
Percent in Poverty	3%

Employment	
Unemployment Rate	4%
Employed Residents	5,300
Managerial and Prof. Occupations	63%
Service Occupations	6%
Sales and Office Occupations	25%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	3%

Journey to Work	
Workers 16 years and over	5,140
Car	58%
<i>Drove Alone</i>	56%
<i>Carpooled</i>	2%
Transit	21%
Bike	2%
Walk	5%
Other	0%
Worked at Home	14%

Additional Sources:
 * 2010 Census Redistricting Data (Public Law 94-171).
 + Planning Department Housing Inventory
 ± "1939" represents 1939 or earlier
 2000 Census Tracts for area: 133, 154
 May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Russian Hill: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	12,320
Group Quarter Population	0
Percent Female	51%

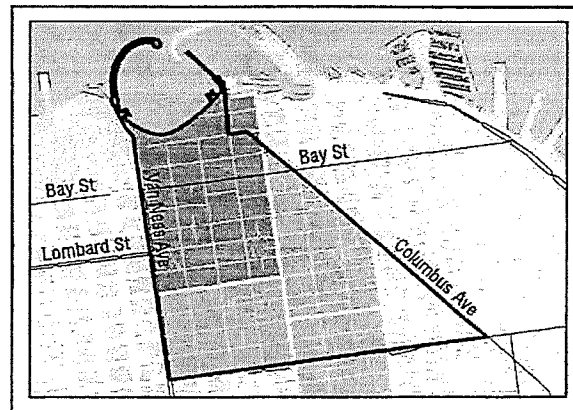
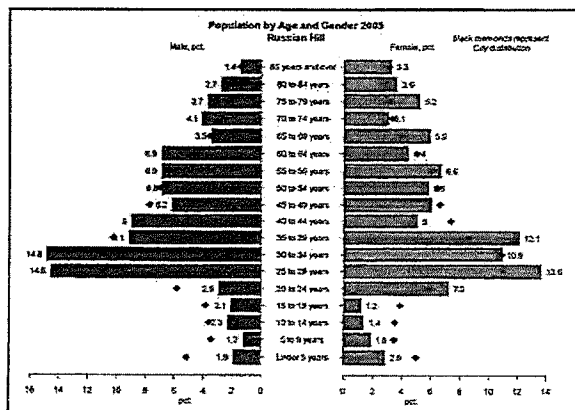
Households	9,620
Family Households	32%
Households with Children, Pct of Total	7%
Non-Family Households	68%
Single Person Households, Pct of Total	52%
Avg Household Size	1.8
Avg Family Household Size	2.7

Race/Ethnicity*

Black/African American	1%
Asian	21%
White	74%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	4%
% Latino (of Any Race)	6%

Age

0 - 4 years	2%
5 - 17 years	5%
18 - 34 years	32%
35 - 59 years	37%
60 and older	24%



Educational Attainment

(Residents 25 years and older)	
High School or Less	21%
Some College/Associate Degree	14%
College Degree	39%
Graduate/Professional Degree	26%

Nativity and Language

Foreign Born	25%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	70%
Spanish Only	4%
Asian/Pacific Islander	21%
Other European Language	5%
Other Languages	0%

Linguistic Isolation

% of All Households	11%
% of Spanish-Speaking Households	12%
% of Asian Language Speaking Households	62%
% of Other European-Speaking Households	7%
% of Households Speaking Other Languages	0%

Russian Hill

HOUSING CHARACTERISTICS

Total Number of Units	10,900
Units Built 2000 to 2009+	60
Median Year Structure Built†	1939

Occupied Units	9,620
Owner occupied	29%
Renter occupied	71%

Vacant Units	12%
For rent	40%
For sale only	8%
Rented or sold, not occupied	19%
For seasonal, recreational, or occasional use	16%
Other vacant	18%

Median Year Moved In to Unit (Own)	1996
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	9%
2 - 4 Units	28%
5 - 9 Units	20%
10 - 19 Units	17%
20 Units or more	27%
Other	0%

Housing Prices

Median Rent	\$1,363
Median Home Value	\$1,245,448
Median Rent as Percentage of HH Income	25%

Vehicles Available

Homeowners	8,800
Renters	41%
Vehicles Per Capita	59%
Households with no vehicle	0.51
Percent of Homeowning households	3,380
Percent of Renting Households	20%
	42%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$84,537
Median Family Income	\$113,223
Per Capita Income	\$75,273
Percent in Poverty	9%

Employment

Unemployment Rate	8%
Employed Residents	10,460
Managerial and Prof. Occupations	60%
Service Occupations	11%
Sales and Office Occupations	24%
Farming related Occupations	0.2%
Construction and Maintenance Occup.	2%
Production and Transportation Occup.	3%

Journey to Work

Workers 16 years and over	10,260
Car	36%
Drove Alone	31%
Carpooled	5%
Transit	27%
Bike	1%
Walk	20%
Other	3%
Worked at Home	13%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 102, 103, 108, 109

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Seacliff: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	9,100
Group Quarter Population	233
Percent Female	48%

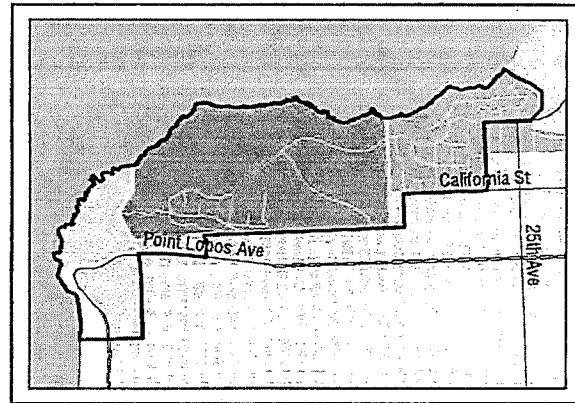
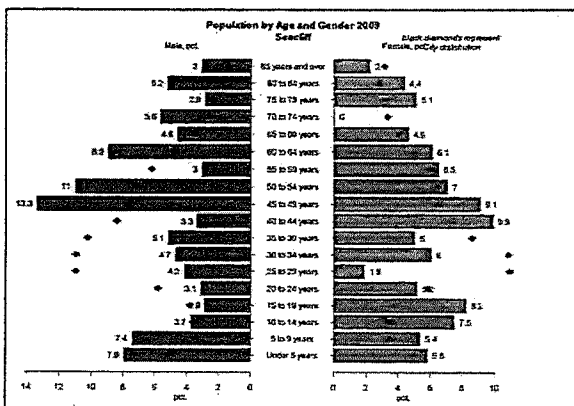
Households	990
Family Households	76%
Households with Children, Pct of Total	38%
Non-Family Households	24%
Single Person Households, Pct of Total	20%
Avg Household Size	2.9
Avg Family Household Size	3.4

Race/Ethnicity*

Black/African American	2%
Asian	38%
White	54%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	6%
% Latino (of Any Race)	9%

Age

0 - 4 years	7%
5 - 17 years	17%
18 - 34 years	13%
35 - 59 years	37%
60 and older	26%



Educational Attainment

(Residents 25 years and older)	
High School or Less	16%
Some College/Associate Degree	13%
College Degree	34%
Graduate/Professional Degree	37%

Nativity and Language

Foreign Born	14%
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Language Spoken at home

(Residents 5 years and older)	
English Only	77%
Spanish Only	6%
Asian/Pacific Islander	13%
Other European Language	3%
Other Languages	1%

Linguistic Isolation

% of All Households	3%
% of Spanish-Speaking Households	0%
% of Asian Language Speaking Households	22%
% of Other European-Speaking Households	0%
% of Households Speaking Other Languages	0%

Seacliff**HOUSING CHARACTERISTICS**

Total Number of Units	1,120
Units Built 2000 to 2009+	0
Median Year Structure Built†	1939

Occupied Units	990
Owner occupied	85%
Renter occupied	15%

Vacant Units	12%
For rent	23%
For sale only	16%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	16%
Other vacant	45%

Median Year Moved In to Unit (Own)	1994
Median Year Moved In to Unit (Rent)	2004

Structure Type

Single Family Housing	77%
2 - 4 Units	12%
5 - 9 Units	4%
10 - 19 Units	4%
20 Units or more	3%
Other	0%

Housing Prices

Median Rent	\$1,500
Median Home Value	\$2,301,282
Median Rent as Percentage of HH Income	24%

Vehicles Available

	1,770
Homeowners	92%
Renters	8%
Vehicles Per Capita	0.61
Households with no vehicle	70
Percent of Homeowning households	5%
Percent of Renting Households	20%

INCOME, EMPLOYMENT AND JOURNEY TO WORK**Income**

Median Household Income	\$162,903
Median Family Income	\$203,818
Per Capita Income	\$87,976
Percent in Poverty	2%

Employment

Unemployment Rate	4%
Employed Residents	1,240
Managerial and Prof. Occupations	64%
Service Occupations	5%
Sales and Office Occupations	25%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	2%

Journey to Work

Workers 16 years and over	1,240
Car	77%
<i>Drove Alone</i>	53%
<i>Carpooled</i>	24%
Transit	18%
Bike	0%
Walk	0%
Other	0%
Worked at Home	5%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 428, 602

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

South of Market: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	31,370
Group Quarter Population	4152
Percent Female	42%

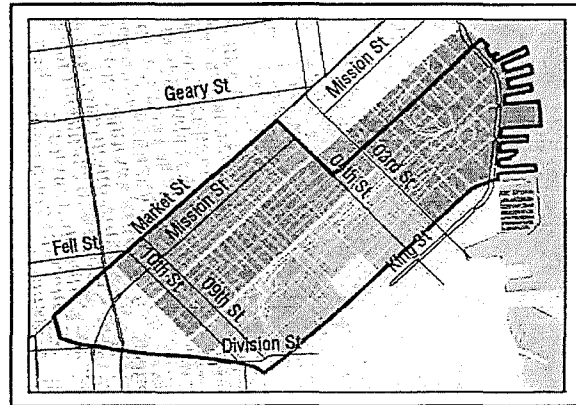
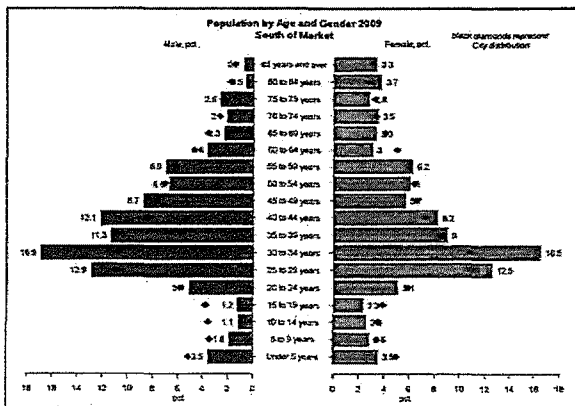
Households	11,290
Family Households	28%
Households with Children, Pct of Total	9%
Non-Family Households	72%
Single Person Households, Pct of Total	58%
Avg Household Size	1.8
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	9%
Asian	33%
White	48%
Native American Indian	1%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	9%
% Latino (of Any Race)	10%

Age

0 - 4 years	4%
5 - 17 years	5%
18 - 34 years	36%
35 - 59 years	41%
60 and older	15%



Educational Attainment

(Residents 25 years and older)	
High School or Less	31%
Some College/Associate Degree	22%
College Degree	30%
Graduate/Professional Degree	17%

Nativity and Language

Foreign Born	34%
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Language Spoken at home

(Residents 5 years and older)	
English Only	60%
Spanish Only	8%
Asian/Pacific Islander	22%
Other European Language	10%
Other Languages	1%

Linguistic Isolation

% of All Households	16%
% of Spanish-Speaking Households	25%
% of Asian Language Speaking Households	54%
% of Other European-Speaking Households	13%
% of Households Speaking Other Languages	9%

South of Market

HOUSING CHARACTERISTICS

Total Number of Units	13,700
Units Built 2000 to 2009+	6,340
Median Year Structure Built†	1991

Occupied Units	11,290
Owner occupied	29%
Renter occupied	71%

Vacant Units	18%
For rent	37%
For sale only	10%
Rented or sold, not occupied	17%
For seasonal, recreational, or occasional use	21%
Other vacant	14%

Median Year Moved In to Unit (Own)	2004
Median Year Moved In to Unit (Rent)	2005

Structure Type

Single Family Housing	4%
2 - 4 Units	7%
5 - 9 Units	5%
10 - 19 Units	9%
20 Units or more	74%
Other	0%

Housing Prices

Median Rent	\$967
Median Home Value	\$679,924
Median Rent as Percentage of HH Income	26%

Vehicles Available

Homeowners	7,840
Renters	45%
Vehicles Per Capita	55%
Households with no vehicle	0.39
Percent of Homeowning households	5,080
Percent of Renting Households	9%
	60%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$67,572
Median Family Income	\$88,793
Per Capita Income	\$50,880
Percent in Poverty	23%

Employment

Unemployment Rate	6%
Employed Residents	12,160
Managerial and Prof. Occupations	59%
Service Occupations	13%
Sales and Office Occupations	20%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	5%

Journey to Work

Workers 16 years and over	11,780
Car	32%
Drove Alone	28%
Carpooled	4%
Transit	26%
Bike	3%
Walk	27%
Other	3%
Worked at Home	9%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 176.01, 178, 179.01, 180

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Treasure Island/YBI: Neighborhood at a Glance

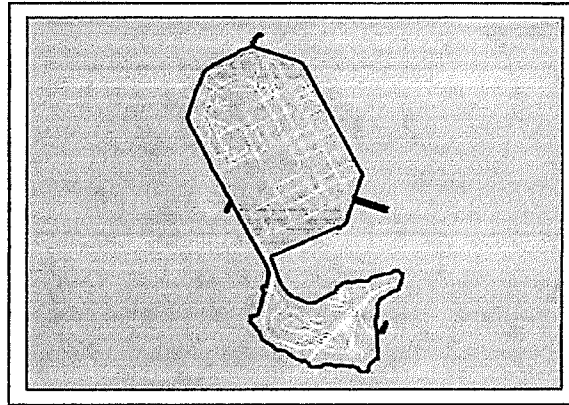
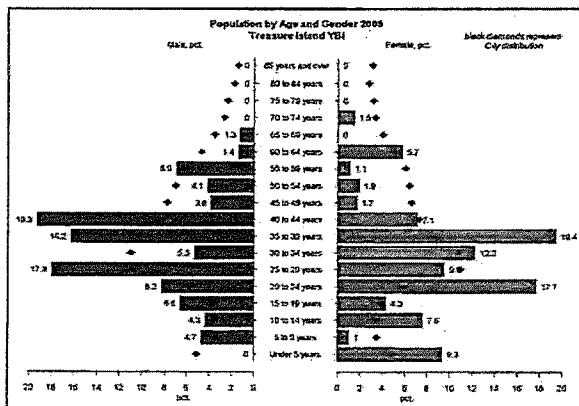
DEMOGRAPHICS

Total Population*	2,880
Group Quarter Population	53
Percent Female	43%

Households	640
Family Households	50%
Households with Children, Pct of Total	35%
Non-Family Households	50%
Single Person Households, Pct of Total	10%
Avg Household Size	3.9
Avg Family Household Size	3.9

Race/Ethnicity*	
Black/African American	25%
Asian	18%
White	35%
Native American Indian	1%
Native Hawaiian/Pacific Islander	1%
Other/Two or More Races	19%
% Latino (of Any Race)	22%

Age	
0 - 4 years	4%
5 - 17 years	13%
18 - 34 years	36%
35 - 59 years	42%
60 and older	5%



Educational Attainment

(Residents 25 years and older)	
High School or Less	26%
Some College/Associate Degree	34%
College Degree	28%
Graduate/Professional Degree	11%

Nativity and Language

Foreign Born	36%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	56%
Spanish Only	18%
Asian/Pacific Islander	13%
Other European Language	7%
Other Languages	6%

Linguistic Isolation

% of All Households	5%
% of Spanish-Speaking Households	0%
% of Asian Language Speaking Households	23%
% of Other European-Speaking Households	16%
% of Households Speaking Other Languages	0%

Treasure Island/YBI

HOUSING CHARACTERISTICS

Total Number of Units	910
Units Built 2000 to 2009+	
Median Year Structure Built‡	1964
Occupied Units	640
Owner occupied	2%
Renter occupied	98%
Vacant Units	29%
For rent	81%
For sale only	0%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	0%
Other vacant	19%
Median Year Moved In to Unit (Own)	2010
Median Year Moved In to Unit (Rent)	2010

Structure Type

Single Family Housing	19%
2 - 4 Units	29%
5 - 9 Units	43%
10 - 19 Units	4%
20 Units or more	6%
Other	0%

Housing Prices

Median Rent	\$2,048
Median Home Value	\$886,364
Median Rent as Percentage of HH Income	32%

Vehicles Available

Homeowners	
Renters	
Vehicles Per Capita	
Households with no vehicle	130
Percent of Homeowning households	0%
Percent of Renting Households	20%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$55,676
Median Family Income	\$44,091
Per Capita Income	\$25,166
Percent in Poverty	19%

Employment

Unemployment Rate	16%
Employed Residents	1,430
Managerial and Prof. Occupations	36%
Service Occupations	25%
Sales and Office Occupations	25%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	7%
Production and Transportation Occup.	6%

Journey to Work

Workers 16 years and over	1,430
Car	56%
Drove Alone	54%
Carpooled	2%
Transit	36%
Bike	0%
Walk	3%
Other	2%
Worked at Home	3%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 179.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Twin Peaks: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	7,040
Group Quarter Population	1418
Percent Female	51%

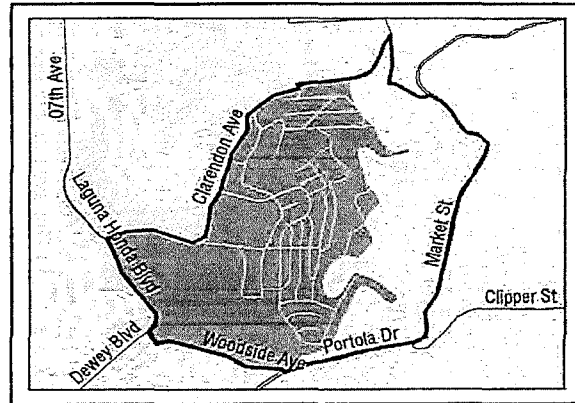
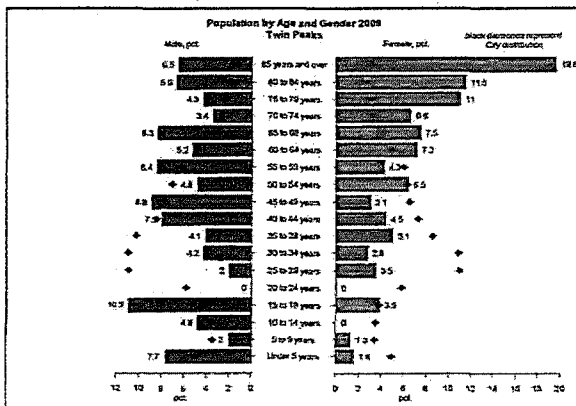
Households	1,000
Family Households	57%
Households with Children, Pct of Total	24%
Non-Family Households	43%
Single Person Households, Pct of Total	36%
Avg Household Size	2.2
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	6%
Asian	19%
White	66%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	8%
% Latino (of Any Race)	15%

Age

0 - 4 years	5%
5 - 17 years	9%
18 - 34 years	8%
35 - 59 years	29%
60 and older	49%



Educational Attainment

(Residents 25 years and older)	
High School or Less	35%
Some College/Associate Degree	19%
College Degree	26%
Graduate/Professional Degree	20%

Nativity and Language

Foreign Born	32%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	60%
Spanish Only	13%
Asian/Pacific Islander	19%
Other European Language	8%
Other Languages	0%

Linguistic Isolation

% of All Households	11%
% of Spanish-Speaking Households	25%
% of Asian Language Speaking Households	17%
% of Other European-Speaking Households	39%
% of Households Speaking Other Languages	#Num!

Twin Peaks

HOUSING CHARACTERISTICS

Total Number of Units	1,050
Units Built 2000 to 2009+	0
Median Year Structure Built†	1956

Occupied Units	1,000
Owner occupied	79%
Renter occupied	21%

Vacant Units	4%
For rent	22%
For sale only	0%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	0%
Other vacant	78%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2002

Structure Type

Single Family Housing	88%
2 - 4 Units	2%
5 - 9 Units	0%
10 - 19 Units	0%
20 Units or more	10%
Other	0%

Housing Prices

Median Rent	\$323
Median Home Value	\$831,868
Median Rent as Percentage of HH Income	26%

Vehicles Available

	1,600
Homeowners	90%
Renters	10%
Vehicles Per Capita	0.74
Households with no vehicle	200
Percent of Homeowning households	10%
Percent of Renting Households	55%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$99,449
Median Family Income	\$121,429
Per Capita Income	\$37,345
Percent in Poverty	6%

Employment

Unemployment Rate	8%
Employed Residents	1,000
Managerial and Prof. Occupations	72%
Service Occupations	8%
Sales and Office Occupations	12%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	7%
Production and Transportation Occup.	0%

Journey to Work

Workers 16 years and over	1,000
Car	62%
Drove Alone	54%
Carpooled	8%
Transit	13%
Bike	0%
Walk	7%
Other	3%
Worked at Home	15%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 305

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Visitation Valley: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	21,130
Group Quarter Population	204
Percent Female	49%

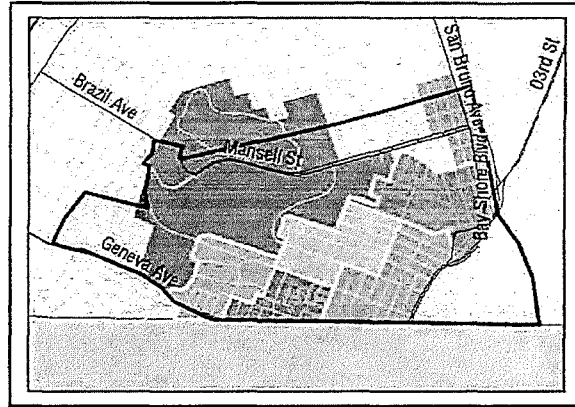
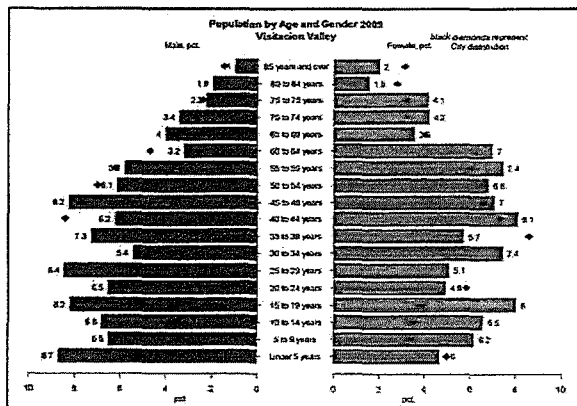
Households	5,190
Family Households	76%
Households with Children, Pct of Total	43%
Non-Family Households	24%
Single Person Households, Pct of Total	21%
Avg Household Size	3.9
Avg Family Household Size	4.8

Race/Ethnicity*

Black/African American	13%
Asian	55%
White	12%
Native American Indian	1%
Native Hawaiian/Pacific Islander	3%
Other/Two or More Races	17%
% Latino (of Any Race)	15%

Age

0 - 4 years	7%
5 - 17 years	19%
18 - 34 years	21%
35 - 59 years	34%
60 and older	19%



Educational Attainment

(Residents 25 years and older)

High School or Less	63%
Some College/Associate Degree	22%
College Degree	13%
Graduate/Professional Degree	3%

Nativity and Language

Foreign Born	51%
--------------	-----

Language Spoken at home

(Residents 5 years and older)

English Only	30%
Spanish Only	14%
Asian/Pacific Islander	55%
Other European Language	1%
Other Languages	0%

Linguistic Isolation

% of All Households	23%
% of Spanish-Speaking Households	24%
% of Asian Language Speaking Households	41%
% of Other European-Speaking Households	22%
% of Households Speaking Other Languages	0%

Visitacion Valley

HOUSING CHARACTERISTICS

Total Number of Units	5,480
Units Built 2000 to 2009+	460
Median Year Structure Built†	1949

Occupied Units	5,190
Owner occupied	57%
Renter occupied	43%

Vacant Units	5%
For rent	13%
For sale only	5%
Rented or sold, not occupied	0%
For seasonal, recreational, or occasional use	0%
Other vacant	82%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2003

Structure Type

Single Family Housing	78%
2 - 4 Units	7%
5 - 9 Units	6%
10 - 19 Units	3%
20 Units or more	6%
Other	0%

Housing Prices

Median Rent	\$624
Median Home Value	\$575,983
Median Rent as Percentage of HH Income	28%

Vehicles Available	7,510
Homeowners	71%
Renters	29%
Vehicles Per Capita	0.37
Households with no vehicle	1,100
Percent of Homeowning households	6%
Percent of Renting Households	41%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income

Median Household Income	\$44,373
Median Family Income	\$49,447
Per Capita Income	\$17,651
Percent in Poverty	15%

Employment

Unemployment Rate	11%
Employed Residents	8,880
Managerial and Prof. Occupations	17%
Service Occupations	34%
Sales and Office Occupations	22%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	11%
Production and Transportation Occup.	16%

Journey to Work

Workers 16 years and over	8,640
Car	63%
Drove Alone	52%
Carpooled	11%
Transit	32%
Bike	1%
Walk	1%
Other	1%
Worked at Home	2%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 258, 264.01, 264.02, 264.03, 264.04, 605.01, 605.02

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

West of Twin Peaks: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	22,830
Group Quarter Population	0
Percent Female	50%

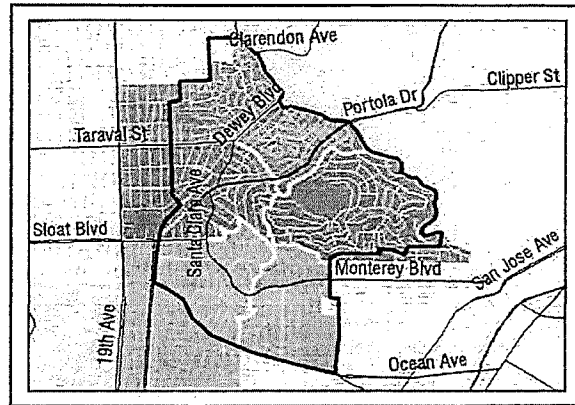
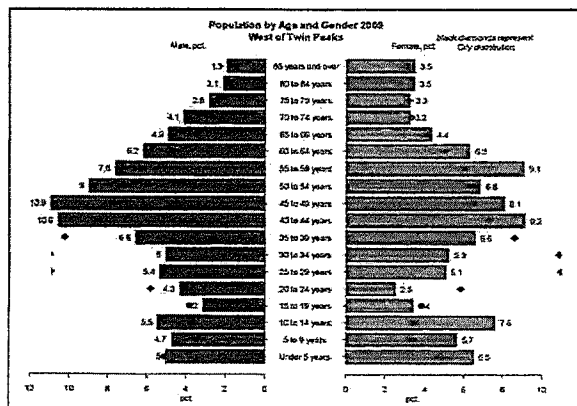
Households	10,930
Family Households	69%
Households with Children, Pct of Total	29%
Non-Family Households	31%
Single Person Households, Pct of Total	21%
Avg Household Size	2.7
Avg Family Household Size	3.3

Race/Ethnicity*

Black/African American	2%
Asian	31%
White	59%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	7%
% Latino (of Any Race)	6%

Age

0 - 4 years	6%
5 - 17 years	14%
18 - 34 years	15%
35 - 59 years	42%
60 and older	23%



Educational Attainment

(Residents 25 years and older)	
High School or Less	16%
Some College/Associate Degree	20%
College Degree	36%
Graduate/Professional Degree	28%

Nativity and Language

Foreign Born	27%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	64%
Spanish Only	4%
Asian/Pacific Islander	22%
Other European Language	9%
Other Languages	1%

Linguistic Isolation

% of All Households	7%
% of Spanish-Speaking Households	2%
% of Asian Language Speaking Households	22%
% of Other European-Speaking Households	16%
% of Households Speaking Other Languages	18%

West of Twin Peaks

HOUSING CHARACTERISTICS

Total Number of Units	11,500
Units Built 2000 to 2009+	60
Median Year Structure Built†	1939

Occupied Units	10,930
Owner occupied	86%
Renter occupied	14%

Vacant Units	5%
For rent	27%
For sale only	3%
Rented or sold, not occupied	5%
For seasonal, recreational, or occasional use	18%
Other vacant	47%

Median Year Moved In to Unit (Own)	1993
Median Year Moved In to Unit (Rent)	2002

Structure Type	
Single Family Housing	91%
2 - 4 Units	5%
5 - 9 Units	1%
10 - 19 Units	1%
20 Units or more	2%
Other	0%

Housing Prices	
Median Rent	\$1,745
Median Home Value	\$952,703
Median Rent as Percentage of HH Income	22%

Vehicles Available	20,190
Homeowners	88%
Renters	12%
Vehicles Per Capita	0.68
Households with no vehicle	460
Percent of Homeowning households	4%
Percent of Renting Households	8%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$125,027
Median Family Income	\$142,617
Per Capita Income	\$58,594
Percent in Poverty	4%

Employment	
Unemployment Rate	5%
Employed Residents	15,410
Managerial and Prof. Occupations	59%
Service Occupations	10%
Sales and Office Occupations	22%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	4%
Production and Transportation Occup.	5%

Journey to Work	
Workers 16 years and over	14,830
Car	65%
<i>Drove Alone</i>	54%
<i>Carpooled</i>	11%
Transit	24%
Bike	1%
Walk	3%
Other	1%
Worked at Home	6%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

‡ "1939" represents 1939 or earlier

2000 Census Tracts for area: 304, 306, 307, 308, 309, 310

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Western Addition: Neighborhood at a Glance

DEMOGRAPHICS

Total Population*	42,920
Group Quarter Population	1730
Percent Female	52%

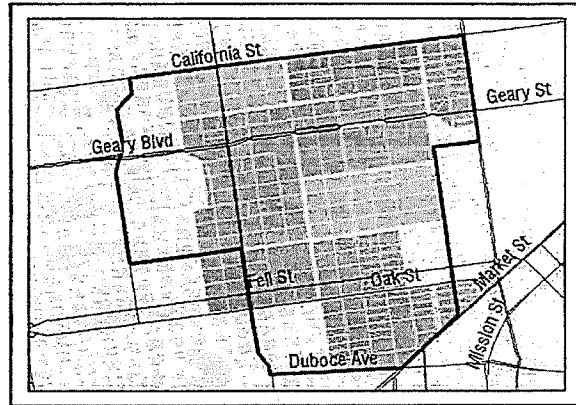
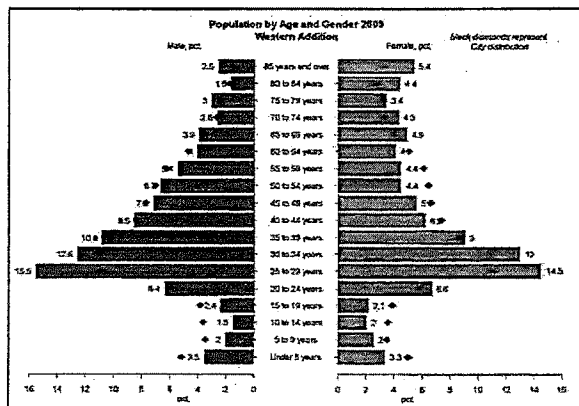
Households	21,560
Family Households	29%
Households with Children, Pct of Total	9%
Non-Family Households	71%
Single Person Households, Pct of Total	56%
Avg Household Size	1.9
Avg Family Household Size	2.9

Race/Ethnicity*

Black/African American	15%
Asian	20%
White	55%
Native American Indian	0%
Native Hawaiian/Pacific Islander	0%
Other/Two or More Races	9%
% Latino (of Any Race)	9%

Age

0 - 4 years	3%
5 - 17 years	5%
18 - 34 years	35%
35 - 59 years	34%
60 and older	22%



Educational Attainment

(Residents 25 years and older)	
High School or Less	22%
Some College/Associate Degree	22%
College Degree	35%
Graduate/Professional Degree	22%

Nativity and Language

Foreign Born	24%
--------------	-----

Language Spoken at home

(Residents 5 years and older)	
English Only	71%
Spanish Only	7%
Asian/Pacific Islander	11%
Other European Language	9%
Other Languages	1%

Linguistic Isolation

% of All Households	11%
% of Spanish-Speaking Households	17%
% of Asian Language Speaking Households	45%
% of Other European-Speaking Households	38%
% of Households Speaking Other Languages	65%

Western Addition

HOUSING CHARACTERISTICS

Total Number of Units	24,080
Units Built 2000 to 2009+	990
Median Year Structure Built†	1947

Occupied Units	21,560
Owner occupied	21%
Renter occupied	79%

Vacant Units	10%
For rent	46%
For sale only	6%
Rented or sold, not occupied	8%
For seasonal, recreational, or occasional use	14%
Other vacant	26%

Median Year Moved In to Unit (Own)	2000
Median Year Moved In to Unit (Rent)	2003

Structure Type	
Single Family Housing	10%
2 - 4 Units	17%
5 - 9 Units	14%
10 - 19 Units	17%
20 Units or more	42%
Other	0%

Housing Prices	
Median Rent	\$1,169
Median Home Value	\$690,196
Median Rent as Percentage of HH Income	26%

Vehicles Available	15,620
Homeowners	34%
Renters	66%
Vehicles Per Capita	0.39
Households with no vehicle	9,650
Percent of Homeowning households	18%
Percent of Renting Households	52%

INCOME, EMPLOYMENT AND JOURNEY TO WORK

Income	
Median Household Income	\$53,990
Median Family Income	\$69,889
Per Capita Income	\$47,111
Percent in Poverty	14%

Employment	
Unemployment Rate	7%
Employed Residents	24,050
Managerial and Prof. Occupations	56%
Service Occupations	14%
Sales and Office Occupations	23%
Farming related Occupations	0.0%
Construction and Maintenance Occup.	3%
Production and Transportation Occup.	5%

Journey to Work	
Workers 16 years and over	23,480
Car	32%
Drove Alone	27%
Carpooled	5%
Transit	41%
Bike	5%
Walk	12%
Other	2%
Worked at Home	7%

Additional Sources:

* 2010 Census Redistricting Data (Public Law 94-171).

+ Planning Department Housing Inventory

† "1939" represents 1939 or earlier

2000 Census Tracts for area: 151, 152, 153, 155, 158, 159, 161, 163, 164, 168

May 2011

Note: Numbers are estimates and represent sampling data from the American Community Survey and is subject to sampling and non-sampling errors. For more information, see <http://www.census.gov/acs/www/Downloads/handbooks/ACSGeneralHandbook.pdf>

Appendix

Margins of Error

Statistics in this report come from the 2005-2009 American Community Survey. The ACS is based on sample data and is subject to margins of error due to the variability of individual samples. The confidence interval is the range within which the true population value lies with a certain degree of certainty. The more certainty, the larger the necessary interval around the estimate. The Census Bureau published margin of error tables reflecting a 90 percent confidence interval.

The figures cited in this report should be taken in the context of their margins of error. This means thinking of confidence boundaries. To do this, one must know the estimate as well as the margin of error. The report has provided estimates at the neighborhood level and below are steps to find out the margins of error for each estimate.

Step 1:

Identify the characteristic (data field) you're interested in from the Neighborhood at a Glance profiles in this report.

Percent Female	50%
----------------	-----

Step 2:

Refer to the mock-up on pages 81-82 to get the numeric code for the data field in question. Note that the data fields are sequentially numbered.

03	Percent Female
----	----------------

Step 3:

Go to the Margin of Error table on pages 83-86. Look for the row representing the neighborhood and locate the column with the numeric code you found in Step 2. That is the applicable margin of error.

Neighborhood	01	02	03	04
Bayview	NA		2%	

Step 4:

The confidence bounds will be

Value + / - MOE

For example, if one were interested margins of error for the percentage of females in the Bayview Neighborhood, one would need to locate the estimate (50%), go to the mock-up to see the ID for the field (ID number 03), and then look up this value in the Margin of Error table, under the Bayview row. The value there is 2%, meaning that the true value is likely between 48% (50% - 2%) and 52% (50% + 2%).

As a general note, MOEs are larger for smaller populations relative to the sample size. Details on language for small sub-groups may be more prone to inaccuracies than those of larger groups.

Aggregations of tract-level MOEs to the neighborhood scale were performed per the guidelines in the Census Compass Guides, Appendix 3 (*"A Compass for Understanding and Using American Community Survey Data: What State and Local Governments Need to Know"*).

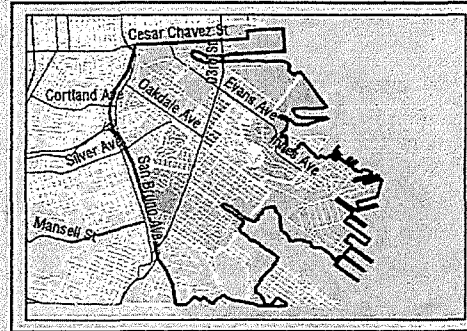
To calculate medians, the Planning Department relied on published ranges and used a formula for grouped data using the method provided by the California State Department of Finance as described in their note *"Re-calculating Medians and their Margin of Errors for Aggregated ACS Data"* from February, 2011. The margins of error thus produced are known to significantly overstate the true margins of error, but this is a necessary limitation given the summary data available.

Template showing Data Field IDs, First Page

Bayview: Neighborhood at a Glance

Field DEMOGRAPHICS

01	Total Population*	35,890
02	Group Quarter Population	0
03	Percent Female	50%
04	Households	9,480
05	Family Households	70%
06	Households with Children, Pct of Total	40%
07	Non-Family Households	30%
08	Single Person Households, Pct of Total	26%
09	Avg Household Size	3.6
10	Avg Family Household Size	4.5



Race/Ethnicity*

11	Black/African American	32%
12	Asian	33%
13	White	12%
14	Native American Indian	1%
15	Native Hawaiian/Pacific Islander	3%
16	Other/Two or More Races	20%
17	% Latino (of Any Race)	25%

Age

18	0 - 4 years	8%
19	5 - 17 years	19%
20	18 - 34 years	26%
21	35 - 59 years	32%
22	60 and older	16%

Educational Attainment

(Residents 25 years and older)

High School or Less	56%	23
Some College/Associate Degree	26%	24
College Degree	13%	25
Graduate/Professional Degree	4%	26

Nativity and Language

Foreign Born	33%	27
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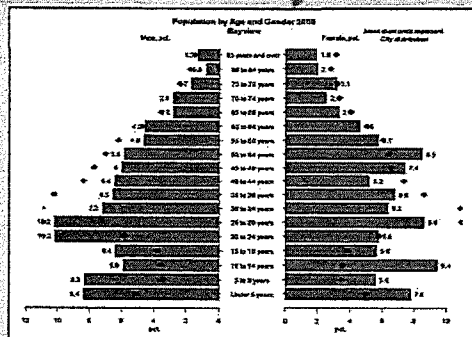
Language Spoken at home

(Residents 5 years and older)

English Only	51%	28
Spanish Only	21%	29
Asian/Pacific Islander	27%	30
Other European Language	1%	31
Other Languages	1%	32

Linguistic Isolation

% of All Households	12%	33
% of Spanish-Speaking Households	27%	34
% of Asian Language Speaking Households	34%	35
% of Other European-Speaking Households	3%	36
% of Households Speaking Other Languages	23%	37



**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: Displacement in the Mission District



Date: October 27, 2015

Summary of Requested Action

Your office requested the Budget and Legislative Analyst produce a report on demographic and housing price trends in San Francisco's Mission District. Specifically, you requested:

- (1) Two-year, five-year, and ten-year projections of the Mission District's economic and racial diversity if current demographic trends continue, including a specific focus on the Mission District's Hispanic/Latino population, families, and low-and-middle income households;
- (2) The number of new housing units needed to lower housing prices in San Francisco; and
- (3) Two-year, five-year, and ten-year projections of the price of one- and two-bedroom units in the Mission District if current price housing trends continue.

For further information about this report, contact Fred Brousseau at the Budget and Legislative Analyst's Office.

Executive Summary

Changes in Mission District Demographics

- The City's total population grew from 776,733 in 2000 to 817,501 in the five year 2009-2013 period, an increase of five percent.¹ On the contrary, the population of the Mission District decreased between 2000 and the 2009-2013 period from 42,266 to 38,287, a reduction of 3,979, or nine percent.²

¹ The five year period between 2009 and 2013 is compared to 2000 as it was taken from the American Community Survey five year average as reported by the U.S. Census Bureau. It was the most recent data available at the Census tract level for the characteristics reported. The 2000 data is from the 2000 decennial Census.

² The Mission District is defined for purposes of this report as the area bounded roughly by Market Street, Valencia Street, Cesar Chavez Street, U.S. 101, 23rd Street, Hampshire Street, 17th Street, Vermont Street, Division Street, and 11th Street. These boundaries correspond to Census tracts 177, 201, 208, 209, 228.01, 228.03, 228.09, 229.02, and 229.03.

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- An even greater population reduction occurred in the Mission District's Hispanic/Latino population, which decreased from 25,180 in 2000 to 18,372 in the 2009-2013 period, a 27 percent reduction. Exhibit A presents this and other information about changes in the neighborhood.
- The 27 percent decrease in the Mission District's Hispanic/Latino population diverged from the City as a whole, where the Hispanic/Latino population increased between 2000 and 2009-2013 from 109,504 to 124,167, an increase of 13 percent, and grew slightly from 14 to 15 percent of the City's total population. In the Mission District, the Hispanic/Latino population decreased from 60 percent of the neighborhood's total population to 48 percent during the same time period.

Exhibit A: Population and Demographic Changes, City and Mission District						
	City			Mission		
	2000	2009-2013	% Change	2000	2009-2013	% Change
Total Population	776,733	817,501	5%	42,266	38,287	-9%
Hispanic/Latino	109,504	124,167	13%	25,180	18,372	-27%
Hispanic/Latino % Total	14%	15%	-	60%	48%	-
# Households	329,700	345,344	5%	13,071	14,454	11%
Average Household Size	2.30	2.31	0.4%	3.2	2.6	-19%
Households w/ Children	63,867	64,694	1%	4,088	3,041	-26%
% Total	19%	19%	-	31%	21%	-
# Households: Related Individuals	145,186	156,742	8%	6,655	6,263	-6%
% Total	44%	45%	-	51%	43%	-
# Households: Unrelated Individuals	184,514	188,602	2%	6,416	8,191	28%
% Total	56%	55%	-	49%	57%	-
Owner-occupied Units	115,391	126,394	10%	2,482	3,655	48%
% Total	35%	37%	-	19	25	-
Renter-occupied Units	214,309	218,950	2%	10,589	10,789	2%
% Total	65%	63%	-	81%	75%	-

Sources: Census 2000, American Community Survey 2013 (5-Year Estimate), Social Explorer.

- The number of households in the Mission District increased between 2000 and 2009-2013, but households with children decreased by 26 percent during that period, from 4,088 households, or 31 percent of all households, to 3,041, or 21 percent of all households. Contrary to this decline in the Mission District, households with children Citywide remained constant during the review period, at 19 percent of all households.
- Changes in Income distribution in the Mission District followed Citywide patterns, but experienced more extreme reductions in middle income households and larger increases in upper income households than the City as a whole. Exhibit B presents

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these changes. The largest change in the Mission District was in households with annual incomes of \$150,000 or more, which grew by 65 percent between 2000 and 2009-2013, substantially higher than the 10 percent growth rate for the City as a whole.

Exhibit B: Changes in Household Income, City and Mission District						
Annual Household Income	City			Mission		
	2000	2009-2013	% Change	2000	2009-2013	% Change
Less than \$35,000	76,797	95,258	24%	3,682	4,592	25%
\$35,000 - 99,999	123,669	114,154	-8%	5,798	5,060	-13%
\$100,000 - 149,999	55,903	55,168	-1%	1,972	2,100	6%
More than \$150,000	73,481	80,764	10%	1,633	2,702	65%
Total	329,850	345,344	5%	13,085	14,454	10%

Sources: Census 2000, American Community Survey 2013 (5-Year Estimate), Social Explorer.

*Total households reported by the U.S. Census Bureau for household income in 2000 are 150 households higher for the City and 14 households higher for the Mission District than total households reported for population and demographic purposes.

- Lower income households earning less than \$35,000 per year increased Citywide by 24 percent between 2000 and 2009-2013; the Mission District followed suit with such households increasing by 25 percent during that time period. Middle income households earning between \$35,000 and \$99,999 decreased Citywide by eight percent; in the Mission District, the rate of decrease was higher, at 13 percent.
- Other changes in the Mission District between 2000 and 2009-2013, as shown in Exhibit A, include:
 - An increase in total households, but a decrease in average household size. Average household size Citywide remained largely unchanged.
 - A six percent decrease in households populated with related individuals and a 28 percent increase in households populated with unrelated individuals or singles, significantly more than the Citywide increase of two percent for such households.³
 - A 48 percent increase in owner-occupied households, significantly more than the Citywide rate of increase of ten percent.

³ The Census Bureau uses the term Family Households for households composed of related individuals living together. Family households include households composed of unrelated individuals living with related individuals. Households composed of single occupants or unrelated individuals living together are called Non-family Households by the Census Bureau.

Projected Changes through 2025

- The Budget and Legislative Analyst projects that, if trends since 2000 continue over the next ten years through 2025, the Hispanic/Latino population will continue to decline as a proportion of the Mission District's total population, from 48 percent of the population in the 2009-2013 five year period to 31 percent by 2025. The number of households with children would decrease from 21 to 11 percent of all households by 2025, assuming continuation of present trends.
- The Budget and Legislative Analyst also prepared Income distribution projections in the Mission District, assuming a continuation of trends from 2000 through 2009-2013. Modest changes are projected in the number of households earning less than \$35,000 and between \$100,000 and \$149,999. A significant decline is projected, however, for households earning between \$35,000 and \$99,999 and a significant increase is projected for households earning more than \$150,000.

Impact of Changes in Housing Supply on Potentially Lowering Housing Prices

- Between 1980 and 2010, the median value of owner-occupied housing units in San Francisco increased by 175 percent, significantly more than the 75 percent rate of increase for California as a whole and the 52 percent rate of increase for the U.S.
- For California to have achieved lower housing prices and a rate of housing price appreciation at parity with the U.S., the California Legislative Analyst's Office estimated that over the 30 years between 1980 and 2010, the state needed significantly more housing units added annually to its housing stock. Of the additional statewide housing need estimated by the California Legislative Analyst's Office, San Francisco would have needed an average of 15,300 housing units per year added to its housing stock, or 13,289 more units than the actual average of 2,011 units added per year.
- If all the additional housing units estimated by the Legislative Analyst's Office had been added, San Francisco would have built a total of 459,000 units between 1980 and 2010 instead of the actual total of 60,334 units, an increase of 561 percent over the amount built. Under this scenario, by 2010 there would have been a total of 775,608 housing units in San Francisco, or over twice as many as the actual 376,942 housing units estimated by the U.S. Census in 2010.
- Had an average of 15,300 housing units been added each year over the 30 year period instead of 2,011, the median 2010 housing value in San Francisco would have been approximately \$525,000 (in 2015 inflation-adjusted dollars) instead of the actual median of \$839,357, according to the Legislative Analyst's Office. However, even this lower median price would have represented an increase in housing prices in San Francisco over the 30 year period, though the rate of price appreciation would have been lower than the actual rate experienced.
- Any short-term price decreases that occurred during the 30 year period, such as those caused by the economic recession that began in 2008 or those due to one-time larger than average increases in supply, could not be sustained without annual average

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increases of at least 15,300 housing units over the 30 year period, as estimated by the Legislative Analyst's Office's analysis.

- Had an average of 15,300 housing units been added annually in San Francisco between 1980 and 2010 to slow the rate of housing price appreciation, the City's population in 2010 would have been 1.7 million instead of the actual 805,195 and housing density would have been 35-40 units per acre instead of the actual 18 units per acre.
- The analysis by the Legislative Analyst's Office did not incorporate the desirability of this level of additional construction or the feasibility of adding so much housing relative to local land use and zoning controls, land availability, or community density preferences. To the extent the LAO's estimated housing needed to have achieved lower prices in San Francisco was infeasible between 1980 and 2010, and continues to be so for the future, the analysis does not present alternative methods of providing more affordable housing, particularly for low and moderate income households.
- For the future, assuming trends over the 30 years between 1980 and 2010 continue for the next 30 years, a supply-induced short-term reduction in housing prices in San Francisco would require an increase in housing units added to the City's housing stock every year greatly in excess of the average of the 2,011 added each year between 1980 and 2010. Further, average prices would still increase over the 30 years unless significantly more than 15,300 housing units per year are added, or at least 13,289 more per year than the actual 2,011 added between 1980 and 2010. These estimates do not consider the feasibility or desirability of such an increase in housing, population and density in San Francisco relative to factors such as local land use and zoning controls.

Impact of Changes in Housing Demand on Potentially Lowering Housing Prices

- San Francisco housing cost increases have been fueled by increases in demand due to an increase in the City's population and growth in upper income households. Between 1980 and 2013, Citywide inflation-adjusted median household income grew by 62 percent whereas growth in income for households in the 90th percentile grew by 116 percent.⁴
- Citywide rent paid between 1980 and 2013 grew faster at upper levels than at median or lower levels, with a 69 percent increase in median rent paid compared to a 91 percent increase at the 90th percentile of rent paid. However, income growth has been greater for upper income households than the rate of increase in upper level rents, resulting in a higher degree of housing affordability for high-income households and lower affordability for median or low income households.

⁴ The median represents the point at which 50 percent of all City households have higher incomes and 50 percent have lower. The 90th percentile is the income point at which 90 percent of all City households have incomes lower than this amount.

- Exhibit C shows that the changes between 1980 and 2013 in household income for upper income households grew faster than rent paid for higher income households compared to those at the median and below. While the distribution of household income and rent paid do not align for all households, the changes captured in Exhibit C show that housing is less affordable for households with median or lower incomes and that higher rents are relatively more affordable for upper income households.

Exhibit C: Changes in Citywide Rent Paid and Household Income		
1980 - 2013		
	Change in Rent Paid	Change in Household Income
10th percentile	+17%	-4%
50th percentile (median)	+69%	+62%
90th percentile	+91%	+116%
95th percentile	+97%	+127%
99th percentile	+93%	+140%

Sources: Budget and Legislative Analyst estimates from 1980 Decennial Census PUMS files, and 2013 1-Year American Community Survey PUMS files. Dataset obtained from IPUMS-USA, University of Minnesota, www.ipums.org.

- In 2013, median rent paid in San Francisco for all housing types was approximately \$1,655 per month whereas the median market rate for a one-bedroom unit was \$2,800 per month, or 69 percent higher. In 2015, the median market rate had increased to \$3,620 for a one bedroom apartment. The large gap between median market rent and median rent paid appears to represent a scarcity of housing and a willingness and ability on the part of some residents to pay higher rental rates, resulting in a likely continuation of increases in market rate rents, if present trends continue.
- The Budget and Legislative Analyst concludes that the Citywide trends above regarding housing demand are applicable to the Mission District and will persist if present trends continue. Specifically, the decreasing number of households in the Mission District with incomes between \$35,000 and \$99,999 and the increasing number of households with incomes over \$100,000 will mean that more neighborhood residents will be able to pay higher rents, making housing less accessible and affordable to those with relatively lower incomes. Decreases in housing prices in the Mission District do not seem likely from the trends in demand for housing and changes in household income.

Projected changes in Mission District housing prices if present trends continue

- The Budget and Legislative Analyst prepared projections of Mission District housing prices for two, five and ten years out from 2015 based on historical price trends. Three projection scenarios were prepared using two, five and nine years' worth of historical Mission District housing price data. The projection results show that the further back the historical data used as the basis of the projections, the lower the rate of projected housing price increase since greater variation in economic cycles is incorporated.

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- Using nine years' worth of historical Mission District housing data, which incorporates the effects of the economic recession that started in 2008, housing prices in the Mission District would experience a downturn during the ten year projection period, but would ultimately still increase through 2025. Exhibit D presents the results of the projections. If historical data from five and two years prior to 2015 is used, prices are projected to continually increase over the next ten years.

Exhibit D: Projected Changes to Median Price for All Types of Mission District Housing* through 2025 Based on Continuation of Historical Trends (July 2015 Dollars)					
Projection Basis: # Years	2015 Base Year	2017 Projected	2020 Projected	2025 Projected	% Change
9 Years Historical	\$1,210,400	\$1,085,654	\$1,173,257	\$1,319,262	9.0%
5 Years Historical	\$1,210,400	\$1,371,296	\$1,689,465	\$2,219,747	83.4%
2 Years Historical	\$1,210,400	\$1,538,987	\$2,008,485	\$2,790,982	130.6%

Sources: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst.

*All homes include single-family homes, condominium, and co-operative homes.

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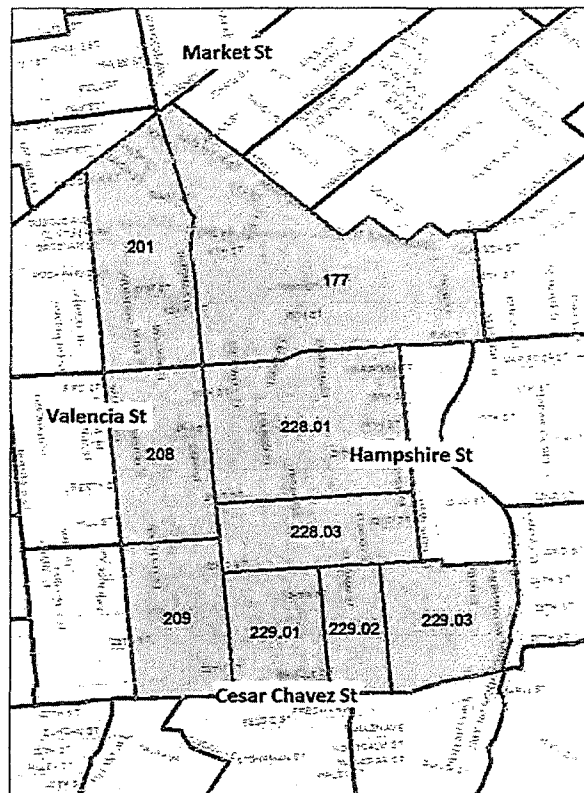
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1. Demographic Trends in San Francisco's Mission District

This report section presents changes in the Mission District's Hispanic/Latino population, household/family population, and household income.

In order to analyze changes in the Mission District, Census tract level data was used that roughly corresponds to the City Planning Department's definition of the Mission District, as seen in Exhibit 1 below. The nine Census tracts used for this analysis are: 177, 201, 208, 209, 228.01, 228.03, 228.09, 229.02, and 229.03.

Exhibit 1: Census Tracts in the Mission District



Source: Office of Economic Analysis, San Francisco Controller's Office, 2015

Census tract level data is available in the decennial U.S. Census released every ten years and the 5-Year American Community Survey (ACS), which provides five year averages of annual samples taken each year since 2005. Comparisons between the 2000 decennial census and the most recently available 5-Year ACS (2009-2013) formed the basis of this analysis and the two, five, and ten year projections presented below.

Although changes between 2000 and the 2009-2013 average are sufficient to describe the basic magnitude and direction of recent demographic trends, use of

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this information has limitations. More recent comparison data would be desirable in order to understand whether and how demographic trends accelerated, moderated, or stayed the same over time, and to inform more robust statistical projections. However, despite the fact that ACS data is available going back to 2005, the California State Census Data Center, among others, strongly advise against comparing overlapping sample periods, particularly at small geographic scales such as a neighborhood or district. For this analysis, all sampling periods between 2005 and 2013 overlapped, so only the most recent results from the 2009-2013 5-Year ACS were used.

The 2009-2013 data set averages results from the economic recession that began in 2008, the immediate post-recessionary environment and the more recent period of economic recovery in San Francisco, but does not include data from 2014 or 2015. For this reason, we believe the estimates presented below are conservative and may understate the scale of recent demographic changes.

Finally, all ACS data are sample data based on surveys, and do not represent actual, comprehensive population counts of persons or households. The figures should therefore be understood as estimates within a range of probable values.

The Mission District's Hispanic/Latino Population

Since 2000 there has been a significant decline, in both numeric and percentage terms, of the Mission District's Hispanic/Latino population. As seen in Exhibit 2 below, in 2000, the Hispanic/Latino population, at 25,180, comprised nearly 60 percent of the Mission District's total population of 42,266. By the 2009-2013 period, the Hispanic/Latino population decreased by 6,808 individuals, or 27 percent, to 18,372 and comprised approximately 48 percent of the Mission District's population of 38,287.

The Non-Hispanic/Latino population, by contrast, increased by 17 percent, or 2,829 individuals from 17,086 to 19,915 over the same period, and increased in population share from 40 to 52 percent. The Mission District's total population decreased by 3,979, or nine percent, from 42,266 to 38,287. By contrast, the City's total population increased by approximately 41,000, or five percent, over the same period, from 776,733 to 817,501.

Exhibit 2: Mission District Hispanic/Latino Population, 2000 and 2009-2013						
	2000	% Total	2009-2013	% Total	Change	% Change
Hispanic/Latino	25,180	60%	18,372	48%	(6,808)	-27%
Non-Hispanic Latino Population	17,086	40%	19,915	52%	2,829	17%
Total Mission District Population	42,266	-	38,287	-	(3,979)	-9%
Total City Population	776,733	-	817,501	-	40,768	5%

Source: Census 2000 and American Community Survey 2013 (5-Year Estimate)

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The Hispanic/Latino population declined across all nine Mission District Census tracts that formed the basis of this analysis. As can be seen in the maps in Exhibits 3 and 4 below, however, there was significant variation in different tracts, with large changes in some tracts and others relatively stable.

Exhibit 3: Mission District Hispanic/Latino Share of Population, 2000



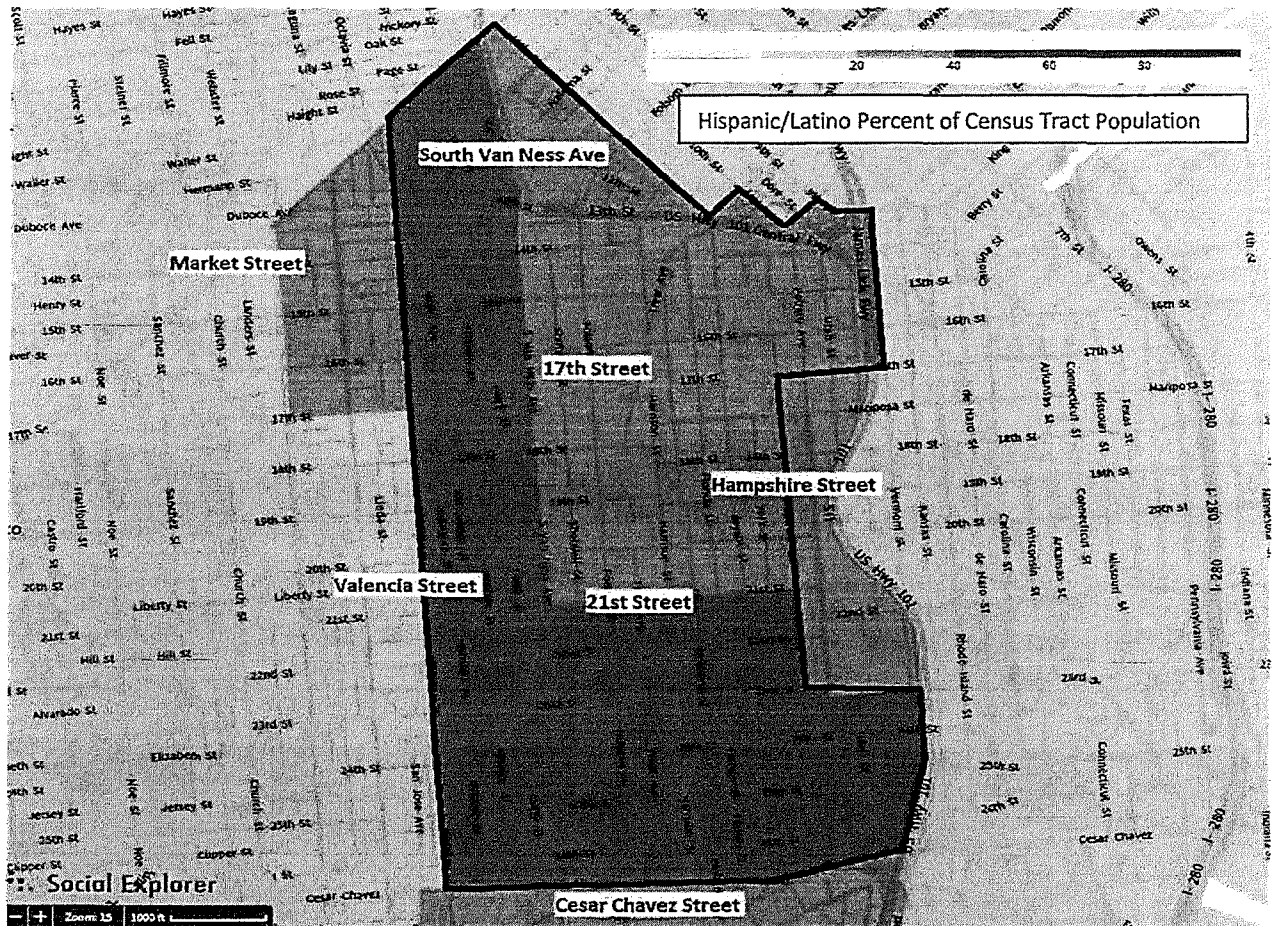
Source: Census 2000, Social Explorer

As of the 2000 Census, there were four Census tracts⁵ (comprised primarily of the area south of 17th Street, east of S. Van Ness Avenue, west of Hampshire and Bryant Streets, and north of Cesar Chavez Street) where the Hispanic/Latino population comprised over 60 percent of the population. By 2009-2013, as seen

⁵ 228.01, 228.03, 229.01, 229.02

in the map in Exhibit 4 below, there were no Census tracts with Hispanic/Latino populations over 60 percent.

Exhibit 4: Mission District Hispanic/Latino Share of Population, 2009-2013



Source: American Community Survey 2013 (5-Year Estimate), Social Explorer

Change in One Census Tract in the Mission District

To illustrate further, Census tract 228.01, one of the four Mission District tracts that had a Hispanic/Latino population of 60 percent or more in 2000, is located at the center of the maps above and is comprised of the area bounded by 17th Street (N), Hampshire Street (E), 21st Street (S), and S Van Ness Ave (W). This area had the largest population change in numeric and percentage terms, both for the decline of the Hispanic/Latino population and the increase in the Non-Hispanic/Latino population. In this Census tract, total population changed only slightly, but the distribution of the population changed significantly.

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There was a 47 percent decline in the Hispanic/Latino population in Census tract 228.01 between 2000 and 2009-2013 from 2,839 to 1,504. The Non-Hispanic/Latino population, by contrast, increased by 77 percent, from 1,837 to 3,256. The total population for the Census tract increased by 84, or a change of 1.4 percent.

Estimates of the Mission District's Future Hispanic/Latino Population

If current trends continue and the relative changes seen between 2000 and the 2009-2013 period are annualized going forward, the Budget and Legislative Analyst projects continued significant declines in the Mission District's Hispanic/Latino population, as seen in Exhibit 5 below⁶. We estimate the Mission District's Hispanic/Latino population will decline from 48 percent of the total Mission District population to 42 percent by 2017 and to 31 percent by 2025.⁷

Exhibit 5: Hispanic/Latino Share of the Mission District's Estimated Future Population				
Year	Hispanic/Latino		Non-Hispanic Latino	
	Number	Percent	Number	Percent
2009-2013	18,372	48%	19,915	52%
2017	15,116	42%	21,268	58%
2020	13,340	38%	22,006	62%
2025	10,380	31%	23,236	69%

Source:

Budget and Legislative Analyst, based on Census 2000 and American Community Survey 2013 (5-Year Estimate)

San Francisco's Hispanic/Latino Population

Although the Mission District's Hispanic/Latino population share declined significantly, the Hispanic/Latino population increased Citywide from 2000 to 2009-2013. As Exhibit 6 below indicates, the Hispanic/Latino population in San Francisco grew by 14,663, or 13 percent, and increased from 14 percent of the City's population to 15 percent of the City's population over the time period. The non-Hispanic/Latino population grew by 26,105, but declined in share from 86 to 85 percent of the total Citywide population.

⁶ To calculate annual change, the Budget and Legislative Analyst assumed the 5-Year ACS average could be established at the mid-point of the 2009-2013 period. Changes from the 2000 Census were therefore assumed to have occurred over 11.5 years.

⁷ If current trends continue, the Mission District's overall population will decline to 33,616 by 2025, as gains in the Non-Hispanic/Latino population are offset by losses in the Hispanic/Latino population. The total number of households is projected to increase, however, as fewer individuals and smaller families occupy the available housing units. Overall trends in household and family size are discussed further in a below section.

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**Exhibit 6: San Francisco's Citywide Hispanic/Latino Population
2000 to 2009-2013**

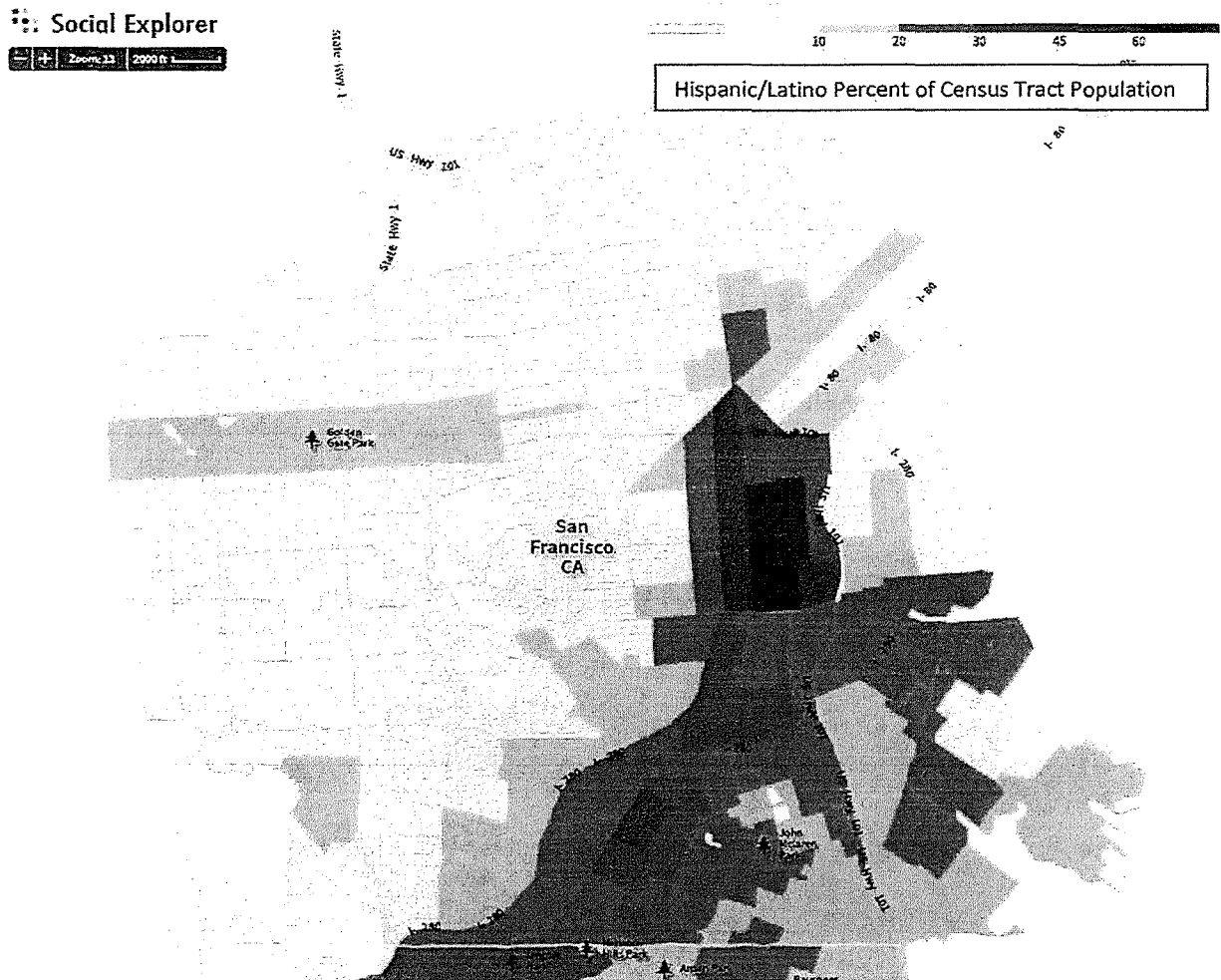
	Hispanic/ Latino	% Total	Non- Hispanic/ Latino	% Total	Total Population
2000	109,504	14%	667,229	86%	776,733
2009-2013	124,167	15%	693,334	85%	817,501
Change	14,663		26,105		40,768

Source: Census 2000 and American Community Survey 2013 (5-Year Estimate)

The maps in Exhibits 7 and 8 below place changes in the share of the Mission District's Hispanic/Latino population in the context of overall changes for this group across the City.

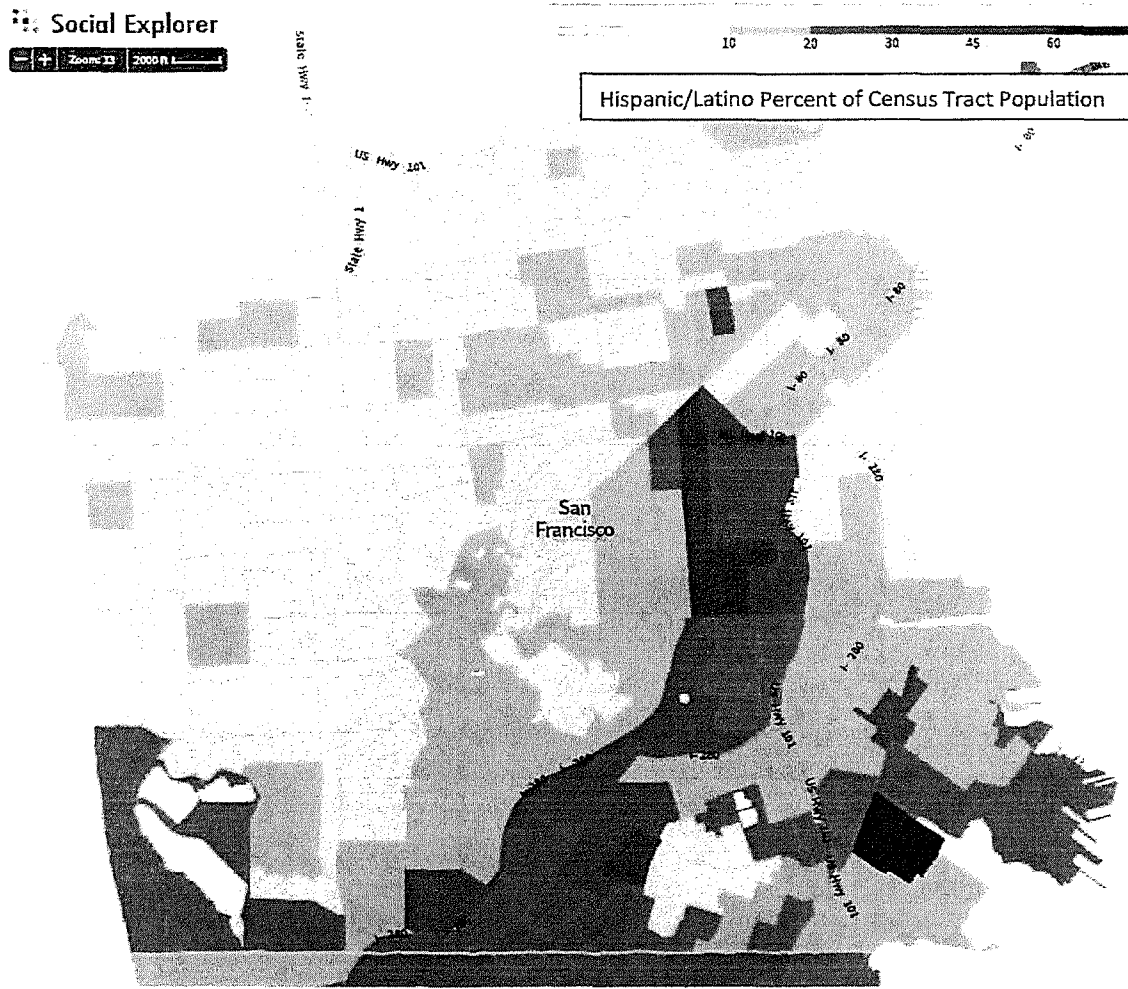
As can be seen, the most noticeable differences between 2000 and 2009-2013 are the relative declines in the Hispanic/Latino population in the Mission District and surrounding areas, and the relative increases in the Hispanic/Latino population in certain southern areas of the City including Bayview, Mission Terrace, the Excelsior, and Lakeshore, as well as smaller increases in a handful of northern and western neighborhoods.

Exhibit 7: San Francisco Citywide Hispanic/Latino Share of Population, 2000



Source: US Census 2000, Social Explorer

Exhibit 8: San Francisco Hispanic/Latino Share of Population, 2009-2013



Source: American Community Survey 2013 (5-Year Estimate), Social Explorer

With the data analyzed for this report, it is not possible to draw a conclusion as to whether residents leaving the Mission District are resettling in other City neighborhoods or leaving the City entirely and being replaced with Hispanic/Latino residents new to the City. To make such a determination, one would have to investigate cross-tabulated migration data, tasks that were not within the scope of this analysis.

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Households and Families in the Mission

Although the total population of the Mission District Census tracts declined between 2000 and 2009-2013 from 42,266 to 38,287, the number of households increased by 11 percent, from 13,071 to 14,454, as shown in Exhibit 9 below. This divergence is at least partially explained by a reduction in average household size in the Mission District from 3.2 in 2000 to 2.6 in the 2009-2013 five year period. Average family size in the Mission District also decreased from an average of 3.9 individuals per family in 2000 to 3.4 in 2009-2013.

Exhibit 9: Households and Families in the Mission, 2000 through 2009-2013						
	2000		2009-2013		Change	
	Total	% Total	Total	% Total	Total	% Total
Total Population	42,266	--	38,287	--	(3,979)	-9%
Total Households in the Mission	13,071	--	14,454	--	1,383	11%
Average Household Size	3.2	--	2.6	--	--	--
Average Family Size	3.9	--	3.4	--	--	--
Households with children	4,088	31%	3,041	21%	(1,047)	-26%
Households with seniors	2,426	19%	2,441	17%	15	1%
Households: Related Individuals	6,655	51%	6,263	43%	(392)	-6%
Households: Unrelated Individuals	6,416	49%	8,191	57%	1,775	28%
Owner-occupied units	2,482	19%	3,665	25%	1,183	48%
Renter-occupied units	10,589	81%	10,789	75%	200	2%
Total Housing units	13,539	100%	15,745	100%	2,206	16%

Source: Census 2000 and American Community Survey 2013 (5-Year Estimate)

Other key points about changes in the makeup of households in the Mission District presented in Exhibit 9 include:

- Whereas households composed of single or unrelated individuals living together and households composed of related people living together were nearly evenly split in 2000, by 2009-2013 the number of households with related people living together had decreased slightly but households with singles and unrelated individuals living together had increased significantly, by 28 percent, and were a clear majority;⁸
- The number of households with children decreased by 1,047, from 4,088 in 2000 to 3,041 in 2009-2013, a decline of 26 percent;

⁸ The Census Bureau defines households composed of related individuals living together as Family Households. Family households also include households composed of unrelated individuals living with related individuals. Households composed of single occupants or unrelated individuals living together are classified as Non-family Households by the Census Bureau.

- In 2000 the Mission District's housing stock was approximately 20 percent owner-occupied and 80 percent renter-occupied; by 2009-2013 this changed to 25 percent owner-occupied and 75 percent renter-occupied;
- While the number of renter-occupied units increased by 200 units, or two percent, the number of owner-occupied units increased by 1,183 units, or nearly 50 percent;
- The number of total housing units increased by 2,206, or 16 percent, although a lower proportion of these are occupied compared to 2000, likely due to unfinished construction.

The above data indicates the loss of households with children has been offset by a mixture of households without children, such as married couples and, especially, households with unrelated individuals sharing a unit or singles occupying an entire housing unit.

Given the significant decline in the number of households with children, as well as the decline in both household and family size, it appears the loss of families and households with children contributed to a significant portion of the Mission District's overall population decline of 3,979 individuals over the 2000 to 2009-2013 period.

Households and Families in San Francisco

As seen in Exhibit 10 below, total population grew in San Francisco between 2000 and 2009-2013. The number of households and families Citywide can be characterized as generally stable between 2000 and 2009-2013, with small to moderate growth or increases. This is in contrast to the Mission District where, as shown in Exhibit 9 above, total population decreased while the number of households increased, with family households and households with children both decreasing.

Exhibit 10: Households and Families in San Francisco, 2000 through 2009-2013						
	2000		2009-2013		Change	
	Total	% Total	Total	% Total	Total	% Total
Total Population	776,733	--	817,501	--	40,768	5%
Total Households in San Francisco	329,700	--	345,344	--	15,644	5%
Average Household Size	2.3	--	2.31	--	--	--
Average Family Size	3.22	--	3.17	--	--	--
Households with children	63,867	19%	64,694	19%	827	1%
Households with seniors	78,716	24%	82,467	24%	3,751	5%
Households: Related Individuals	145,186	44%	156,742	45%	11,556	8%
Households: Unrelated Individuals	184,514	56%	188,602	55%	4,088	2%
Owner-occupied units	115,391	35%	126,394	37%	11,003	10%
Renter-occupied units	214,309	65%	218,950	63%	4,641	2%
Total Housing units	346,527	100%	378,186	100%	31,659	9%

Source: Census 2000 and American Community Survey 2013 (5-Year Estimate)

Key points about changes in the makeup of households in San Francisco presented in Exhibit 10 include:

- Citywide, increases in population and households tracked each other closely, with both growing at approximately five percent from 2000 to 2009-2013. The Mission District, meanwhile, had a divergence between population and households, with a nine percent decrease in population coupled with an 11 percent increase in the number of households.
- Average household size and average family size Citywide were also relatively stable from 2000 to 2009-2013. Both decreased in the Mission District.
- Households composed of related individuals increased by eight percent Citywide in contrast to a six percent decrease in the Mission District, and households composed of unrelated individuals increased by two percent Citywide, in contrast to a 28 percent increase in the Mission District.⁹
- Citywide there was a one percent increase in the number of households with children. In contrast, the Mission saw a 26 percent decrease in the number of households with children. In addition, whereas the Mission District had a significantly higher percentage of households with children in 2000 (31 percent versus 19 percent Citywide), by 2009-2013 the proportion of households with

⁹ The Census Bureau defines households composed of related individuals living together as Family Households. Family households also include households composed of unrelated individuals living with related individuals. Households composed of single occupants or unrelated individuals living together are classified as Non-family Households by the Census Bureau.

children in the Mission District was roughly similar to the Citywide rate (21 percent to 19 percent).

- The Mission District had a lower percentage of households with seniors compared with the City in both 2000 and 2009-2013.
- While the number of owner-occupied units increased by approximately ten percent in San Francisco between 2000 and 2009-2013, the number of owner-occupied units increased by 48 percent in the Mission District. The number of renter-occupied units increased by the same amount in both the Mission District and San Francisco from 2000 to 2009-2013, approximately two percent.

As with the City's Hispanic/Latino population, it would require further analysis to determine whether households leaving the Mission District are resettling in other City neighborhoods, or leaving the City entirely and being replaced by households or families new to the City.

Estimates of the Mission District's Future Population of Households with Children

If current trends continue and the relative changes seen between 2000 and the 2009-2013 period are annualized going forward, the Budget and Legislative Analyst projects continued declines in the Mission District's projected share of Households with Children, as seen in Exhibit 11 below.¹⁰ As shown, the Mission District's projected share of households with children would decline from 21 percent of the District's total number of households to 17 percent in 2017 and 11 percent in 2025.

Exhibit 11: Projected Share of Households with Children in the Mission District			
	Households with Children		Total Households
Year	Number	Percent of Total	Number
2009-2013	3,041	21%	14,454
2017	2,540	17%	15,115
2020	2,267	15%	15,476
2025	1,812	11%	16,078

Source: Budget and Legislative Analyst, based on Census 2000 and American Community Survey 2013 (5-Year Estimate)

¹⁰This projection is based solely on the assumption of current trends continuing. Although there will likely be continued decreases amongst the current population of households with children, these households may be replaced by at least some number of new families with children. It is therefore also possible that the population of households with children will stabilize at some level higher than the 11 percent figure in 2025 provided above.

Low-and-Middle Income Households in the Mission

Household Income in the Mission District

As seen in Exhibit 12 below, over the 2000 to 2009-2013 period there has been growth in the share of households in the Mission District with annual incomes of less than \$35,000. Meanwhile, households earning between \$35,000 to \$49,999 in annual income have remained relatively stable, increasing by 85 from 1,503 to 1,587.

Households with annual incomes between \$50,000 to \$99,999 declined in both numeric and percentage terms, falling from 4,295 households in 2000 to 3,473 in the five year 2009-2013 period, a decrease of 19 percent. This is the only income group to have experienced a numeric decline in the Mission District during the years reviewed. By contrast, households with between \$100,000 to \$149,999 annual income maintained a relatively stable share of all households in the Mission District.

There was significant growth in the number of households earning between \$150,000 to \$199,999 annual household income. Finally, households earning \$200,000 and above in annual household income increased from 720 households in 2000 to 1,474 households in 2009-2013, an increase of 105 percent. This was the largest increase of the income groups in both numeric and percentage terms.

Exhibit 12: Changes in Mission District Household Income, 2000 to 2009-2013						
Income	2000		2009-2013		Change	
	Households	% Total	Households	% Total		
Less than \$15,000	1,508	12%	1,900	13%	392	26%
\$15,000 - \$34,999	2,174	17%	2,692	19%	518	24%
Subtotal	3,682	28%	4,592	32%	910	25%
\$35,000 - \$49,999	1,503	11%	1,587	11%	84	6%
\$50,000 - \$99,999	4,295	33%	3,473	24%	(822)	-19%
Subtotal	5,798	44%	5,060	35%	(738)	-13%
\$100,000 - \$149,999	1,972	15%	2,100	15%	128	6%
\$150,000 - \$199,999	913	7%	1,228	8%	315	35%
More than \$200,000	720	6%	1,474	10%	754	105%
Subtotal	1,633	12%	2,702	19%	1,069	65%
Total	13,085	100%	14,454	100%	1,369	10%

Source: Census 2000 (in 2013\$) and American Community Survey 2013 (5-Year Estimate), Social Explorer

Note: Total households reported by U.S. Census Bureau for Mission District household income in 2000 are 14 households higher than total households reported for population and demographic purposes.

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Between 2000 and 2009-2013, the approximate range of households earning between \$35,000 and \$99,999 went from 44 percent of the Mission District's population to 35 percent, a decrease of 13 percent. By contrast, all households earning above \$150,000, or twice the 2009-2013 Citywide median household income of \$75,604, went from 12 percent of the Mission District's population to 19 percent, an increase of 65 percent.

As with the previous topics covered in this report, the 5-Year 2009-2013 ACS is the most recent period available for Census tract level data. With this data, it is not possible to measure whether the income trends identified above for the Mission District accelerated, moderated or remained the same between 2009-2013 and 2015. However, the Citywide median household income increased to \$85,070 as of 2014 from \$77,485 in 2013 in the ACS 1-Year Estimates, and the Mission District has likely followed this Citywide trend.

Finally, it is not possible to determine with the available data used for this report whether the households in the income categories presented have remained in the Mission District over time and/or whether there has been upward or downward mobility for any individual household.

Estimates of the Mission District's Future Household Income

If current trends continue and the changes seen over the 2000 to 2009-2013 period are annualized going forward, the Budget and Legislative Analyst projects continued relative and actual declines in the number of households with annual incomes between \$35,000 and \$99,999 in the Mission District, as seen in Exhibit 13 below.

Exhibit 13: Projected Share of Total Households in the Mission District by Income									
Annual Household Income	2000	2009-2013		2017		2020		2025	
		Households	Percent	Households	Percent	Households	Percent	Households	Percent
Less than \$35,000	28%	4,592	32%	5,027	33%	5,265	34%	5,660	35%
\$35,000 - 99,999	44%	5,060	35%	4,707	31%	4,515	29%	4,194	26%
\$100,000 - 149,999	15%	2,100	15%	2,161	14%	2,195	14%	2,250	14%
More than \$150,000	12%	2,702	19%	3,213	21%	3,492	23%	3,957	25%
Total		14,454		15,109		15,466		16,061	

Source: Budget and Legislative Analyst, based on Census 2000 (in 2013\$) and American Community Survey 2013 (5-Year Estimate)

As can be seen in Exhibit 13, households making less than \$35,000 a year will continue slowly expanding their share of total households in the Mission District if present trends continue. Households at this income level are projected to reach 35 percent of all households by 2025, up from 28 percent of all households in 2000.

Households earning between \$35,000 and \$99,999 annually will continue seeing year-over-year declines if present trends continue, eventually constituting 26 percent of all Mission District households by 2025. This is a significant projected decrease from 44 percent of all households in 2000.

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Households earning between \$100,000 and \$149,999 a year will remain a relatively stable proportion of the population at 14 percent in 2025 if present trends continue. Finally, households earning \$150,000 and above annually will continue to expand their share of the neighborhood's overall population. Households at this income level are projected to reach 25 percent of all households by 2025, a significant projected increase from 12 percent of all households in 2000.

Household Income in San Francisco

Citywide, changes in household income from 2000 to 2009-2013 were roughly similar to the Mission District, as seen below in Exhibit 14. There was an increase in households earning less than \$35,000 annually, a decrease in households earning between \$35,000 to \$99,999, little change in households earning between \$100,000 to \$149,999, and an increase in households earning over \$150,000 annually.

The magnitude of the changes within those broad categories varied between the Mission District and the City. For instance, the number of households earning less than \$35,000 annually increased by almost the same amount in both the Mission District and San Francisco overall from 2000 to 2009-2013, at approximately 25 percent.

Citywide, there were numeric and relative decreases in the number of households at several levels of household income between 2000 and 2009-2013, including all three income brackets ranging from \$35,000 to \$149,999, as shown in Exhibit 14. In the Mission District, however, decreases were concentrated only among households at the \$50,000 to \$99,999 level of annual household income, which, at 19 percent, was of a larger magnitude than the nine percent decrease in the same income category Citywide.

Finally, although the number of households earning over \$200,000 annually increased in both the Mission District and Citywide between 2000 and 2009-2013, in percentage terms the increase in the Mission District was approximately seven times greater than the City as a whole, at 105 percent versus 15 percent, respectively.

Exhibit 14: Changes in San Francisco Household Income, 2000 to 2009-2013						
Income	2000		2009-2013			
	Households	% Total	Households	% Total	Difference	% Change
Less than \$15,000	34,556	10%	44,478	13%	9,922	29%
\$15,000 - \$34,999	42,241	13%	50,780	15%	8,539	20%
Subtotal	76,797	23%	95,258	28%	18,461	24%
\$35,000 - \$49,999	31,830	10%	30,402	9%	(1,428)	-4%
\$50,000 - \$99,999	91,839	28%	83,752	24%	(8,087)	-9%
Subtotal	123,669	37%	114,154	33%	(9,515)	-8%
\$100,000 - \$149,999	55,903	17%	55,168	16%	(735)	-1%
\$150,000 - \$199,999	31,071	9%	32,197	9%	1,126	4%
More than \$200,000	42,410	13%	48,567	14%	6,157	15%
Subtotal	73,481	22%	80,764	23%	7,283	10%
Total	329,850	100%	345,344	100%	15,494	5%

Source: Census 2000 (in 2013\$) and American Community Survey 2013 (5-Year Estimate), Social Explorer.

Note: Total households reported by U.S. Census Bureau for Citywide household income in 2000 is 150 households higher than total households reported for population and demographic purposes.

2. Impact of Changes in Housing Supply on Potentially Lowering Housing Prices

In this and the subsequent Section 3 of this report, the Budget and Legislative addresses the question of how many units of housing would need to be constructed to lower prices by separately analyzing supply and demand factors that have contributed to rising housing prices in the Mission District and San Francisco overall. Although it is not possible to provide an estimate on the exact number of housing units needed to lower current median housing values without constructing a complex forecasting model, this report section provides perspective on the number of housing units that could moderate future increases in median housing values.

Increasing Housing Supply to Reduce Housing Price Growth

A 2015 report by the California Legislative Analyst's Office (LAO), the State's nonpartisan fiscal and policy advisor, estimated the amount of additional housing that would have been needed to prevent California's housing costs from growing faster than the rest of the country in recent decades.¹¹ The LAO's estimates provide perspective on the amount of additional housing demand and housing construction that would have resulted in San Francisco had there been parity between U.S. and California median housing price growth between 1980 and 2010.

The LAO's report notes that during the 30-year period from 1940 through 1970, the state's home prices were generally between 20 to 30 percent higher than the national average. Prices accelerated during the 1970s, and by 1980, home prices in California were 80 percent above U.S. levels. By 2015, prices in California were approximately two-and-a-half times the national average.

For the 30 year period between 1980 and 2010, the LAO prepared an estimate of how many additional households would have lived in California if housing prices had risen "only as fast as the rest of the country", as opposed to significantly faster.¹²

Over this period California built an average of 120,000 new housing units annually. The LAO's analysis estimates that between a total of 190,000 and 230,000 units would have been built under conditions of equivalent housing cost growth between California and the rest of the country, or between 70,000 and 110,000 additional units per year over the actual annual average. Under this scenario

¹¹ "California's High Housing Costs: Causes and Consequences". California Legislative Analyst's Office. March 17, 2015.

¹² The LAO's analysis primarily focused on the relationship on housing demand and home prices. They report that they performed a similar analysis on rents and received similar results.

California would have built between an additional 2.1 and 3.3 million units of housing over the 30 year period and between 5.4 and 8.5 million additional people would have been living in the state.

Had this level of housing construction occurred, the LAO concludes that prices in California would have risen during the 30 year period consistent with the level of increase in housing prices nationwide, leading to median housing prices lower than their current actual levels. The LAO predicts these additional housing units would have been heavily concentrated in the state's major coastal metropolitan areas for a number of reasons, including 1) these areas have the strongest demand for housing; 2) these areas contain two-thirds of the state's population; 3) these areas saw the largest price increases for housing over the period in question; and 4) these areas had the comparatively slowest pace of new housing construction over the period in question.¹³

The LAO's estimates should be understood as providing a sense of the scale of annual housing construction needed over a 30-year period to moderate the growth of median housing prices in California. The estimates should not be interpreted as a static estimate of current housing need or a prediction of the number of housing units needed to lower prices from their current levels.

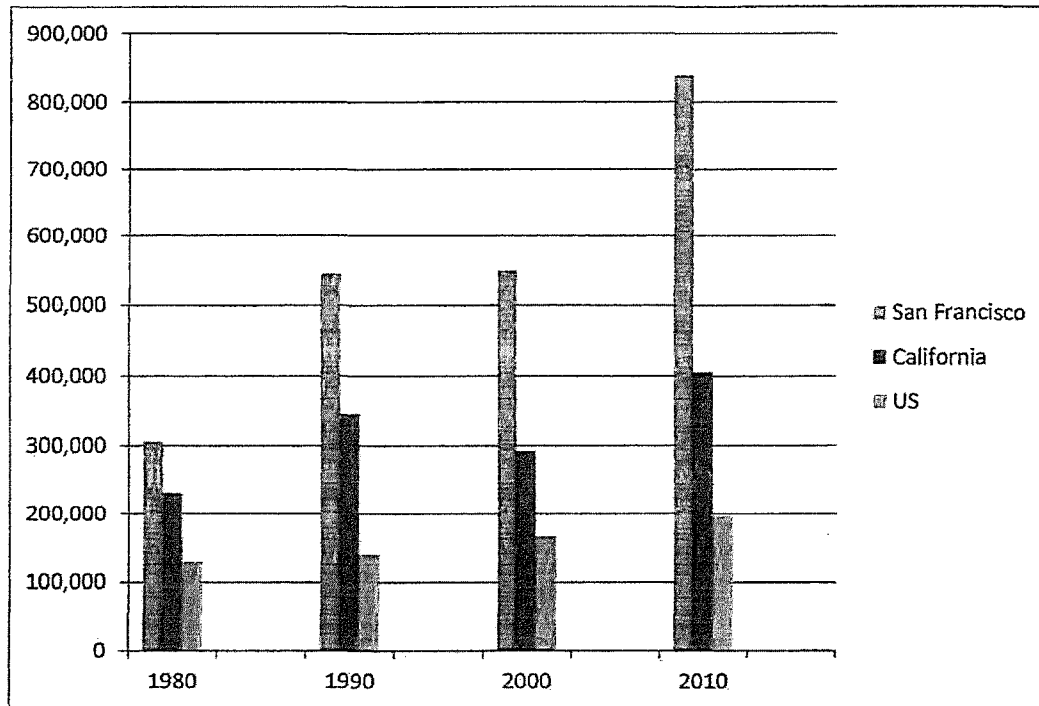
California Legislative Analyst's Office Housing Estimates for San Francisco

The LAO's 2015 report included estimates of the housing needed in the City and County of San Francisco for median price growth in California to have risen at the same level as the U.S. from 1980 to 2010.

As seen in Exhibit 15 below, the median value of owner-occupied housing units in San Francisco significantly outpaced the national average over the 1980-2010 period. Whereas the nationwide median value rose by approximately 52 percent over the 30-year period, San Francisco's median value rose by over three times that amount, or approximately 175 percent. In 1980 the \$305,522 median value of an owner-occupied housing unit in San Francisco was over twice the national median of \$129,261, but by 2010 the San Francisco median of \$839,357 was over four times the \$196,615 national median.

¹³ The LAO's report also suggests that lower prices and increased supply in the state's coastal urban areas would have reduced the demand for new housing in the state's inland areas, which would have seen comparatively less building under this scenario. The LAO believes much of the growth in inland California over the 1980-2010 period resulted from spillover demand from individuals and families priced out of the too-expensive coastal areas. This spillover demand raised prices in the interior as well.

Exhibit 15: Median Value of Owner-Occupied Housing Units in San Francisco, 1980-2010



Median Value of Owner-Occupied Housing in San Francisco, 1980-2015 (in 2015\$)

	1980	1990	2000	2010	2015
San Francisco	\$305,522	\$545,008	\$548,597	\$839,357	\$982,000
California	\$231,534	\$345,710	\$292,705	\$405,361	\$436,600
US	\$129,261	\$139,917	\$165,520	\$196,615	\$178,500

% Change in Median Value of Owner-Occupied Housing in San Francisco 1980-2015

	1980-1990	1990-2000	2000-2010	2010-2015	1980-2010	1980-2015
San Francisco	78%	1%	53%	13%	175%	221%
California	49%	-15%	38%	8%	75%	89%
US	8%	18%	19%	-9%	52%	38%

Sources: 1980-2000 data from U.S. Census, "USA Counties" and "Historical Census of Housing Tables – Home Values" data sets. 2010 data from U.S. Census Bureau's American Community Survey (ACS). 2015 data from Zillow as of January 2015, via California State Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences", March 2015.

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The LAO estimates that San Francisco would have had significantly more housing production over the 1980-2010 period if California's median home prices had appreciated in line with the approximately 52 percent rate of increase seen during that period for the U.S. as a whole.¹⁴

As seen in Exhibit 16 below, Census data shows that from 1980 to 2010 there was an average of approximately 2,011 housing units added annually in San Francisco, for a total of 60,334 housing units. The LAO's model estimates that 15,300 average annual units, or 13,289 more than actually added, would have been needed to be built in San Francisco on average each year and, when combined with additional housing in other California counties, would have enabled home prices to appreciate at the same rate as the rest of the country. This would have resulted in a total of approximately 459,000 new units in San Francisco during the 30-year period from 1980 to 2010, indicating a housing shortfall over the period of approximately 398,666 units compared to the 60,344 actually added on average each year over the 30 years. The LAO's estimated level of San Francisco's housing need represents a 561 percent increase over the actual level of housing production during that period. Under this scenario, by 2010 there would have been a total of 775,608 housing units in San Francisco, or over twice as many as the actual 376,942 housing units estimated by the U.S. Census in 2010. Even with that level of additional housing, the LAO analysis holds that San Francisco prices would have still increased over the 30-year period, though at a lower rate than actually occurred.

Exhibit 16: San Francisco's Actual Housing Unit Production and Estimated Housing Production Needed for California Housing Cost Growth to Equal the U.S. Median, 1980-2010

	Actual Housing Added	Estimated Housing Needed to Equal Growth in U.S. Median Prices	Estimated Housing Shortfall	Estimate vs Actual % Increase
Total Units	60,334	459,000	398,666	561%
Average Annual Units	2,011	15,300	13,289	

Source: Actual housing data from U.S. Census, "USA Counties" Censtats Housing database. Estimated housing data from "California's High Housing Costs: Causes and Consequences", California State Legislative Analyst's Office. March 2015. Shortfall estimated by Budget and Legislative Analyst.

Had all these additional units been built, the LAO estimates that the 2010 median home price in San Francisco would have been approximately \$525,000 (in 2015

¹⁴ The LAO's analysis does not consider constraints on new housing construction due to zoning and land use regulations.

inflation-adjusted dollars),¹⁵ or \$314,357 less than the actual 2010 median home price in San Francisco of \$839,357. This amount is also slightly less than actual inflation-adjusted median home prices in 1990 and 2000, as shown above in Exhibit 15.

It follows that, over the 30 year period, some range of total construction above the actual 60,334 housing units added in San Francisco, but below the LAO's estimated need of 459,000 units, would also have led to relatively lower median housing prices in San Francisco as of 2010. This suggests that it would have taken some level of housing production beyond 459,000 total units during the 1980-2010 period for inflation-adjusted median prices in San Francisco to have declined from their 1980 level of \$305,522.

Under this "growth" scenario estimated by the Legislative Analyst's Office, San Francisco's population would have been twice as large by 2010, or 1.7 million people instead of 805,195 as reported by the U.S. Census Bureau for 2010, with significantly greater housing densities.

Exhibit 17: Actual and Potential Population and Density in San Francisco		
	Actual (2010)	LAO Growth Scenario
Population	805,195	1,700,000
Population Density (people per sq mi)	17,246	36,410
Housing Density (units per acre)	18 units per acre	35 to 40 units per acre

Sources: "California's High Housing Costs: Causes and Consequences", California State Legislative Analyst's Office. Budget and Legislative Analyst.

Policy Implications and Limitations

The figures presented by the LAO are backwards-looking and point to a past housing deficit rather than a forward projection of need. It cannot be stated that building 398,666 additional housing units *right now* would bring San Francisco's median housing price down to where it would have been had price growth not outpaced the rest of the country from 1980-2010. Rather, the LAO states the figures should provide a sense of the scale and pace of housing construction needed to prevent housing price appreciation far in excess of the national average, as California and San Francisco experienced over the 30-year period from 1980-2010.

The LAO's estimates do not address the issue of whether it would be possible or desirable to build significantly more housing units in San Francisco given current policy constraints such as land use and zoning controls and possible community

¹⁵ The estimated 2010 San Francisco median housing value was provided by the State Legislative Analyst's Office in correspondence with the Budget and Legislative Analyst's Office.

resistance to such extensive growth. To the extent the LAO's estimated housing needed to have achieved lower prices in San Francisco was infeasible during the review period and remains so for the future, the analysis does not present alternative methods of providing more affordable housing, particularly for low and moderate income households.

Moving forward, the LAO believes that California will continue to see strong demand for housing in 2015 and beyond, and that "the state probably would have to build as many as 100,000 additional units annually – almost exclusively in its coastal communities – to seriously mitigate the state's problems with housing affordability". If trends from the last 30 years as reported by the LAO were to continue in San Francisco, construction of something above the City's 1980-2010 average annual production of 2,011 housing units, sustained over multiple years, would be needed to moderate projected price increases in the future. Further, a level of construction above the City's 1980-2010 average annual housing need of 15,300 average units estimated by the LAO, sustained over multiple years, would be needed to actually maintain a lower San Francisco's inflation-adjusted median housing price from its current value of approximately \$1 million on an ongoing basis.

The LAO analysis does not imply that prices in San Francisco will never go down. As discussed further in Section 4, events such as recessions can and have lowered prices for several years at a time in San Francisco. However, over longer-run periods of 10, 20, or 30 years, median housing prices in both San Francisco and California have been on a consistently upward trajectory.

Finally, the LAO repeatedly stresses that readers should focus less on the specific estimates provided above and more on the general fact that "demand for housing in California substantially exceeds supply", and that the state needs to build significantly more housing in its coastal urban areas to moderate future housing price growth.¹⁶

The Budget and Legislative Analyst did not evaluate the City's housing development pipeline, development potential, zoning and land use regulations, or other laws and policies in order to assess the feasibility or desirability of reaching the LAO's estimated average annual housing construction levels, as these were outside the scope of this report.

¹⁶ Under the terms of the LAO's model, no metro area or county can be considered in isolation from another. It is assumed that any potential moderation or reduction in San Francisco housing prices would take place under conditions where other coastal cities in California are also adding supply.

3. Impact of changes in housing demand on potentially lowering housing prices

Determinants of Housing Demand

The market rate for a certain quantity of housing is determined by the intersection of supply and demand. On the supply side, and as discussed in Section 2, the California Legislative Analyst's Office estimates that substantially more housing needed to have been produced in San Francisco to moderate housing price growth between 1980 and 2010. This section addresses trends related to the Citywide demand for housing in San Francisco since 1980.

Relevant household data for this analysis is available from the U.S. Census Bureau Public Use Microdata Sample (PUMS) files at the Citywide level, but not at the neighborhood or Census tract level. As a result, this section presents a Citywide analysis of income and rental price trends, though the patterns appear to mirror data that is available for the Mission District presented earlier in this report.

Demand for housing is derived from what households are willing and able to pay, which is linked to household income. As housing prices increase, fewer households are willing or able to pay market rates unless their incomes increase at the same rate, and as prices decrease, more households are able to pay the market rate as long as their incomes do not decrease.

We can estimate household willingness/ability to pay for rental housing by comparing income to rental prices. If the ratio of rent paid to income stayed constant over time, then willingness/ability to pay and the demand for housing would not change over time.

Household Income and Rent Trends in San Francisco

Citywide, rent-to-income ratios have been inconsistent over time across households with different income levels.¹⁷ As shown in Exhibits 18 and 19, in inflation-adjusted dollars, high-income (90th, 95th, and 99th percentile¹⁸) households have experienced greater rates of income growth than low- (10th percentile) and median-income households.

¹⁷ Estimates derived from: IPUMS-USA, University of Minnesota, www.ipums.org.

¹⁸ In this case, the percentile indicates the household income below which a given percentage of households in San Francisco fall. For example, 90 percent of San Francisco households make less than the 90th percentile of household income and 10 percent make more. The median household income is also known as the 50th percentile because half of all households make more than the median income level and half make less. In the case of rent paid, half of all rental units rent for less than the 50th percentile (median) and half of all units rent for more.

Exhibit 18: Household Income of San Francisco Renters over Time (in 2014 Dollars)



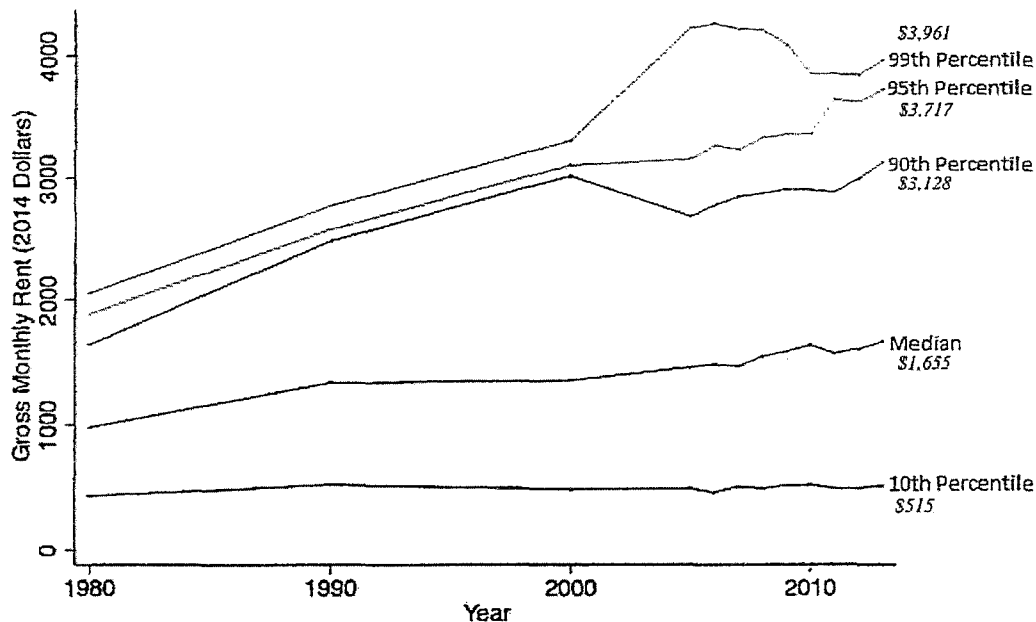
Income Percentile	1980	1990	2000	2010	2013	% Change 1980-2013	# Households above Percentile*
10th	\$13,056	\$15,324	\$15,199	\$13,565	\$12,594	-4%	319,186
50th (Median)	48,932	61,091	72,940	67,393	79,117	62%	177,325
90th	112,981	143,182	205,966	200,767	243,852	116%	88,663
95th	140,927	181,096	271,307	264,795	319,922	127%	35,465
99th	231,489	293,456	547,585	485,097	554,531	140%	17,733

Source: 1980, 1990, 2000, and 2010 Decennial Census PUMS files, and 2005 through 2013 1-Year American Community Survey PUMS files. Dataset obtained from IPUMS-USA, University of Minnesota, www.ipums.org.

*Note: American Community Survey 2013 1 Year Estimate reports 354,651 households for San Francisco.

As shown in Exhibit 19, actual Citywide rent paid for higher cost units has increased at a greater rate than rent paid for lower cost units.

Exhibit 19: Citywide Rent Paid over Time, All Housing Types (in 2014 Dollars)



Price Percentile	1980	1990	2000	2010	2013	% Change 1980-2013
10th	\$440	\$527	\$490	\$521	\$515	17%
50th (Median)	978	1,334	1,351	1,630	1,655	69%
90th	1,636	2,482	3,013	2,898	3,128	91%
95th	1,884	2,577	3,101	3,356	3,717	97%
99th	2,054	2,768	3,302	3,844	3,961	93%

Source: 1980, 1990, 2000, and 2010 Decennial Census PUMS files, and 2005 through 2013 1-Year American Community Survey PUMS files. Dataset obtained from IPUMS-USA, University of Minnesota, www.ipums.org.

Since 1980, rent paid for low- and mid-level units increased at a higher rate than income for low- and median-income households, resulting in a lower overall level of housing affordability. The above comparison of rent and income levels does not capture the distribution of rent and income at the household unit because a household with income at the 50th percentile, or median, does not necessarily pay rent at the 50th percentile. Some households pay more than they can afford and some pay less.

While those in the various income percentiles do not necessarily pay rents in the corresponding rent percentiles, Exhibit 20 shows that increases in rent paid between 1980 and 2013 for low- and mid-priced units exceeded income growth for median- and low-income households, making housing less affordable. On the contrary, income growth for higher income households exceeded increases in rent

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paid for high-end units during that period, making housing relatively more affordable for high income households.

Exhibit 20: Changes in Citywide Rent Paid and Household Income 1980 - 2013		
	Change in Rent Paid	Change in Household Income
10th percentile	+17%	-4%
50th percentile (median)	+69%	+62%
90th percentile	+91%	+116%
95th percentile	+97%	+127%
99th percentile	+93%	+140%

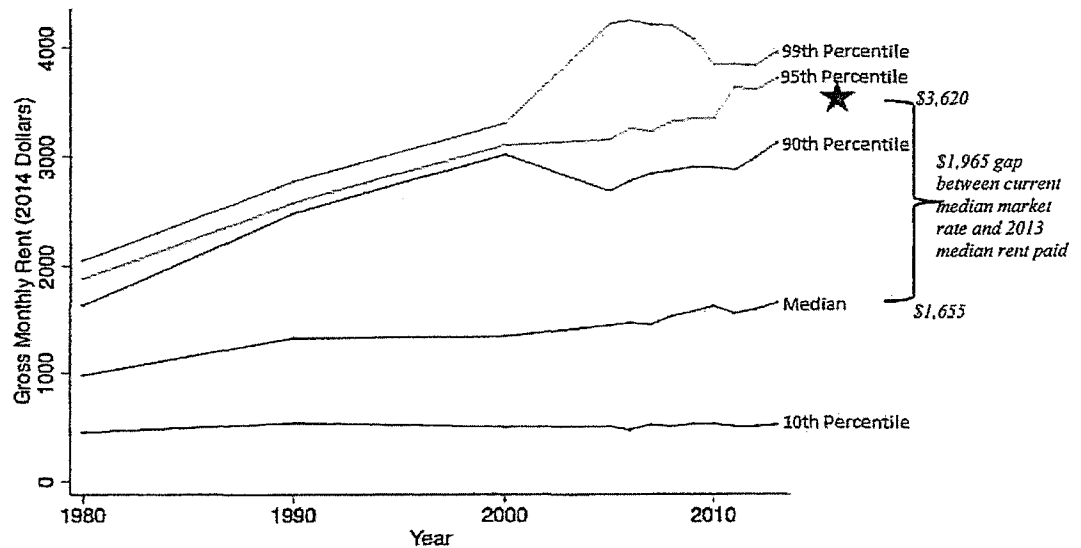
Source: 1980 Decennial Census PUMS files, and 2013 1-Year American Community Survey PUMS files. Dataset obtained from IPUMS-USA, University of Minnesota, www.ipums.org.

Price Gap between Rent Paid and Market Rate

Exhibit 21 presents trends in rent paid in San Francisco between 1980 and 2013. As can be seen, a significant gap exists between the median and higher percentile rent paid.

In 2013, median rent paid in San Francisco for all housing types was approximately \$1,655 per month but the median market rate for a one-bedroom unit was \$2,800, or 69 percent higher. In 2015, the median market rate had increased to \$3,620 for a one bedroom apartment. Assuming that the increase in median rent paid has continued to grow only modestly between 2013 and 2015, the gap between rent paid and market rate rent is assumed to have remained significantly divergent or grown. The large gap between median market rent and median rent paid likely indicates a scarcity of housing and willingness on the part of some residents to pay more for housing, resulting in increasing market rental rates.

Exhibit 21: Actual Citywide Rent Paid over Time



★ Median market rate of \$3,620 for a 1-bedroom apartment in San Francisco as of October 2015.

Source: 1980, 1990, 2000, and 2010 Decennial Census Public Use Microdata Sample (PUMS) files, and 2005 through 2013 1-Year American Community Survey PUMS files. Dataset obtained from IPUMS-USA, University of Minnesota, www.ipums.org.

Low Supply and High Demand

Housing prices increase when the willingness to pay (demand) exceeds the equilibrium (market rate) for the quantity of housing available (supply). The growing gap between rent paid and market rate can likely be attributed to a scarcity of housing supply (as indicated in the LAO report discussed in the previous section) combined with higher willingness and ability to pay for housing by high-income households (as indicated above in Exhibit 21).

When the median market rate for housing exceeds the affordable¹⁹ threshold for median-income households, a reduction in price would not necessarily reduce competition for housing, assuming other factors such as employment and the number of available units stayed the same. The number of households that want to reside in San Francisco could be expected to increase as prices fall into a range that more households are willing/able to pay.

¹⁹ "Affordable" is defined as a household spending less than 30 percent of gross income on rent.

Growing disparities in rent-to-income ratios that favor high-income households imply that there are increasing numbers of households within the City and the region that are willing and able to pay increasingly higher market rate rents. Growth in the number of such higher income residents in the Mission District was reported in Section 1 of this report. The current Citywide median market rate rent of \$3,620 per month is affordable for a household with annual gross income of approximately \$145,000 or more, or only approximately 25 percent of the households in San Francisco.²⁰ As discussed in Section 1, 19 percent of Mission District households earned \$150,000 or more during the five year 2009-2013 period. That means that for most of the remaining 81 percent of Mission District households, the Citywide median market rental rate of \$3,620 would not be affordable.

As long as the current trend of growing income inequality persists, low- and median-income households will have difficulty competing with high-income households for market-rate units in San Francisco and, in most cases, would need to spend more than 30 percent of their household income on housing.

Implications for the Mission District

The information above is presented for the City as a whole in this section of the report due to limited available household income and rent paid data at the neighborhood or Census tract level. However, based on data available and compiled for the Mission District and presented in Section 1 of this report, the Budget and Legislative Analyst concludes that the Citywide trends presented above are applicable to the Mission District and will persist if present conditions continue. Specifically, the decreasing number of households in the Mission District with incomes between \$35,000 and \$99,999 and the increasing number of households with incomes over \$100,000 will mean that more neighborhood residents will be able to pay higher rents, making housing less accessible and affordable to those with relatively lower incomes. Decreases in housing prices in the Mission District do not seem likely from the trends in demand for housing and changes in household income.

²⁰ Based on 2013 ACS 1-year PUMS data, \$145,000 approximately represents the 75th percentile of household income in San Francisco (in 2014 dollars), meaning that approximately 25 percent of households earned more than \$145,000 in 2013.

4. Projected changes in Mission District housing prices if present trends continue

To project housing prices for the Mission District for two, five and ten years out, the Budget and Legislative Analyst obtained historical data on actual home sales prices for the neighborhood from Zillow.com, an online real estate data and media company. Zillow.com's monthly reports of median home prices for the Mission District are available from April 1996 through July 2015.²¹ Three scenarios of median estimated home values for two, five and ten years out through 2025 were prepared by the Budget and Legislative Analyst using two years, five years, and nine years (the oldest available) of historical Mission District housing value data for all types of homes, all homes with 1 bedroom, and all homes with 2 bedrooms.

As can be seen in Exhibit 22, the further back the historical data used to project future housing prices, the lower the rate of projected increase in median prices as greater variation in economic cycles is incorporated. However, even using nine years' worth of historical data, which includes the downturn in prices that occurred during the recession starting in 2008, median housing prices are still projected to increase by nine percent by 2025 in the Mission District. A downturn in prices would occur in the first five years of this scenario between 2015 and 2020, assuming recurring economic trends from the last nine years, including a major recession. Inflation-adjusted prices are then projected to increase after 2020 and, by 2025, be higher than the 2015 median price.

The projections based on nine years of historical data compares to a projected increase of 130.6 percent in median prices by 2025 if trends from just the last two years continue for the ten years through 2025 or an 83.4 percent increase in median housing prices if trends from the last five years are assumed to repeat. In other words, the recent high rate of increase in housing prices in the Mission District could subside over time, if longer-term historical trends are repeated. However, even if longer-term historical trends repeat, prices are still projected to increase above their current levels based on the Budget and Legislative Analyst's line of best fit projections.²²

²¹ Data from Zillow was used as it was the only source identified that provided data at the neighborhood level. Zillow has stated that the Mission neighborhood is defined based on "a number of online sources, including other Real Estate sites, Wikipedia and local city, government websites."

²² The line of best fit forecast predicts a future value by using existing values, and the line of best fit shows the general direction that a group of data points, home prices in the Mission District in this case, are heading.

Exhibit 22: Projected Changes to Median Price for All Types of Mission District Housing²³ through 2025 Based on Continuation of Historical Trends (July 2015 Dollars)					
Basis of Projections: # Years of Historical Trends	2015 Base Year	2017 Projected	2020 Projected	2025 Projected	% Change 2015 to 2025
9 Years Historical	\$1,210,400	\$1,085,654	\$1,173,257	\$1,319,262	9.0%
5 Years Historical	\$1,210,400	\$1,371,296	\$1,689,465	\$2,219,747	83.4%
2 Years Historical	\$1,210,400	\$1,538,987	\$2,008,485	\$2,790,982	130.6%

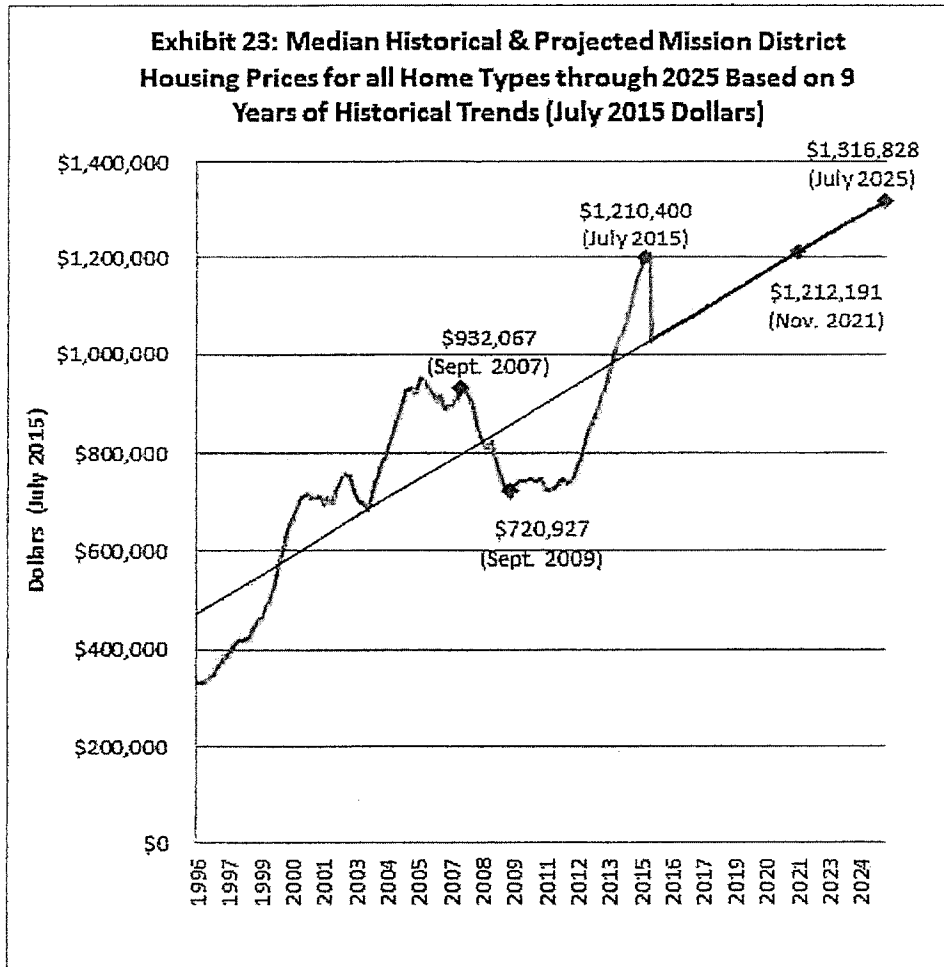
Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst.

Exhibit 23 below shows historical and projected median prices from 1996 through 2025 based on nine years' worth of historical data for median prices for all types of housing in the Mission District. The Budget and Legislative Analyst prepared a line of best fit projection of prices from 2015 to 2025.²⁴ As can be seen in Exhibit 23, prices are expected to drop slightly over the next few years, but reach current price levels around 2021 and climb nine percent over current prices by 2025.

²³ All homes include single-family homes, condominium, and co-operative homes.

²⁴ The line of best fit forecast predicts a future value by using existing values, and the line of best fit shows the general direction that a group of data points, home prices in the Mission District in this case, are heading.

Budget and Legislative Analyst



Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Details on the three Mission District housing price projection scenarios prepared by the Budget and Legislative Analyst using different historical data bases and including separate projections for one and two-bedroom housing units, are presented below.

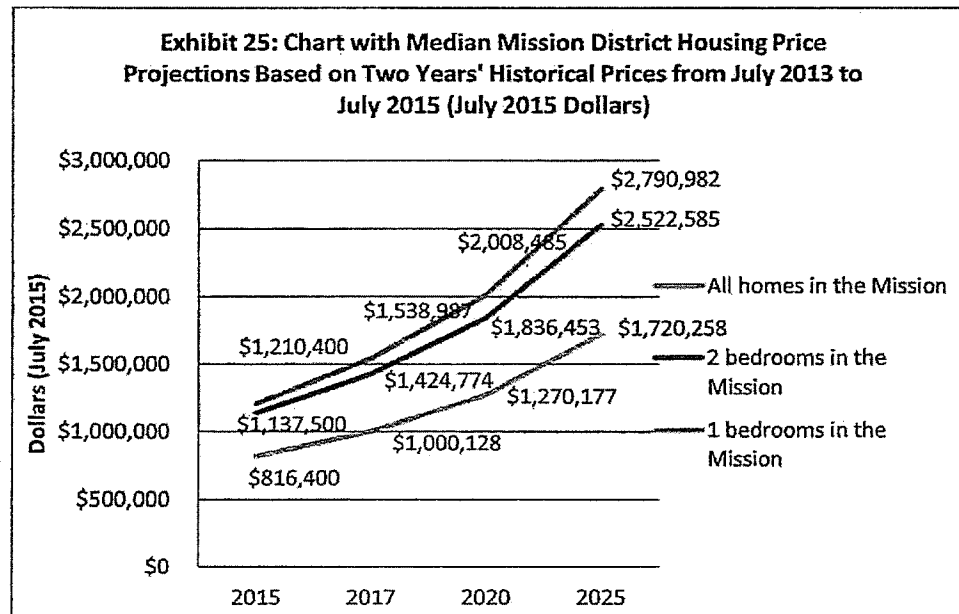
Budget and Legislative Analyst

Scenario 1: Projections using Two Years' Historical Data

The first scenario uses data from July 2013 to July 2015 to project median housing prices in the Mission District for two, five and ten years out, by type of housing. Exhibits 24 and 25 below show the projected housing prices by housing type.

Exhibit 24: Median Mission District Housing Price Projections Based on Two Years' Historical Housing Prices from July 2013 to July 2015 (July 2015 Dollars)					
Type of Housing	2015 Base Year	2017 Projected	2020 Projected	2025 Projected	% Change 2015 to 2025
All homes in the Mission	\$1,210,400	\$1,538,987	\$2,008,485	\$2,790,982	130.6%
2 bedrooms in the Mission	\$1,137,500	\$1,424,774	\$1,836,453	\$2,522,585	121.8%
1 bedrooms in the Mission	\$816,400	\$1,000,128	\$1,270,177	\$1,720,258	110.7%

Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst



Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Budget and Legislative Analyst

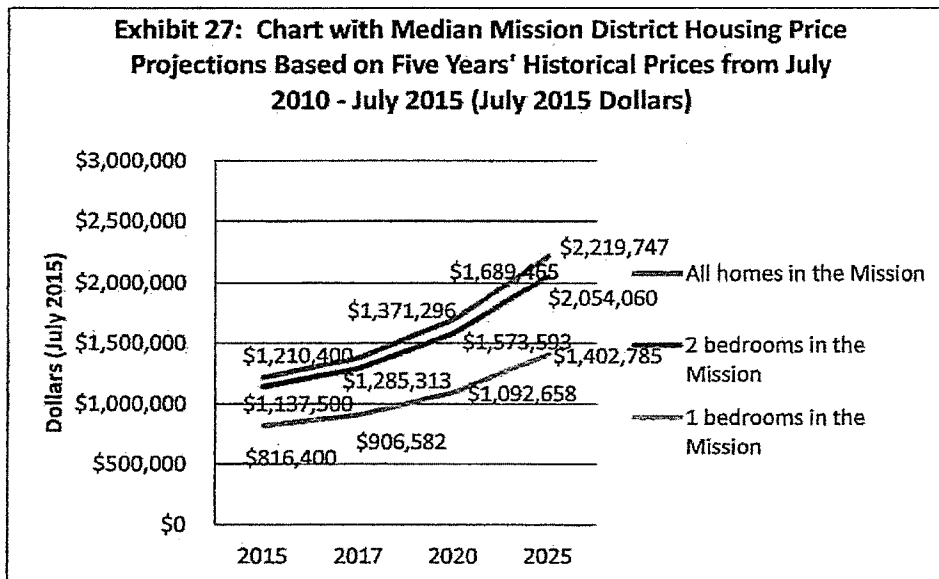
Scenario 2: Projections using Five Years' Historical Data

The second scenario used five years' worth of data from July 2010 to July 2015 to project prices two, five and ten years out. Exhibits 26 and 27 below show projected housing prices by housing type.

Exhibit 26: Median Mission District Housing Price Projections Based on Five Years' Historical Housing Prices from July 2010 to July 2015 (July 2015 Dollars)

Type of Housing	2015 Base Year	2017 Projected	2020 Projected	2025 Projected	% Change 2015 to 2025
All homes in the Mission	\$1,210,400	\$1,371,296	\$1,689,465	\$2,219,747	83.4%
2 bedrooms in the Mission	\$1,137,500	\$1,285,313	\$1,573,593	\$2,054,060	80.6%
1 bedrooms in the Mission	\$816,400	\$906,582	\$1,092,658	\$1,402,785	71.8%

Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst



Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Budget and Legislative Analyst

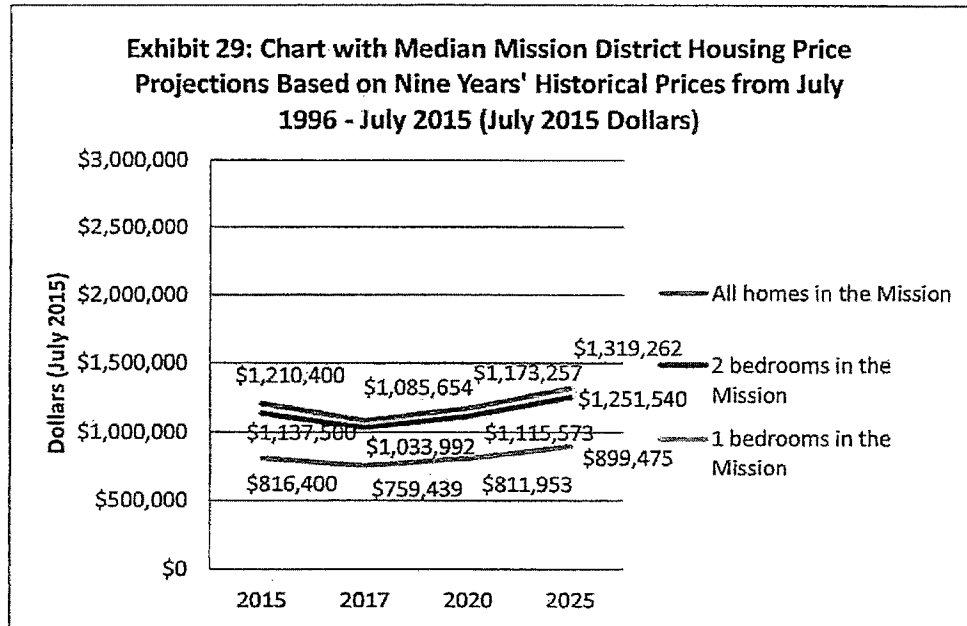
Scenario 3: Projections using Nine Years' Historical Data

The third scenario used nine years' worth of data from July 1996 to July 2015 to project prices two, five and ten years out. Exhibits 28 and 29 below show the projected housing prices by housing type. Only in this scenario do housing prices decline in the first two years, at which point they begin increasing and maintain that trend through 2025. This appears to be because this scenario incorporates the impact of the recession that began in 2008 and assumes a repeat of an economic disruption of that magnitude.

Exhibit 28: Median Mission District Housing Price Projections Based on Nine Years' Historical Housing Prices from July 1996 to July 2015 (July 2015 Dollars)					
Type of Housing	2015 Base Year	2017 Projected	2020 Projected	2025 Projected	% Change 2015 to 2025
All homes in the Mission	\$1,210,400	\$1,085,654	\$1,173,257	\$1,319,262	9.0%
2 bedrooms in the Mission	\$1,137,500	\$1,033,992	\$1,115,573	\$1,251,540	10.0%
1 bedrooms in the Mission	\$816,400	\$759,439	\$811,953	\$899,475	10.2%

Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Budget and Legislative Analyst

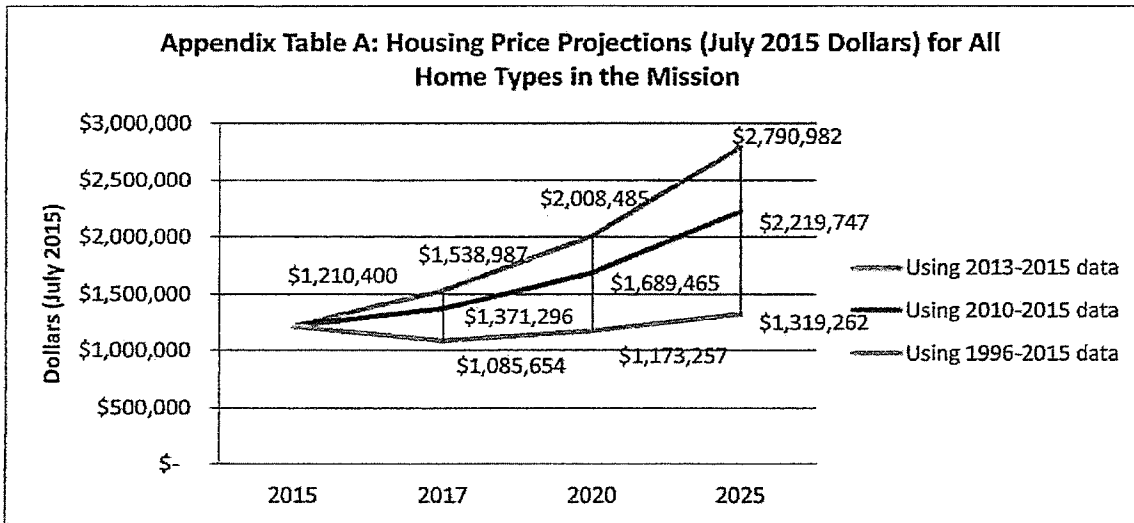


Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

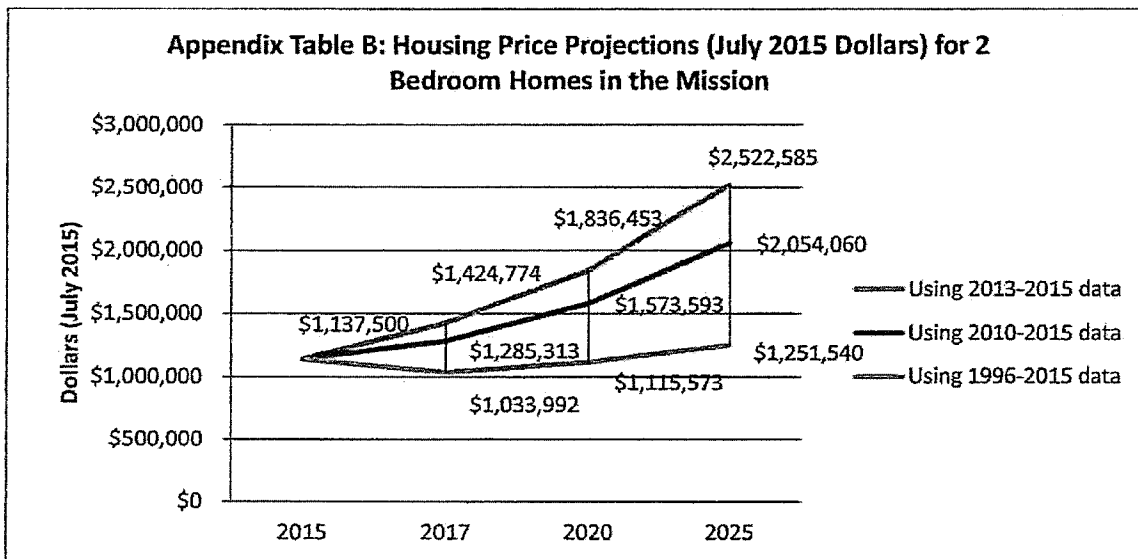
Budget and Legislative Analyst

Appendix

Below are the three Mission District housing price projection scenarios, arranged by home type. Appendix Table A shows price projections for all home types, Appendix Table B shows price projections for 2 bedroom homes, and Appendix Table C shows price projections for 1 bedroom homes.

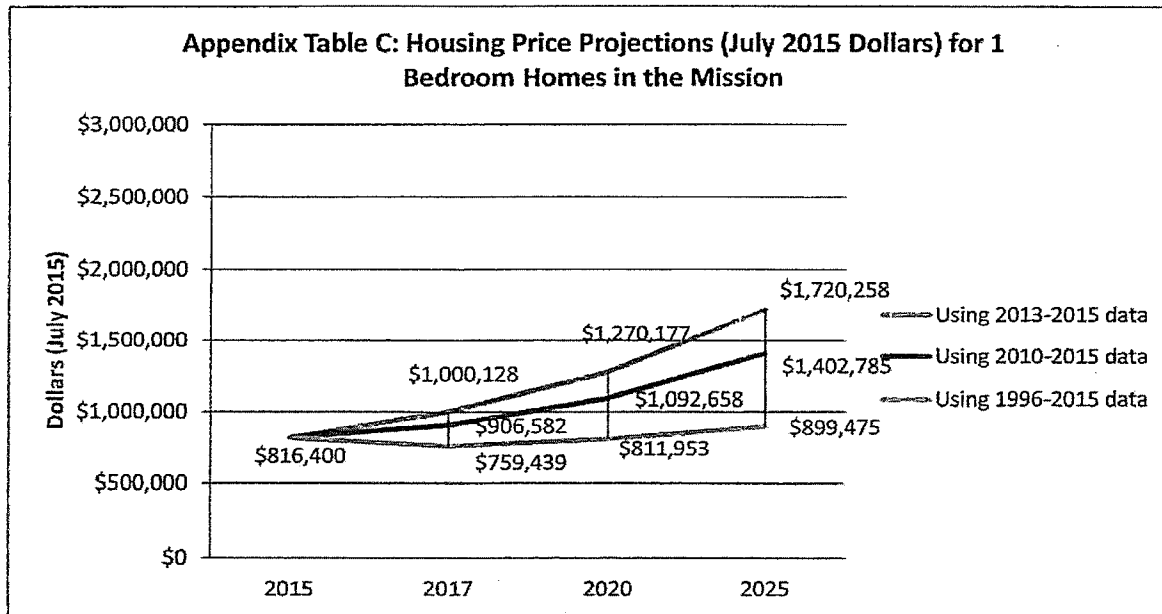


Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst



Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Budget and Legislative Analyst



Source: Zillow.com Home Value Index. Projections by Budget and Legislative Analyst

Budget and Legislative Analyst

SFGATE <http://www.sfgate.com/bayarea/article/Cities-struggle-with-ending-redevelopment-agencies-2572818.php>

Cities struggle with ending redevelopment agencies

REDEVELOPMENT

Stephanie M. Lee, Chronicle Staff Writer Published 4:00 am, Tuesday, January 17, 2012



IMAGE 1 OF 3

Families walk over the bridge that crosses Mission Creek, Sunday, January 15, 2012, where new condo buildings have sprung up in the past few years.

Thousands of city workers empty their desks. Offices go dark. Rows of deteriorated buildings may sit untouched.

This is how California's redevelopment program dies.

Six decades ago, redevelopment agencies were formed across the state to revitalize blighted neighborhoods and create low-income housing. By Feb. 1, as a new state law requires, all 400 of them will be gone.

Killing off a multibillion-dollar program is a messy, unprecedented process. The way it unfolds depends on the city - and the day.

On Friday, lawmakers introduced legislation to preserve redevelopment agencies until April 15. Assuming the original deadline stands, however, officials will spend the next two weeks scrambling to close and hand off their final projects.

"These are very difficult times for people," said Tiffany Bohee, San Francisco Redevelopment Agency's interim executive director.

Last summer, the Legislature and Gov. Jerry Brown agreed to ax redevelopment to help solve the state's multibillion-dollar budget deficit. The agencies annually received about \$5 billion, which Brown said should go to education and public safety.

Cities and counties sued. But in December, the California Supreme Court sided with the state and struck down a compromise law that would have allowed the agencies to exist in smaller form.

Redevelopment agencies grew out of federal urban renewal programs and formed in California in 1945. They combat urban blight by purchasing property, renovating commercial areas and developing affordable housing, among other actions. The intent is to

West Bay Law
Law Office of J. Scott Weaver
A Professional Corporation

October 23, 2015

Via U.S. Mail and email

Melinda Hue
Doug Vu
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Melinda.hue@sfgov.org
Doug.vu@sfgov.org

Re: Case No. 2014.1020U - 1515 South Van Ness Avenue

Dear Ms. Hue and Mr. Vu,

I am writing on behalf of the Calle 24 Latino Cultural District to express concerns regarding the environmental impacts of the project proposed for 1515 South Van Ness Avenue. The proposed project is situated on the corner of 26th Street and South Van Ness Avenue, one half block from Cesar Chavez Street, and within the bounds of the Calle 24 Latino Cultural District.

Lennar, the developer, proposes 160 units, of which only 19 would be affordable. The project sponsor has not state whether or not the ownership units would be limited equity or whether or not the condominium assessments will be such that the units will remain affordable.

The Calle 24 Cultural District was created in May of 2014 by the Mayor and Board of Supervisors. It is bounded on the north by 22nd Street, the south by Cesar Chavez Street, the east by Potrero Avenue, and on the west by Mission Street.

The proposed project, in terms of design, shadows, wind tunnels, and lack of affordability, is inconsistent with the mission, vision, and scope of the Calle 24 Latino Cultural District. <http://calle24sf.org/latino-cultural-district/>. Beyond that, gentrification will undermine preservation of the cultural aspects that the designation was intended to protect.

Mission District stakeholders and representatives of the Planning Department and the Mayor's Office on Housing are collaborating to create a Mission Action Plan 2020. The Plan's purpose is to "strengthen and retain low to moderate income residents and community-serving businesses (including Production, distribution and Repair) and nonprofits in order to preserve the

Melinda Hue
Doug Vu
San Francisco Planning Department
October 23, 2015
Page Two

socioeconomic diversity of the Mission neighborhood.” <http://www.sf-planning.org/index.aspx?page=4184>

The Department should assess the project in light of its impact on the Calle 24 Latino Cultural District, its vision, mission, and scope, as well as that of the MAP 2020 efforts.

In addition to its incompatibility with both the Calle 24 Latino Cultural District, MAP 2020, the imbalance of affordability is of concern given the Mission’s advance stage gentrification. <http://missionlocal.org/2015/09/sf-mission-gentrification-advanced/> Should the project proceed, it will cause significant economic and social changes in the immediate area that will result in physical changes, including impacts on air quality, traffic and transportation, as well as negative impacts on the Cultural District. (See CEQA guidelines, 15604 (e).

A 2007 Nexus Study, commissioned by the Planning Department, concluded that the production of 100 market rate rental units generates 19.44 lower income households and a total of 33.66 households if direct, indirect, and induced impacts are counted in the analysis. [These conclusions were made in 2007, well before housing prices began their steep upward trajectory. Today, new “market rate” two bedroom apartments rented in the Mission begin at about \$6,000 per month – requiring an annual household income of \$240,000.] The 19.44 and 33.66 figures would be even higher using today’s rents. With the proposed 12% affordable housing, there is a shortfall of at least 21.66 units per hundred market rate units produced. One is forced to ask: where will they live and how will they get to work? and what is the impact on air quality and transportation? These questions should be addressed by the Department.

In light of the Calle 24 Cultural District and the Mission Action Plan 2020, the issue of gentrification of the neighborhood must be considered. The economic reality of “market rate” means that the proposed 141 non-affordable units will not be occupied by Mission residents, but by affluent, San Franciscans and non-San Franciscans. In the context of a Latino neighborhood, this is by definition gentrification, and, as stated previously, the Mission is already at an advanced stage of gentrification. The impact of 141 gentrifying households in the Calle 24 Latino Cultural District should likewise be addressed by the Department.

The project’s low affordability, is inconsistent with the Eastern Neighborhoods Plan and the Mission Neighborhood Plan, both of which set for the following policy priorities: 1) preservation of PDR uses and 2) production of a “significant amount” of affordable housing. The EIR for the Eastern Neighborhoods Plan had to have been made with the assumption that the Plan would substantially address the RHNA set by the Association of Bay Area Governments.

Melinda Hue
Doug Vu
San Francisco Planning Department
October 23, 2015
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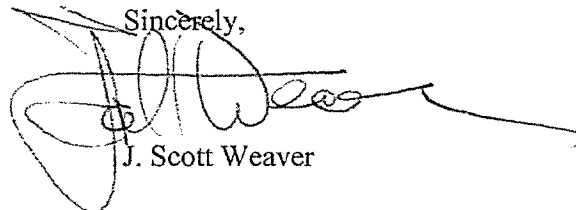
However, to date, implementation of these priorities has been a complete failure. Not only has there been excessive conversion of PDR uses, but the Mission's affordable housing production has been less than one fifth of ABAG's RHNA.

Accordingly, there is significant new information that was not anticipated at the time the Programmatic EIR was prepared. This includes, but is not limited to: 1) The continuing imbalance of affordable/unaffordable housing (as reflected in the recent Housing Balance Report). An underlying assumption of the Mission Plan was that there would be "significant" affordable housing production. 2) The steep rise in housing prices and the resultant introduction of extensive luxury housing and retail space in the Mission. 3) The increasing pressures to produce affordable housing due to the overproduction of "market rate" housing. 4) The fact that the project is within the Calle 24 Latino Cultural District, 5) The excessive conversion of PDR uses, 6) The failure of the City to produce affordable housing in the Mission since the Eastern Neighborhoods Plan took effect. 7) The Mission's advanced stage of gentrification.

There has been no assessment of the loss of jobs in the Mission due to the PDR conversion. The Mission has one of the highest levels of unemployment in the City. Additionally, there should be study of traffic and other impacts resulting from moving existing jobs to a location outside of the Mission.

Traffic and parking are also a significant issue. The project site is one half block away from Cesar Chavez Street, a major thoroughfare used by commuters going to or from Highways 101, 280 and Bayshore Boulevard. South Van Ness Avenue is also a major thoroughfare for those traveling in a northerly or southerly direction. The addition of 160 new households will significantly increase traffic along these corridors, and exacerbate parking in the neighborhood. The Department should also consider alternative measures for mitigation of these impacts.

Please keep me informed of the progress of your study of the above concerns.

Sincerely,

J. Scott Weaver

Jsw:sme

cc. Calle 24 Latino Cultural District



SAN FRANCISCO PLANNING DEPARTMENT

1650 Mission Street, Suite 400 • San Francisco, CA 94103 • Fax (415) 558-6409

NOTICE OF PUBLIC HEARING

Hearing Date: **Thursday, April 21, 2016**
Time: **Not before 12:00 PM (noon)**
Location: **City Hall, 1 Dr. Carlton B. Goodlett Place, Room 400**
Case Type: **Conditional Use Authorization/Planned Unit Development**
Hearing Body: **Planning Commission**

PROPERTY INFORMATION		APPLICATION INFORMATION	
Project Address:	1515 South Van Ness (aka 3251 26th Street)	Case No.:	2014.1020CUA
Cross Street(s):	26th & Cesar Chavez Streets	Building Permit:	N/A
Block /Lot No.:	6571/001, 001A & 008	Applicant:	Peter Schellinger
Zoning District(s):	Mission NCT / 55-X & 65-X	Telephone:	(415) 975-4982
Area Plan:	Mission Area Plan	E-Mail:	<u>Peter.Schellinger@lennar.com</u>
PROJECT DESCRIPTION			
<p>Request for CONDITIONAL USE AUTHORIZATION (CUA) and PLANNED UNIT DEVELOPMENT (PUD) pursuant to Planning Code Sections 121.1, 303 and 304 for the demolition of an existing 31,680 sq. ft. industrial building and construction of a five- to six-story, 55- to 65-foot tall, 180,277 sq. ft., mixed-use building that includes up to 157 dwelling units, 5,241 sq. ft. of ground floor commercial space, 16,441 sq. ft. of open space, 81 underground automobile parking and 150 Class 1 bicycle parking spaces. Under the PUD, the Project is seeking modifications from the rear yard, permitted obstructions and exposure requirements pursuant to Planning Code Sections 134, 136 and 140, respectively.</p> <p>A Planning Commission approval at the public hearing would constitute the Approval Action for the project for the purposes of CEQA, pursuant to San Francisco Administrative Code Section 31.04(h).</p>			
ADDITIONAL INFORMATION			
<p>ARCHITECTURAL PLANS: If you are interested in viewing the plans for the proposed project please contact the planner listed below. The plans and Department recommendation of the proposed project will be available one week prior to the hearing through the Planning Commission agenda at: http://www.sf-planning.org or by request at the Planning Department office located at 1650 Mission Street, 4th Floor.</p> <p>Members of the public are not required to provide personal identifying information when they communicate with the Commission or the Department. All written or oral communications, including submitted personal contact information, may be made available to the public for inspection and copying upon request and may appear on the Department's website or in other public documents.</p>			
<p>FOR MORE INFORMATION, PLEASE CONTACT PLANNING DEPARTMENT STAFF: Planner: Doug Vu Telephone: (415) 575-9120 E-Mail: <u>Doug.Vu@sfgov.org</u></p>			

中文詢問請電: (415) 575-9010

Para información en Español llamar al: (415) 575-9010

GENERAL INFORMATION ABOUT PROCEDURES

HEARING INFORMATION

You are receiving this notice because you are either a property owner or resident that is adjacent to the proposed project or are an interested party on record with the Planning Department. **You are not required to take any action. For more information regarding the proposed work, or to express concerns about the project, please contact the Applicant or Planner listed on this notice as soon as possible.** Additionally, you may wish to discuss the project with your neighbors and/or neighborhood association as they may already be aware of the project.

Persons who are unable to attend the public hearing may submit written comments regarding this application to the Planner listed on the front of this notice, Planning Department, 1650 Mission Street, Suite 400, San Francisco, CA 94103, by 5:00 pm the day before the hearing. These comments will be made a part of the official public record and will be brought to the attention of the person or persons conducting the public hearing.

Comments that cannot be delivered by 5:00 pm the day before the hearing may be taken directly to the hearing at the location listed on the front of this notice. Comments received at 1650 Mission Street after the deadline will be placed in the project file, but may not be brought to the attention of the Planning Commission at the public hearing.

BUILDING PERMIT APPLICATION INFORMATION

Pursuant to Planning Code Section 311 or 312, the Building Permit Application for this proposal may also be subject to a 30-day notification of property owners and residents within 150-feet of the subject property. **This notice covers the Section 311 or 312 notification requirements, if required.**

APPEAL INFORMATION

An appeal of the approval (or denial) of a **Conditional Use application** and/or building permit application associated with the Conditional Use application may be made to the **Board of Supervisors within 30 calendar days** after the date of action by the Planning Commission pursuant to the provisions of Section 308.1(b). Appeals must be submitted in person at the Board's office at 1 Dr. Carlton B. Goodlett Place, Room 244. For further information about appeals to the Board of Supervisors, including current fees, contact the Clerk of the Board of Supervisors at (415) 554-5184.

An appeal of the approval (or denial) of a **Building Permit Application** by the Planning Commission may be made to the **Board of Appeals within 15 calendar days** after the building permit is issued (or denied) by the Director of the Department of Building Inspection. Appeals must be submitted in person at the Board's office at 1650 Mission Street, 3rd Floor, Room 304. For further information about appeals to the Board of Appeals, including current fees, contact the Board of Appeals at (415) 575-6880.

Pursuant to California Government Code Section 65009, if you challenge, in court, the decision of an entitlement or permit, the issues raised shall be limited to those raised in the public hearing or in written correspondence delivered to the Planning Commission prior to, or at, the public hearing.

ENVIRONMENTAL REVIEW

This project has undergone preliminary review pursuant to California Environmental Quality Act (CEQA). If, as part of this process, the Department's Environmental Review Officer has deemed this project to be exempt from further environmental review, an exemption determination has been prepared and can be obtained through the Exemption Map, on-line, at www.sfplanning.org. An appeal of the decision to exempt the proposed project from CEQA may be made to the **Board of Supervisors within 30 calendar days** after the project approval action identified on the determination. The procedures for filing an appeal of an exemption determination are available from the Clerk of the Board at City Hall, Room 244, or by calling (415) 554-5184.

Under CEQA, in a later court challenge, a litigant may be limited to raising only those issues previously raised at a hearing on the project or in written correspondence delivered to the Board of Supervisors, Planning Commission, Planning Department or other City board, commission or department at, or prior to, such hearing, or as part of the appeal hearing process on the CEQA decision.

中文詢問請電: (415) 575-9010

Para información en Español llamar al: (415) 575-9010

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10964



Mission

AREA PLAN

An Area Plan of the General Plan of the City and County of San Francisco

DECEMBER 2008 | **ADOPTED VERSION**

Eastern Neighborhoods Community Plans

ACKNOWLEDGEMENTS

MAYOR

Gavin Newsom

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Contributing Staff

David Alumbaugh
 Paul Lord
 Paul Maltzer
 Teresa Ojeda
 Maria Oropeza-Singh
 Stephen Shotland
 Sandra Soto-Grondona

With the Participation of the Following Public Agencies

Association of Bay Area Governments
 City Administrator's Office
 Controller's Office
 Department of Building Inspection
 Department of Children, Youth & Families
 Department of Public Health
 Department of Public Works
 Division of Emergency Services
 Human Services Agency
 Mayor's Office of Community Development
 Mayor's Office of Economic and Workforce Development
 Mayor's Office of Housing
 Port of San Francisco
 Recreation and Park Department
 San Francisco Arts Commission
 San Francisco Public Utilities Commission
 San Francisco Municipal Transportation Agency
 San Francisco County Transportation Authority
 San Francisco Unified School District

With the Following Consultants to the Planning Department

Economic & Planning Systems
 Hausrath Economics Group
 Keyser Marston Associates
 Seifd Consulting
 Strategic Economics
 University of California Berkeley, Institute of Urban and Regional Development

The Planning Department would also like to acknowledge the efforts of community organizations and the thousands of community members who have worked with us over the years to develop the Eastern Neighborhoods Community Plans.

For information on the Eastern Neighborhoods Area Plans, visit:
<http://easterneighborhoods.sfplanning.org>

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SUMMARY OF OBJECTIVES

LAND USE

OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

OBJECTIVE 1.2

IN AREAS OF THE MISSION WHERE HOUSING AND MIXED USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER

OBJECTIVE 1.3

INSTITUTE FLEXIBLE "LEGAL NONCONFORMING USE" PROVISIONS TO ENSURE A CONTINUED MIX OF USES IN THE MISSION

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF THE MISSION

OBJECTIVE 1.5

MINIMIZE THE IMPACT OF NOISE ON AFFECTED AREAS AND ENSURE GENERAL PLAN NOISE REQUIREMENTS ARE MET

OBJECTIVE 1.6

IMPROVE INDOOR AIR QUALITY FOR SENSITIVE LAND USES IN THE MISSION

OBJECTIVE 1.7

RETAIN THE MISSION'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES

OBJECTIVE 1.8

MAINTAIN AND STRENGTHEN THE MISSION'S NEIGHBORHOOD COMMERCIAL AREAS

HOUSING

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

OBJECTIVE 2.3

ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES

OBJECTIVE 2.4

LOWER THE COST OF THE PRODUCTION OF HOUSING

OBJECTIVE 2.5

PROMOTE HEALTH THROUGH RESIDENTIAL DEVELOPMENT DESIGN AND LOCATION

OBJECTIVE 2.6

CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND AVAILABILITY

BUILT FORM

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

OBJECTIVE 3.3

PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA

TRANSPORTATION

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OBJECTIVE 4.2

INCREASE TRANSIT RIDERSHIP BY MAKING IT MORE COMFORTABLE AND EASY TO USE

OBJECTIVE 4.3

ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

OBJECTIVE 4.4

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OBJECTIVE 4.5

CONSIDER THE STREET NETWORK IN THE MISSION AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE

OBJECTIVE 4.6

SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN THE MISSION AND TO OTHER PARTS OF THE CITY

OBJECTIVE 4.7
IMPROVE AND EXPAND INFRASTRUCTURE FOR BICYCLING AS AN IMPORTANT MODE OF TRANSPORTATION

OBJECTIVE 4.8
ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS

OBJECTIVE 4.9
FACILITATE MOVEMENT OF AUTOMOBILES BY MANAGING CONGESTION AND OTHER NEGATIVE IMPACTS OF VEHICLE TRAFFIC

OBJECTIVE 4.10
DEVELOP A COMPREHENSIVE FUNDING PLAN FOR TRANSPORTATION IMPROVEMENTS

STREETS AND OPEN SPACE

OBJECTIVE 5.1
PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS

OBJECTIVE 5.2
ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY PRIVATE OPEN SPACE

OBJECTIVE 5.3
CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD.

OBJECTIVE 5.4
THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

OBJECTIVE 5.5
ENSURE THAT EXISTING OPEN SPACE, RECREATION AND PARK FACILITIES ARE WELL MAINTAINED

ECONOMIC DEVELOPMENT

OBJECTIVE 6.1
SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS.

OBJECTIVE 6.2
INCREASE ECONOMIC SECURITY FOR WORKERS BY PROVIDING ACCESS TO SOUGHT-AFTER JOB SKILLS

COMMUNITY FACILITIES

OBJECTIVE 7.1
PROVIDE ESSENTIAL COMMUNITY SERVICES AND FACILITIES

OBJECTIVE 7.2
ENSURE CONTINUED SUPPORT FOR HUMAN SERVICE PROVIDERS THROUGHOUT THE EASTERN NEIGHBORHOODS

OBJECTIVE 7.3
REINFORCE THE IMPORTANCE OF THE MISSION AS THE CENTER OF LATINO LIFE IN SAN FRANCISCO

HISTORIC PRESERVATION

OBJECTIVE 8.1
IDENTIFY AND EVALUATE HISTORIC AND CULTURAL RESOURCES WITHIN THE MISSION PLAN AREA

OBJECTIVE 8.2
PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE MISSION PLAN AREA

OBJECTIVE 8.3
ENSURE THAT HISTORIC PRESERVATION CONCERNS CONTINUE TO BE AN INTEGRAL PART OF THE ONGOING PLANNING PROCESSES FOR THE MISSION PLAN AREA AS THEY EVOLVE OVER TIME

OBJECTIVE 8.4
PROMOTE THE PRINCIPLES OF SUSTAINABILITY FOR THE BUILT ENVIRONMENT THROUGH THE INHERENTLY "GREEN" STRATEGY OF HISTORIC PRESERVATION

OBJECTIVE 8.5
PROVIDE PRESERVATION INCENTIVES, GUIDANCE, AND LEADERSHIP WITHIN THE MISSION PLAN AREA

OBJECTIVE 8.6
FOSTER PUBLIC AWARENESS AND APPRECIATION OF HISTORIC AND CULTURAL RESOURCES WITHIN THE MISSION PLAN AREA

EASTERN NEIGHBORHOODS

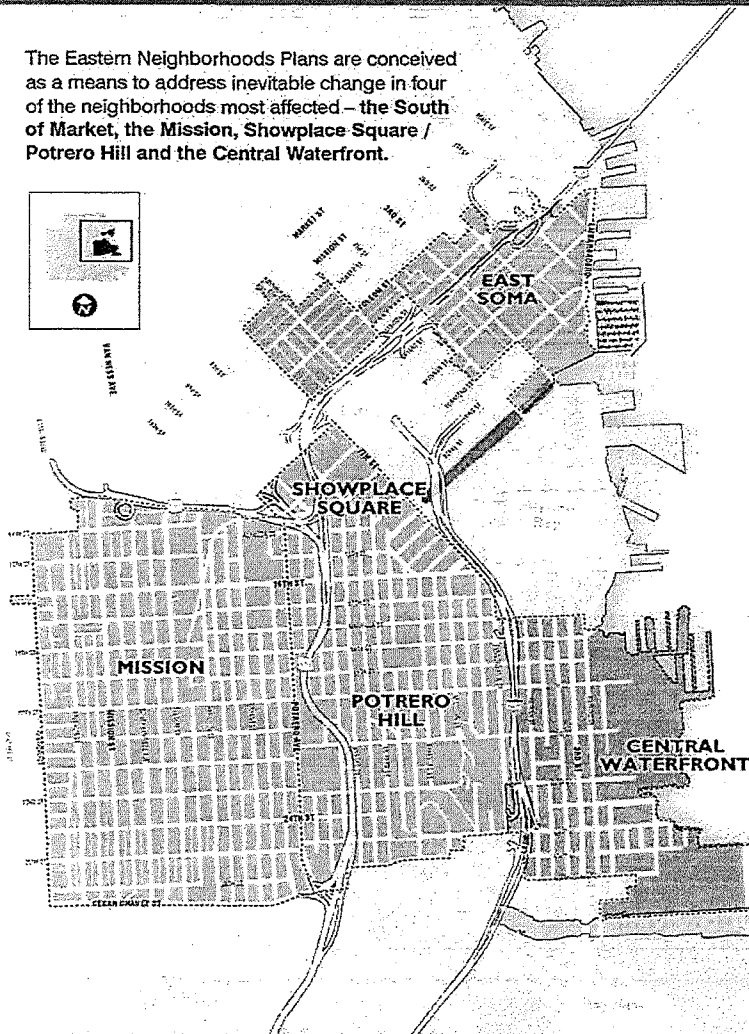
Community Planning

THE EASTERN NEIGHBORHOODS PLANS

PREFACE

THE EASTERN NEIGHBORHOODS PLANS

The Eastern Neighborhoods Plans are conceived as a means to address inevitable change in four of the neighborhoods most affected – the South of Market, the Mission, Showplace Square / Potrero Hill and the Central Waterfront.



Planning for Change

San Francisco is a special place because of the way in which it has always balanced preservation with change. Our neighborhoods have changed with the times, but they have always kept something of their unique character – an essence of San Francisco that doesn't look or feel like anywhere else. In the late 20th and early 21st century, the city's eastern bayfront has been the epicenter for change, and for all the pressures, debates and concern that its prospect entails. From the South of Market to Visitacion Valley, traditionally industrial areas have begun transforming. Housing, offices, and the shops and services which cater to them have been springing up next to industrial businesses. Wealthier residents have begun to move into neighborhoods traditionally inhabited by the working class. Residents, community activists and business owners have all recognized the need for rational planning to resolve these conflicts and stabilize these neighborhoods into the future.





Twin Policy Dilemmas: Stabilizing the Industrial Lands and Providing Affordable Housing

At their core, the Eastern Neighborhoods Plans try to accomplish two key policy goals:

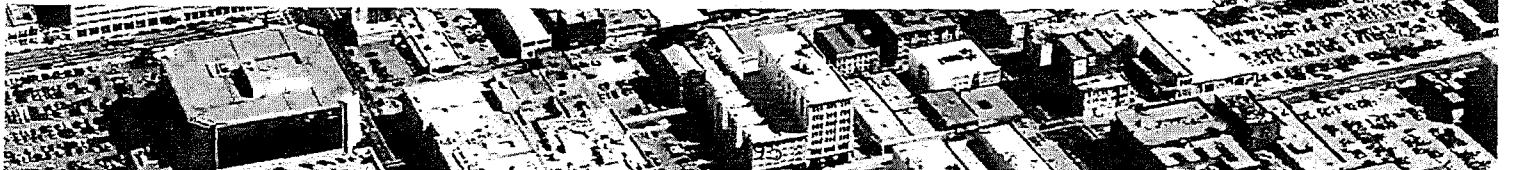
- 1) They attempt to ensure a stable future for Production, Distribution and Repair (PDR) businesses in the city, mainly by reserving a certain amount of land for this purpose; and
- 2) they strive to provide a significant amount of new housing affordable to low, moderate and middle income families and individuals, along with “complete neighborhoods” that provide appropriate amenities for these new residents.

Stabilizing the Industrial Lands

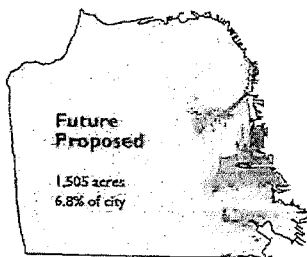
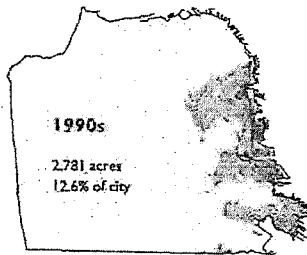
At one time, land zoned for industrial uses covered almost the entire eastern bayfront of San Francisco, from the southern county line to well north of Market Street. As the city's economy has transformed over time, away from traditional manufacturing and “smoke-stack”

industry toward tourism, service and “knowledge-based” functions, the city's industrial lands have shrunk steadily.

By the 1990s, land zoned for industrial uses stood at about 12% of the city's total usable land (i.e. not including parks and streets). This period was one of strong economic growth in which the city gained thousands of new jobs and residents. As a result, capital, business and building activity surged into the industrial and residential Eastern Neighborhoods, south of downtown. While this wealth brought needed resources, it also created conflicts around the use of land. San Francisco's industrial zoning has from the beginning been very permissive — allowing residences, offices and other uses, in addition to industrial businesses. Old and new residents, established industrial businesses and new, non-industrial business ventures all vied for building space and more affordable land in the Eastern Neighborhoods. It became clear over time, that non-industrial land uses — mainly



Industrially-Zoned Land in San Francisco



housing and offices that can pay far more for land – would make significant inroads on industrially zoned land in the Eastern Neighborhoods.

Also during this period, a new, non-industrial future was charted for several significant portions of the city's industrial lands. These included Mission Bay (slated for new housing, a University of California research campus and other research and development space), the Hunters Point Shipyard (new housing, commercial and sports facilities) and the Schlage Lock site (slated for new housing, open space and retail).

Faced with the removal of these areas from industrial zoning and the increasing competition for land in the remaining industrial areas, the Planning Department began a process to identify how much land was needed in the city for continuing industrial use and determine how to stabilize that land into the future. Recognizing that industrial land in the city was being used for many functions that didn't fall under traditional manufacturing "smokestack" categories, the term "Production, Distribution and Repair" (PDR) was coined to refer to the wide variety of activities that needed cheaper land and larger spaces to function.

The analysis process, carried out over several years, included a number of components: Community discussions about the future of industrial lands in the city, analysis of the value of PDR businesses to the city's economy and workforce, analysis of the needs of PDR businesses to prosper, and analysis of the land supply available to support PDR businesses. (See page viii under *For Further Reading* for a list of studies and publications dealing with these subjects.)

These studies concluded that there is indeed a future for PDR businesses in the city. These businesses contribute to the city's economy – by providing stable and well paying jobs for the 50% of San Franciscans without college degrees, and by supporting various sectors of the city's economy. The analysis also concludes that many types of PDR businesses could thrive in San Francisco given the right conditions. Chief among these conditions is a secure supply of land and building space, buffered from incompatible land uses and free of competing users with higher ability to pay for land.

Providing Affordable Housing

San Francisco has an ongoing affordable housing crisis. In 2007, the median income for a family of four in the city is about \$86,000. Yet it requires twice that income to be able to afford the median priced dwelling suitable for a family that size. Only an estimated 10% of households in the city can afford a median-priced home.

What is PDR?

The Planning Department has adopted the term "Production, Distribution and Repair" or "PDR" to refer to the very wide variety of activities which have traditionally occurred and still occur in our industrially zoned areas. PDR businesses and workers prepare our food and print our books; produce the sounds and images for our movies; take people to the airport; arrange flowers and set theatrical stages; build houses and offices; pick up our mail and garbage. PDR and related activities include arts activities, performance spaces, furniture wholesaling, and design activities. In general, PDR activities, occurring with little notice and largely in the Eastern Neighborhoods, provide critical support to the drivers of San Francisco's economy, including the tourist industry, high tech industry and financial and legal services, to name a few. PDR businesses also tend to provide stable and well-paying jobs for the 50% of San Francisco residents who do not have a college degree.

Why do PDR businesses need protection through zoning?

There are several reasons why San Francisco, like many other large U.S. cities, is considering providing protection for PDR activities through zoning changes in some areas.



1) Competition for land: San Francisco has very limited land available and because current zoning permits almost any activity in an industrial zone, residential and office uses, which can afford to pay far more to buy land, have been gradually displacing PDR activities.

2) Land use conflicts: Some (though certainly not all) PDR businesses use large trucks, stay open late, make noise or emit odors. As residences and offices locate adjacent to these PDR businesses more frequently, conflicts arise, sometimes forcing the PDR businesses to curtail operations or even leave the city.

Current and future residents of limited means are likely to need assistance to continue to live in San Francisco. Many future San Francisco workers will be earning below 80% of the area's median income. Sales clerks and secretaries, as well as technical professionals and bank executives, must be able to live here. San Francisco must also house the firefighters, policemen, teachers, and health, recreation and primary care providers needed to support the city's population. Even construction workers who build new houses need housing they can afford.

The General Plan's Housing Element tells us that San Francisco needs to build over 2,700 new units a year to meet its share of the region's projected housing demand. At least 40% of this new housing construction should be affordable to low and very low income households, and 32% affordable to households of moderate means.

In order to succeed in meeting the city's housing objectives, three major pre-requisites must be met:

- An adequate supply of land must be identified;
- Regulatory and other impediments must be removed and incentives added; and
- Adequate financing must be available for both private and non-profit housing development.

What is "affordable housing"?

"Affordable housing" refers simply to apartments or condominiums that are priced to be affordable to individuals and families earning anywhere from about 30% to about 120% of the city's median income (or about \$30,000 to \$114,000 for a family of four). Because affordable housing sells or rents for less than the amount required to cover its costs, it must be subsidized. This subsidy can come in the form of government funding, or through requirements that developers designate a certain percentage of new units they build as affordable.

For Further Reading

EPS Report: Supply/Demand Study for Production, Distribution, and Repair (PDR) in San Francisco's Eastern Neighborhoods (April, 2005)

Community Planning in the Eastern Neighborhoods Rezoning Options Workbook Draft (2003)

Profiles of Community Planning Areas (2002)

Industrial Land in San Francisco: Understanding Production, Distribution, and Repair (2002)

All of these documents are available to download on the Eastern Neighborhoods web site:
<http://easternneighborhoods.sfplanning.org>

As the discussions continued around where and how to preserve some of the city's industrial lands, it became increasingly clear that the dialogue needed to be expanded to include the subject of how to supply a significant amount of affordable housing in formerly industrial areas where a transition to housing and mixed-use would occur.

The Eastern Neighborhoods Plans: A Response to the Twin Policy Dilemmas

The Eastern Neighborhoods Plans were developed over several years, with the participation of thousands of community members and other stakeholders. They embody a series of strategies for responding to the need to preserve some industrial land in the city while also providing increased levels of affordable housing. The following Key Principles inform all the objectives and policies contained in the Plans:

People and Neighborhoods:

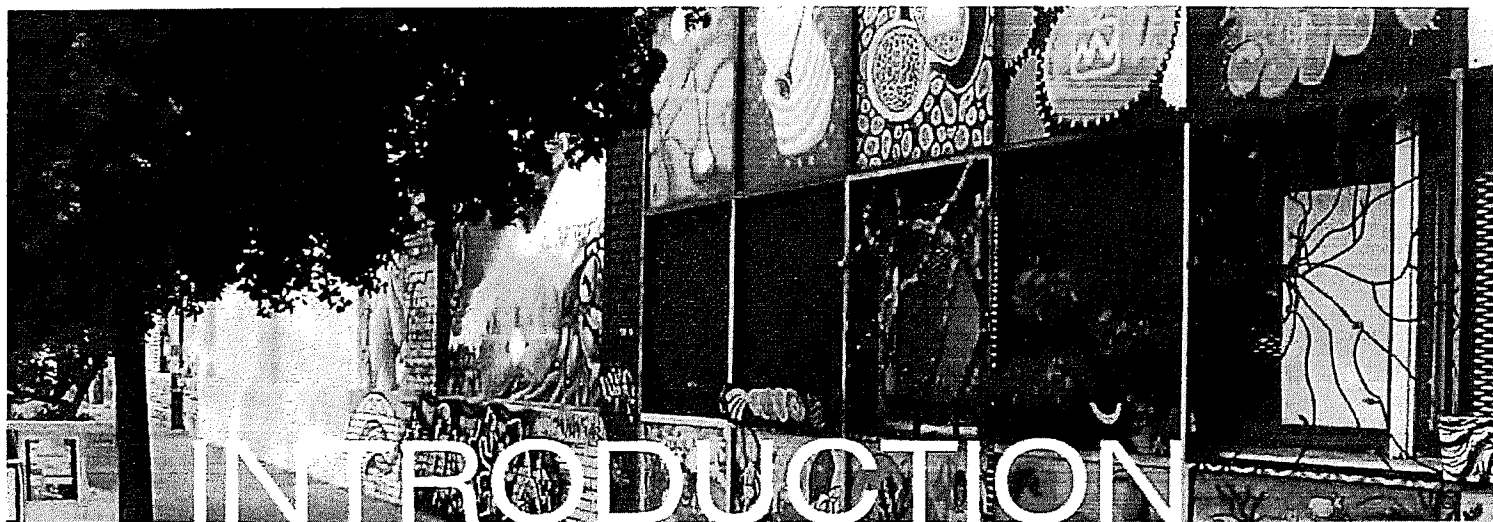
- 1) Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents
- 2) Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods

The Economy and Jobs:

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

The Eastern Neighborhoods Plans are structured as Area Plans in the city's General Plan. Each consists of eight chapters. The first two – *Land Use* and *Housing* – set out fundamental objectives and policies around stabilizing the use of land and providing affordable housing. The following six chapters – *Built Form*, *Transportation*, *Streets and Open Space*, *Economic Development*, *Historic Preservation*, *Community Facilities* – all provide the background and support for ensuring that we plan complete neighborhoods.

The Area Plans are accompanied by an Implementation Document which lays out the program of community improvements, a funding strategy to realize those improvements and directs administration of a public benefits program.



MISSION

The Mission is a neighborhood of strong character and a sense of community developed over decades. This area is home to almost 60,000 people, with Latinos comprising over half the population. The Mission is bounded by Guerrero to the west, Potrero to the east, Division to the north and Cesar Chavez to the south.

In addition to providing more than 23,000 jobs for the city of San Francisco, the Mission also provides a place for almost 60,000 residents to live, many in households substantially larger and poorer than those found elsewhere in the City. There are about 17,000 units of housing in the Mission mixed with commercial, industrial, retail and other uses. This mix of uses makes it possible for many residents to live and work in the same general area.

Retail is a significant business type in the Mission. Mission and 24th Streets in particular offer a variety of shops and services including many small grocery stores, beauty shops and restaurants that serve the local neighborhood and reflect the Latino population. There are about 900 stores and restaurants in the Mission, employing nearly 5,000 people.



Retail however, does not employ as many people as Production Distribution and Repair (PDR) activities. PDR businesses, concentrated in the northeast Mission, provide jobs for about 12,000 people, making PDR businesses the largest employers in the Mission. These businesses support San Francisco's service and tourist industry and are comprised of everything from furniture makers, sound and video recording studios, wholesale distributors, auto repair shops, plumbing supply stores, lumber yards, and photography studios, to the large PG&E and Muni facilities.

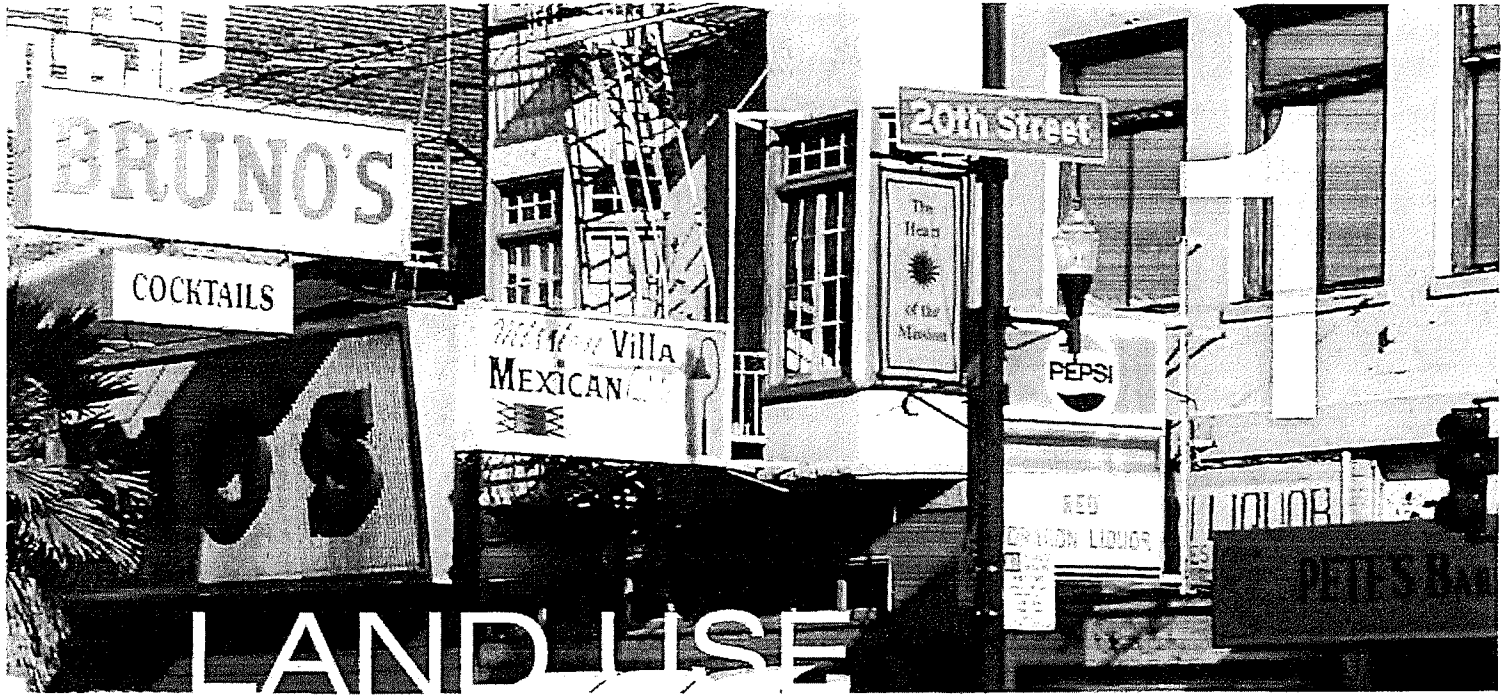
The Mission is known for its rich culture. It hosts annual public celebrations such as "Carnaval", "Cinco

de Mayo" and "Encuentro del Canto Popular" and houses a variety of community and cultural resources including Centro del Pueblo, the Mission Cultural Center, the Mission Economic Development Association, ODC, Cell Space, PODER, Saint Peters Housing, Dolores Street Community Services, the Bay Area Video Coalition, The Mission News and El Tecolote newspaper. Perhaps the most visible cultural resource however, are the many murals found throughout the area. These themed illustrations on the sides of buildings provide an historic and cultural context for residents and visitors alike.

Overall, the Mission has a well-developed neighborhood infrastructure, easy access to shops and restaurants, an architecturally rich and varied housing stock, rich cultural resources, and excellent transit access. Traditionally a reservoir of affordable housing relatively accessible to recent immigrants and artists, housing affordability in the Mission has significantly declined in the past decade as condominium conversions have removed affordable rental housing and evicted low-income residents and families. Moreover, new housing has been largely unaffordable to existing residents, and constructed on land formerly occupied by PDR businesses.

In addition to the Eastern Neighborhoods-wide goals outlined above, the following community-driven goals were developed specifically for the Mission, over the course of many public workshops:

- Preserve diversity and vitality of the Mission
- Increase the amount of affordable housing
- Preserve and enhance the existing Production, Distribution and Repair businesses
- Preserve and enhance the unique character of the Mission's distinct commercial areas
- Promote alternative means of transportation to reduce traffic and auto use
- Improve and develop additional community facilities and open space
- Minimize displacement



LAND USE

This section presents the vision for the use of land in the Mission. It identifies activities that are important to protect or encourage and establishes their pattern in the neighborhood. This pattern is based on the need to increase opportunities for new housing development, particularly affordable housing, retain space for production, distribution and repair (PDR) activities, protect established residential areas, and build on the vibrant neighborhood commercial areas around Mission, Valencia and 24th Streets. Where and how these activities occur is critical to ensuring that future neighborhood change contributes positively to the city as well as the area's vitality, fostering the Mission as a place to live and work.

To ensure the Mission remains a center for immigrants, artists, and innovation, the established land use pattern should be reinforced. This means protecting established areas of residential, commercial and PDR, and ensuring that areas that have become mixed-use over time develop in such a way that they contribute positively to the neighborhood. A place for living and working also means a place where affordably priced housing is made available, a diverse array of jobs is protected, and where goods and services are oriented to serve the needs of the community. For the Mission to continue to function in this way, land must be designated for such uses and controlled in a more careful fashion.

OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

Much of the Mission is mixed-use in character. Neighborhood commercial areas such as Mission, Valencia, and 24th Streets support a variety of activities, including shops and services, housing, small offices, and PDR businesses. Residential areas contain some small corner stores and other neighborhood-serving uses. The Northeast 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 vitality of the Mission and should be retained.

The challenge in the Mission is to strengthen the neighborhood's mixed-use character, while taking clear steps to protect and preserve PDR businesses, which provide jobs and services essential for the city. This Plan's approach to land use controls in the Mission includes the following key elements:

- Maintain existing zoning controls for the low and medium density residential areas in the southeast part of the Mission
- Generally maintain existing neighborhood commercial zoning in the Mission and Valencia Corridors, including portions of 16th Street, but recognize the good transit service available here by eliminating density limits and parking minimum requirements.
- Eliminate density limits and minimum parking controls in some residential areas of the Mission which are close to Mission Street transit.
- In some parts of the Northeast Mission Industrial Zone, establish new controls that protect PDR businesses by prohibiting new residential development and limiting new office and retail development.
- In other parts of the Northeast Mission Industrial Zone, establish new controls that allow mixed-income residential development, while limiting new office and retail development.

The policies to address the objective above are as follows:

POLICY 1.1.1

Revise land use controls in some portions of the Northeast Mission Industrial Zone to stabilize and promote PDR activities, as well as the arts, by prohibiting construction of new housing and limiting the amount of office and retail uses that can be introduced. Also place limitations on heavier industrial activities which may not be appropriate for the Mission

POLICY 1.1.2

Revise land use controls in portions of the Northeast Mission Industrial Zone outside the core industrial area to create new mixed use areas, allowing mixed income housing as a principal use, as well as limited amounts of retail, office, and research and development uses, while protecting against the wholesale displacement of PDR uses.

POLICY 1.1.3

Maintain the successful Mission Street, 24th Street, and Valencia Street Neighborhood Commercial districts; recognize the proximity to good transit service by eliminating residential density limits and minimum parking requirements.

POLICY 1.1.4

In higher density residential areas of the Mission, recognize proximity to good transit service by eliminating density limits and minimum parking requirements; permit small neighborhood-serving retail.

POLICY 1.1.5

In lower density residential areas of the Mission, generally further from good transit service, maintain existing residential controls.

POLICY 1.1.6

Permit and encourage small and moderate size retail establishments in neighborhood commercial areas of the Mission, while allowing larger retail in the formerly industrial areas when part of a mixed-use development.

POLICY 1.1.7

Permit and encourage greater retail uses on the ground floor on parcels that front 16th Street to take advantage of transit service and encourage more mixed uses, while protecting against the wholesale displacement of PDR uses.

POLICY 1.1.8

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

POLICY 1.1.9

Maximize active ground floor uses that open to the BART plazas in any redevelopment of the parcels surrounding the plazas.

POLICY 1.1.10

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE MISSION WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER

It is important that new housing be developed in appropriate areas, that it be compatible with its surroundings, and that it satisfy community housing needs. Locating housing in neighborhood commercial areas with good transit, as well as in some portions of former industrial areas, allows new development to capitalize on existing infrastructure. By increasing development potential on some parcels, reducing parking requirements, and replacing existing unit density controls with "bedroom mix" controls that require a portion of new units to be larger and more family-friendly, more housing of the appropriate type can be encouraged.

Strong building design controls, discussed further in the Built Form chapter of this Plan, should ensure that these new buildings are designed to be compatible with their surroundings. Building facades should be broken up, development above a certain height should be set back on small residential alleys to allow light and air, and active ground floors should be required.

The policies to address the objective above are as follows:

POLICY 1.2.1

Ensure that in-fill housing development is compatible with its surroundings.

POLICY 1.2.2

For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require ground floor commercial uses in new housing development. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

POLICY 1.2.3

In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

POLICY 1.2.4

Identify portions of the Mission where it would be appropriate to increase maximum heights for residential development.

OBJECTIVE 1.3**INSTITUTE FLEXIBLE "LEGAL NONCONFORMING USE" PROVISIONS
TO ENSURE A CONTINUED MIX OF USES IN THE MISSION**

A notable characteristic of the Mission is that even in its industrial areas, there exists a unique and varied mix of offices, retail, housing and other uses, in addition to PDR businesses. The intent of the Plan is to create successful mixed areas where PDR uses can exist and compete well with other uses in the future.

To ensure that the Mission's unique mix remains in place, existing office and retail establishments in the Mission's mixed-use and PDR districts should be allowed to stay legally, as long as they were legally established in the first place. Property owners whose office and retail tenants leave should be allowed to replace them with similar tenants.

Existing legal nonconforming use rules already provide substantial protections to certain types of establishments that pre-date the proposed rezoning. For example, in areas where limitations will be imposed under new zoning on retail and office uses, existing office and retail uses that do not comply with this limitation would be able to remain, provided they were legally established in the first place.

However, existing nonconforming rules do not apply to housing where it is prohibited outright. Because new zoning will create such districts, the nonconforming use provisions in the Planning Code should be modified in order to allow for the continuance of existing housing in areas where housing will no longer be permitted under the new zoning.

The policies as well as implementing actions to address the objective above are as follows:

POLICY 1.3.1

Continue existing, legal nonconforming rules, which permit pre-existing establishments to remain legally even if they no longer conform to new zoning provisions, as long as the use was legally established in the first place.

POLICY 1.3.2

Provide flexibility for legal housing units to continue in districts where housing is no longer permitted.

POLICY 1.3.3

Recognize desirable existing uses in the former industrial areas which would no longer be permitted by the new zoning, and afford them appropriate opportunities to establish a continuing legal presence.

OBJECTIVE 1.4**SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF THE MISSION**

The "Knowledge Sector" consists of businesses that create economic value through the knowledge they generate and provide for their customers. These include businesses involved in financial services, professional services, information technology, publishing, digital media, multimedia, life sciences (including biotechnology), and environmental products and technologies. The Knowledge Sector contributes to the city's economy through the high wages these industries generally pay, creating multiplier effects for local-serving businesses in San Francisco, and generating payroll taxes for the city. Although these industries generally require greater levels of training and education than PDR workers typically possess, they may in the future be able to provide a greater number of quality jobs for some San Franciscans without a four-year college degree, provided appropriate workforce development programs are put in place.

From a land use perspective, the Knowledge Sector utilizes a variety of types of space. Depending on the particular needs of a company, this may include buildings for offices, research and development (R&D), and manufacturing. Mixed-use and industrial land in the Mission benefits from lower rents and less intensive development than other parts of the city. These characteristics may allow for the location of manufacturing and R&D components of the Knowledge Sector, as well as provide some "Class B" office space suitable for Knowledge Sector companies which cannot afford or would prefer not to be located downtown. These uses could be supported in the following manner:

- The PDR component of the Knowledge Sector could locate throughout the Mixed-Use and PDR districts of the Mission.
- The office component of the Knowledge Sector should be directed towards space above the ground floor in buildings in the Mission's Mixed Use and PDR districts. The amount of office space in these buildings should be controlled, in order to support the continued viability of some PDR uses above the ground floor.
- R&D uses range from office-only to a mixture of office and production and testing activities. To the degree that these uses are office-only, they should be subject the same controls as office uses. The more industrially-oriented R&D uses could be located throughout the Mixed Use and PDR districts of the Mission, though the office component would be subject to office controls.

The policies to address the objective above are as follows:

POLICY 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of the Mission.

POLICY 1.4.2

Allow Knowledge Sector office-type uses in portions of the Mission where it is appropriate.

POLICY 1.4.3

Identify portions of the Mission where it would be appropriate to allow research and development uses that support the Knowledge Sector.

OBJECTIVE 1.5

MINIMIZE THE IMPACT OF NOISE ON AFFECTED AREAS AND ENSURE GENERAL PLAN NOISE REQUIREMENTS ARE MET.

Noise, or unwanted sound, is an inherent component of urban living. While environmental noise can pose a threat to mental and physical health, potential health impacts can be avoided or reduced through sound land use planning. The careful analysis and siting of new land uses can help to ensure land use compatibility, particularly in zones which allow a diverse range of land uses. Traffic is the most important source of environmental noise in San Francisco. Commercial land uses also generate noise from mechanical ventilation and cooling systems, and through freight movement. Sound control technologies are available to both insulate sensitive uses and contain unwanted sound from noisy uses. The use of good urban design can help to ensure that noise does not impede access and enjoyment of public space.

The policies to address the objective above are as follows:

POLICY 1.5.1

Reduce potential land use conflicts by providing accurate background noise-level data for planning.

POLICY 1.5.2

Reduce potential land use conflicts by carefully considering the location and design of both noise generating uses and sensitive uses in the Mission.

OBJECTIVE 1.6**IMPROVE INDOOR AIR QUALITY FOR SENSITIVE LAND USES IN THE MISSION**

Exposure to air pollutants can pose serious health problems, particularly for children, seniors and those with heart and lung diseases. Sound land use planning aims to reduce air pollution emissions by co-locating complementary land uses, which helps to decrease automobile traffic and encourage walkability and by avoiding land use-air quality conflicts that can result in exposure to air pollutants. While there are numerous social, environmental and economic benefits associated with integrating land use and transportation, there is also a potential risk of exposing residents to poor indoor air quality when infill residential developments are located in close proximity to air pollution sources, including traffic sources such as freeways or major streets. Epidemiologic studies have consistently demonstrated that children and adults living in proximity to busy roadways have poorer health outcomes, including higher rates of asthma disease and morbidity and impaired lung development. Given increasing demands for housing, particularly affordable housing, and the limited amount of available and suitable land for housing in San Francisco, it is important that the review process for proposed development projects incorporate analysis and mitigation of air quality conflicts, particularly with respect to sensitive land uses such as housing, schools, daycare and medical facilities.

POLICY 1.6.1

Minimize exposure to air pollutants from existing traffic sources for new residential developments, schools, daycare and medical facilities.

OBJECTIVE 1.7**RETAIN THE MISSION'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION AND REPAIR (PDR) ACTIVITIES.**

It is important for the health and diversity of the city's economy and population that production, distribution and repair (PDR) activities find adequate and competitive space in San Francisco. PDR jobs constitute a significant portion of all jobs in the Mission. These jobs tend to pay above average wages, provide jobs for residents of all education levels, and offer good opportunities for advancement. However, they usually lease business space and are therefore subject to displacement. This is particularly important in the Mission as average household sizes tend to be larger and incomes lower than the rest of the city. Also, half of Mission residents are foreign born with two-thirds coming from Latin America and Mexico. Half of all Mission residents are of Latino heritage. About 45 percent of Mission residents speak Spanish at home. PDR businesses provide accessible jobs to many of these residents.

PDR is also a valuable export industry. PDR businesses that design or manufacture products in San Francisco often do so because of advantages unique to being located in the city. These export industries present an opportunity to grow particular PDR sectors, strengthening and diversifying our local economy. PDR also supports the competitiveness of knowledge industries by providing critical business services that need to be close, timely and often times are highly specialized.

Many PDR businesses form clusters, including arts activities, that are unique to San Francisco and provide services and employment for local residents. Establishing space for PDR activities that is protected from encroachment by other uses responds to existing policy set forth in the city's General Plan, particularly the Commerce and Industry Element, which includes the following pertinent policies:

- Seek to retain existing commercial and industrial activity and to attract new such activity to the city (Objective 2, Policy 1)
- Promote the attraction, retention, and expansion of commercial and industrial firms which provide employment improvement opportunities for unskilled and semi-skilled workers (Objective 3, Policy 1)
- Avoid public actions that displace existing viable industrial firms (Objective 4, Policy 3)
- When Displacement does occur, attempt to relocate desired firms within the city (Objective 4, Policy 4)
- Avoid encroachment of incompatible land uses on viable industrial activity (Objective 4, Policy 5)
- Maintain an adequate supply of space appropriate to the needs of incubator industries (Objective 4, Policy 11)

Generally, establishing areas for PDR businesses achieves the following:

1. Stabilizes activities that are susceptible to displacement including arts activities.
2. Stabilizes areas that contain concentrations of "blue collar", unskilled and semi-skilled jobs.
3. Helps to ensure the availability of jobs across all economic sectors, providing a wide range of employment opportunities for San Francisco's diverse population.

4. Ensures that there is space for activities important to meeting the city's everyday needs.
5. Ensures that there is space for businesses that support the city's wider economy and health.
6. Ensures that there is space for new business sectors to emerge, which helps San Francisco to maintain its role as a regional center.
7. Fosters a diverse economy, which helps to ensure the city's long-term economic vibrancy.

The policies as well as implementing actions to address the objective above are as follows:

POLICY 1.7.1

In areas designated for PDR, protect the stock of existing buildings used by, or appropriate for, PDR businesses by restricting conversions of industrial buildings to other building types and discouraging the demolition of sound PDR buildings.

POLICY 1.7.2

Ensure that any future rezoning of areas within PDR districts is proposed within the context of periodic evaluation of the city's needs for PDR space.

PDR districts proposed in this Plan were established to acknowledge and protect existing clusters of PDR activity and to provide an appropriate land supply to accommodate the city's need for PDR businesses into the foreseeable future. Land use needs change over time, but case-by-case rezoning of individual parcels or groups of parcels within larger PDR districts would disrupt the integrity of the districts. Proposed rezoning should only be considered in the context of an evaluation and monitoring report of the Eastern Neighborhoods Plans, to be conducted by the Planning Department at five-year intervals.

POLICY 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

Flexibly designed buildings with high floor to ceiling heights best accommodate the PDR businesses of today and tomorrow. Such spaces, equipped with roll-up doors or other large apertures, for example, facilitate the movement of goods and supplies.

Mission Generalized Zoning Districts

ADOPTED - August 2008

Sixteen Street Parcels

Allow more land use flexibility in this area. Encourage greater retail use on the ground floor of parcels in this area to take advantage of transit service and encourage more mixed uses, while protecting against the wholesale displacement of PDR uses.

Northeast Mission

Maintain the unique, mixed character of the Northeast Mission Industrial Zone. Protect PDR in some blocks by prohibiting residential development and limiting office and retail. Encourage housing and mixed use in other blocks, while enforcing mixed income housing rules for new residential development. Prohibit heavier industrial use in this area.

Mission-Valencia Corridor

On Mission and Valencia, encourage transit oriented neighborhood commercial with housing and/or small offices above. Relax density and parking requirements to acknowledge good transit service here. Along other major streets, encourage medium density residential development with limited neighborhood serving retail. Along small streets and alleys encourage low to medium density residential, in scale with these smaller spaces.

24th Street

Maintain the neighborhood commercial character of this smaller scale commercial street.

South Mission

Maintain the low to medium residential character of this area.

OBJECTIVE 1.8

MAINTAIN AND STRENGTHEN THE MISSION'S NEIGHBORHOOD COMMERCIAL AREAS

Mission Street is well served by Muni and has two BART stations, at 16th and 24th streets. Directing new development along neighborhood commercial streets in the area, such as Mission and Valencia streets, increases their vitality as neighborhood commercial areas and takes advantage of existing transit infrastructure. A tremendous amount of this vitality is due to the unique character of the Mission's neighborhood commercial areas, and that character should be encouraged and protected. Uses that are not community or neighborhood-serving should be managed in order to promote neighborhood serving and family-oriented businesses. To ensure compatibility with the existing scale of these areas, large lot development and lot mergers and business sizes should be carefully controlled. Because new zoning will allow for additional development capacity, more affordable housing should be required to address the needs of area residents and families.

The existing Mission alcoholic beverage controls, restricting new bars and liquor stores, cover most of the Mission district. However in sections of Mission Street adult entertainment and tourist hotels are currently permitted with conditional use approval. To promote more community serving businesses in the Mission, these uses should be prohibited in neighborhood commercial areas.

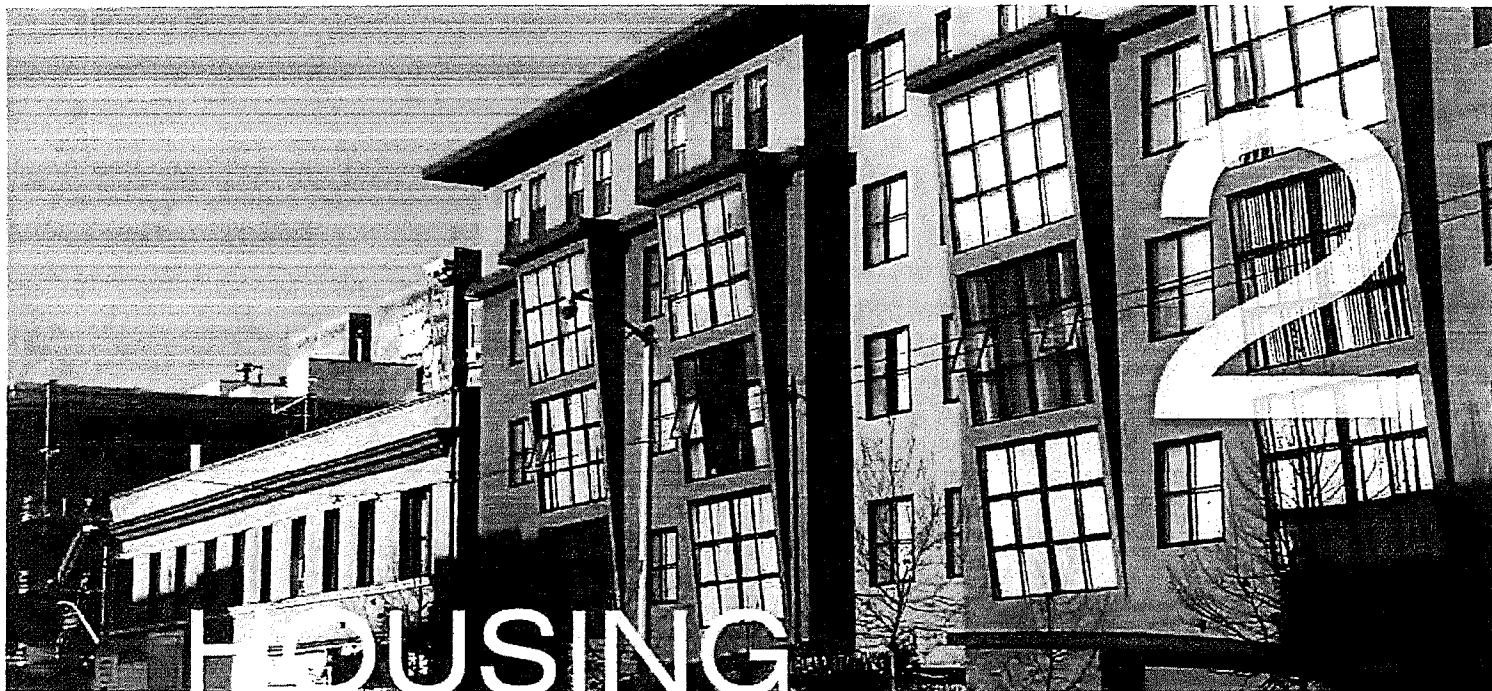
The policies to address the objective outlined above are as follows:

POLICY 1.8.1

Direct new mixed-use residential development to the Mission's neighborhood commercial districts to take advantage of the transit and services available in those areas.

POLICY 1.8.2

Ensure that the Mission's neighborhood commercial districts continue to serve the needs of residents, including immigrant and low-income households.



HOUSING

Historically the Mission has been a valuable source of affordable housing for immigrants and families. There are about 60,000 people living in the Mission district, about half of whom are foreign born, mostly from Central America and Mexico. Median household incomes are lower and household sizes about 30% larger in the Mission than the city as a whole, and this is particularly true for Latino households which, according to the 2000 census, have a median household size of 3.8 and a median household income of \$44,500. For the entire Mission, the median household size is 3 and the median income is \$48,227, whereas the citywide median household size is 2.3 and the median income is \$55,200. Although new housing continues to be constructed in the Mission, the majority of this housing is market-rate, owner-occupied and generally unaffordable to existing residents and families.

The production of affordable housing is one of the main goals of the Mission Area plan, in order to provide housing for neighborhood residents and others who are overburdened by their housing costs. "Affordable housing" refers simply to apartments or condominiums that are priced so as not to financially burden a household — housing costs that do not prevent individuals or families of any income level from affording other necessities of life, such as food, clothing, transportation and medical care. While the City has established affordability limits for individuals and families earning anywhere from about 30% to about 120% of the city's median income, even families beyond that threshold have difficulty affording housing in San Francisco.

What constitutes an affordable rent or mortgage is more specifically defined locally as a proportion of annual income for individuals and families. Households are categorized by income as very low-, low-, and moderate-income households based on their relation to the median income. (Median income is the level at which exactly half of the City's households are above and half are below.) According to the Mayor's Office of Housing, the median income for 2007 for a household with four members in San Francisco was \$80,319. Yet the substantial majority of market-rate homes for sale in San Francisco are priced out of the reach of low- and moderate-income households - less than 10% of households in the City can afford a median-priced home.

The City's Inclusionary Affordable Housing Program is one existing method by which the City produces several Below-Market-rate (BMR) units to families and individuals' earning below what is required to afford market prices. Under the amended 2006 Ordinance, market-rate developments of five units or more are required to include a mandatory fifteen percent of the project's total units as BMRs, which are affordable to low and moderate-income buyers (for rentals, people earning below 60 percent of median; for ownership units, people earning between 80 and 120 percent of median). Alternatively, developments may select an equivalent option of off-site development or payment of in-lieu fee.

However, this program only covers those earning up to 120 percent of median income, which in 2007 was \$96,400 for a household of four. Yet even families earning more than this have difficulty affording housing in San Francisco. Almost 30 percent of its households fall in the bracket of moderate and middle incomes. Housing for working households remains one of the City's greatest needs.

The Mission Area Plan strives to meet six key objectives surrounding housing production and retention:

1. The Plan strives to construct new housing affordable to people with a wide range of incomes via the rezoning of some of the City's industrial lands. It assists households at low- and very low-incomes through inclusionary and land dedication strategies. It aims to help people making above the 120% of median-income threshold for inclusionary housing but below the amount required to afford market-rate units, through "middle-income" development options.
2. The Plan strives to retain and improve existing housing, in recognition of the fact that sound existing housing is one of the most valuable sources of housing the City has.
3. The Plan ensures that residential development meets not only the affordability needs, but the other needs- unit size, number of bedrooms, community services and neighborhood amenities - to create a high quality of life for all individuals and families in the Eastern Neighborhoods.

4. The Plan aims to lower the costs of housing production to translate into lower-priced units, by increasing development capacity, enabling cost-effective construction and by recognizing that “time is money” in reducing unnecessary processes.
5. The Plan aims to promote health and well-being for residents, through well-designed, environmentally friendly neighborhoods and units.
6. The Plan aims to continue the City’s ongoing efforts to increase affordable housing and production, through increased funding available for affordable housing through City, state, federal and other sources.

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

The City of San Francisco has produced a significant number of market-rate units in the last five years, yet still has many units to produce at low, moderate and middle incomes if it is to meet the spectrum of need identified in the Housing Element of the General Plan. San Francisco’s Housing Element establishes the Plan Area, as well as the entirety of the Eastern Neighborhoods, as a target area in which to develop new housing to meet San Francisco’s identified housing targets in the category of low-, moderate- and middle-income units. A portion of the industrial lands of the Eastern Neighborhoods – areas formerly zoned for C-M, M-1, and M-2 , but not required to meet current PDR needs - offer an opportunity to zone areas to meet these identified categories of need.

In order to facilitate the housing production percentage targets identified in the Housing Element, this plan sets forth new zoning districts on formerly industrial lands that enable the production of the type of housing San Francisco needs. In these new zoning districts, affordable housing would be permitted as of right. However, not all sites will be appropriate for the development of 100% affordable housing projects, or are available for development.

In the area of the Mission generally known as the “Northeast Mission Industrial Zone” (NEMIZ) housing is permitted by conditional use according to the underlying industrial zoning. In recent years housing development has been restricted here by a series of interim policies from the Planning Commission and Board of Supervisors. Under the “mixed-income” housing requirements, in the formerly industrial zones, where market-rate housing was previously restricted, would be modified to allow developers a range of options to meet affordability needs. Those wishing to develop market-rate housing would be able to do so only under the following requirements:



1. Provide a high percentage of units affordable to very low-, low-, or moderate-income households on-site (through superinclusionary requirements, above and beyond the City's Inclusionary Program) in a mixed-income project. .
2. Dedicate land for the development of 100% affordable housing, available to very low- and low-income households.
3. Provide moderately affordable units on-site, as housing available to middle income households - those making below 150% of the median income.

Site developability in these areas will be increased by removal of density controls and in some cases through increased heights, to address the City's most pressing housing needs.

Single Resident Occupancy (SRO) units — defined by the Planning Code as units consisting of no more than one room at a maximum of 350 square feet - represent an important source of affordable housing in the Mission, representing about 9% of its housing stock. (There are an estimated 457 SRO Hotels in San Francisco with over 20,000 residential units, with most located in the Mission, Tenderloin, Chinatown, and South of Market). SRO units have generally been considered part of the city's stock of affordable housing, and as such, City law prohibits conversion of SROs to tourist hotels. SROs serve as an affordable housing option for elderly, disabled, and single-person households, and in recognition of this, the Plan adopts several new policies to make sure they remain a source of continued affordability. Therefore, SROs are permitted as a category of housing available to moderate, middle-income and low income households.. In recognition of the fact that SROs serve small households, the Plan

exempts SRO developments from meeting unit-mix requirements. In recognition of the fact that SROs truly are living spaces, and to prevent the kind of substandard living environments that can result from reduced rear yards and open spaces, this Plan requires that SROs adhere to the same rear yard and exposure requirements as other types of residential uses. Finally, the Plan calls for sale and rental prices of SROs to be monitored regularly to ensure that SROs truly remain a source of affordable housing, and that policies promoting them should continue.

The policies to address the objective above are as follows:



POLICY 2.1.1

Require developers in some formally industrial areas to contribute towards the City's very low-, low-, moderate- and middle-income needs as identified in the Housing Element of the General Plan.

POLICY 2.1.2

Provide land and funding for the construction of new housing affordable to very low- and low-income households.

POLICY 2.1.3

Provide units that are affordable to households at moderate and "middle incomes" – working households earning above traditional below-market-rate thresholds but still well below what is needed to buy a market-priced home, with restrictions to ensure affordability continues.

POLICY 2.1.4

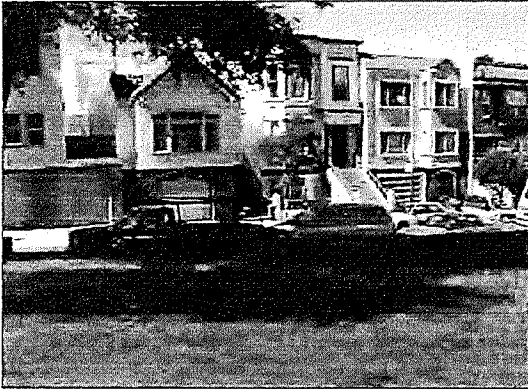
Allow single-resident occupancy hotels (SROs) and "efficiency" units to continue to be an affordable type of dwelling option, and recognize their role as an appropriate source of housing for small households.

OBJECTIVE 2.2

RETAIN AND IMPROVE EXISTING HOUSING AFFORDABLE TO PEOPLE OF ALL INCOMES

The existing housing stock is the City's major source of relatively affordable housing. The Eastern Neighborhoods' older and rent-controlled housing has been a long-standing resource for the City's lower and middle income families. Priority should be given to the retention of existing units as a primary means to provide affordable housing.

Demolition of sound existing housing should be limited, as residential demolitions and conversions can result in the loss of affordable housing. The General Plan discourages residential demolitions, except where they would result in replacement housing equal to or exceeding that which is to be demolished. The Planning Code and Commission already maintain policies that generally require conditional use authorization or



discretionary review wherever demolition is proposed. In the Eastern Neighborhoods, policies should continue requirements for review of demolition of multi-unit buildings. A permit to demolish a residence cannot be issued until the replacement structure is approved. When approving such a demolition permit and the subsequent replacement structure, the Commission should review levels of affordability and tenure type (e.g. rental or for-sale) of the units being lost, and seek replacement projects whose units replaced meet a parallel need within the City. The goal of any change in existing housing stock should be to ensure that the net addition of new housing to the area offsets the loss of affordable housing by requiring the replacement of existing housing units at equivalent prices.

The rehabilitation and maintenance of the housing stock is also a cost-effective and efficient means of insuring a safe, decent housing stock. A number of cities have addressed this issue through housing rehabilitation programs that restore and stabilize units already occupied by low-income households. While the City does have programs to finance housing rehabilitation costs for low-income homeowners, it could expand this program to reach large-scale, multi-unit buildings. Throughout the project area, the City could work to acquire and renovate existing low-cost housing, to ensure its long-term affordability.

The policies to address the objective above are as follows:

POLICY 2.2.1

Adopt Citywide demolition policies that discourage demolition of sound housing, and encourage replacement of affordable units.

POLICY 2.2.2

Preserve viability of existing rental units.

POLICY 2.2.3

Consider acquisition of existing housing for rehabilitation and dedication as permanently affordable housing.

POLICY 2.2.4

Ensure that at-risk tenants, including low-income families, seniors, and people with disabilities, are not evicted without adequate protection.

OBJECTIVE 2.3

ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES.

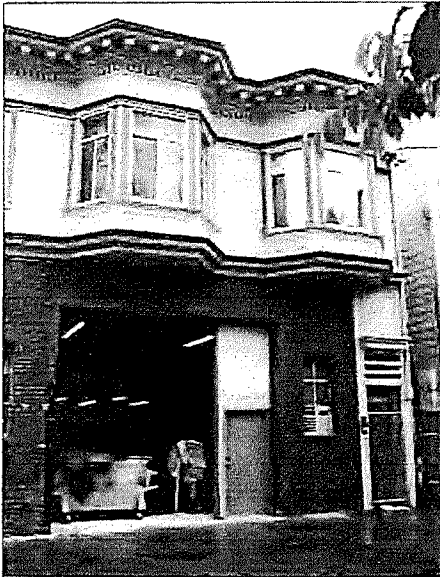
According to the Eastern Neighborhoods Socioeconomic Rezoning Impacts analysis, the Mission has a high concentration of family households relative to the rest of the city and even to other areas in the Eastern Neighborhoods. Close to 50 percent of all households in the Mission are family households, over 22 percent are households with children, and just fewer than 20 percent of the total population in the Mission are children under 18 years of age.

Household size also tends to be greater in the Mission, with households with four or more people constituting a large percentage – 20 percent of households – while the share of housing units with one bedroom or no bedrooms is above 50 percent of all units in the area. Therefore, the Mission, which claims more than half of the Eastern Neighborhoods housing stock, shows the greatest mismatch between housing type and housing need. Overcrowding, defined by the U.S. Census bureau as more than one person per room, and severe overcrowding (more than 1.5 persons per room) is also greatest – over 6 percent overcrowded and 15 percent severe – in the Mission.

The need for housing in the Mission covers the full range of tenure type (ownership versus rental) and unit mix (small versus large units). While there is a market for housing at a range of unit types, recent housing construction has focused on the production of smaller, ownership units. Policies in this plan are aimed to correcting this imbalance, in order to better serve families and renters. The Housing Element of the city's General Plan recognizes that rental housing is often more affordable than for-sale housing, and existing city policies regulate the demolition and conversion of rental housing to other forms of occupancy. New development in the Mission area should ensure that rental opportunity is available for new residents as well.

To try to achieve more family friendly housing, the Plan makes several recommendations. New development will be required to include a significant percentage of units with two or more bedrooms (SROs and senior housing will be exempted from this requirement). Family-friendly design should incorporate design elements such as housing with private entrances, on-site open space at grade and accessible from the unit, inclusion of other play spaces such as wide, safe sidewalks, on-site amenities such as children's recreation rooms or day-care. The Planning Department can also encourage family units by drafting family-friendly guidelines to guide its construction, and by promoting projects which include multi-bedroom housing located in close proximity to schools, day-care centers, parks and neighborhood retail. Projects that met such guidelines could be provided faster processing time, including streamlined processing.

One of the key priorities of the Mayor's Office of Housing is expanding the stock of family, rental housing, with particular emphasis on very low and extremely low-income families. The Plan encourages the Mayor's Office to maintain this priority in funding



100% affordable housing developments that provide safe, secure housing with multiple bedrooms and family-oriented amenities such as play areas and low-cost child care.

In addition to the type of housing constructed, it is important to consider the services and amenities available to residents – transit, parks, child care, library services, and other community facilities. Many parts of the Eastern Neighborhoods are already underserved in many of these categories; and the lower income, family-oriented households of these neighborhoods, more than any other demographic, have a need for these services. The Plan aims to improve the neighborhoods, and to meet the needs that new residential units in the Eastern Neighborhoods will create, including increased demands on the area's street network, limited open spaces, community facilities and services. New development will be required to contribute towards improvements that mitigate their impacts. The resulting community infrastructure, constructed through these funds and through other public funding, will benefit all residents in the area.

The public benefits funds generated will support improvements to community infrastructure, including parks, transit, child care, libraries, and other community facilities needed by all new residents, but particularly needed by lower-income residents and families. Often, affordable housing exists in areas with poor neighborhood quality of life, poor access to transit and unreliable neighborhood services; yet the lower income households, more than any other demographic, have a need for these services. The public benefit policies intended to mitigate new development's impacts will, in cooperation with other public funding, ensure that not only new housing, but also existing affordable housing, receives the community infrastructure a good neighborhood needs

The policies to address the objective above are as follows:

POLICY 2.3.1

Target the provision of affordable units for families.

POLICY 2.3.2

Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.

POLICY 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

POLICY 2.3.4

Encourage the creation of family supportive services, such as childcare facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.

POLICY 2.3.5

Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

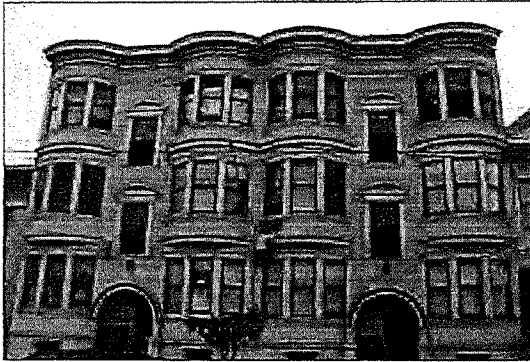
POLICY 2.3.6

Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

OBJECTIVE 2.4**LOWER THE COST OF THE PRODUCTION OF HOUSING**

There is a demonstrated need to reduce the overall cost of housing development and therefore reduce rental rates and purchase prices. Revising some requirements associated with housing development and expediting processing can help lower costs. The city's current minimum parking requirement, for example, is a significant barrier to the production of housing, especially affordable housing. In much of the housing built under current parking requirements, the cost of parking is included in the cost of owning or renting a home, requiring households to pay for parking whether or not they need it. As part of an overall effort to increase housing affordability in the Plan Area, costs for parking should be separated from the cost of housing and, if provided, offered optionally.

There are a number of design and construction techniques that can make housing "affordable by design" – efficiently designed, less costly to construct, and therefore less costly to rent or purchase. For example, forgoing structured parking can significantly reduce construction costs. Thus, as part of this Plan, parking requirements will be revised to allow, but not require parking. This provision will allow developers to build a reasonable amount of parking if desired and if feasible while meeting the Plan's built form guidelines. Small infill projects, senior housing projects or other projects that may desire to provide fewer parking spaces would have the flexibility to do so. Also, conventionally framed low-rise construction is less costly than high-rise construction requiring steel and concrete. City actions including modifying zoning and building code requirements to enable less costly construction, as well as encouraging smaller room sizes and units that include fewer amenities or have low-cost finishes while not yielding on design and quality requirements can facilitate these techniques.



Finally, the approval process for housing can be simplified, to reduce costs associated with long, protracted approval periods. Discretionary processes such as Conditional Use authorizations, and mandatory (i.e. non community initiated) Discretionary Review, should be limited as much as possible while still ensuring adequate community review. Provisions within CEQA should be used to enable exemptions or reduced review, including reduced traffic analysis requirement for urban infill residential projects.

The policies to address the objective above are as follows:

POLICY 2.4.1

Require developers to separate the cost of parking from the cost of housing in both for sale and rental developments.

POLICY 2.4.2

Revise residential parking requirements so that structured or off-street parking is permitted up to specified maximum amounts in certain districts, but it is not required.

POLICY 2.4.3

Encourage construction of units that are "affordable by design."

POLICY 2.4.4

Facilitate housing production by simplifying the approval process wherever possible.

OBJECTIVE 2.5

PROMOTE HEALTH THROUGH RESIDENTIAL DEVELOPMENT DESIGN AND LOCATION

Well-planned neighborhoods - those with adequate and good quality housing; access to public transit, schools, and parks; safe routes for pedestrians and bicyclists; employment for residents; and unpolluted air, soil, and water - are healthy neighborhoods. Quality living environments in such neighborhoods have been demonstrated to have an impact on respiratory and cardiovascular health, reduce incidents of injuries, improve physical fitness, and improve social capital, by creating healthy social networks and support systems.

Housing in the plan area should be designed to meet the physical, social and psychological needs of all and in particular, of families with children. Housing should also be designed to meet high standards for health and the environment. Green structures which use natural systems have better lighting, temperature control, improved ventila-

tion and indoor air-quality which contribute to reduced asthma, colds, flu and absenteeism. Also, health-based building guidelines can help with health and safety issues such as injury & fall prevention; pest prevention; and general sanitation.

To promote health at the neighborhood level, the San Francisco Department of Public Health has facilitated the multi-stakeholder Eastern Neighborhoods Community Health Impact Assessment (ENCHIA) to produce a vision for a healthy San Francisco as well as health objectives, measures, and indicators. The Department of Public Health (DPH) has worked with the Planning Department and other city agencies to assess the impacts, both positive and negative, of new development, and many aspects of this plan reflect those efforts.

The policies are as follows:

POLICY 2.5.1

Consider how the production of new housing can improve the conditions required for health of San Francisco residents.

POLICY 2.5.2

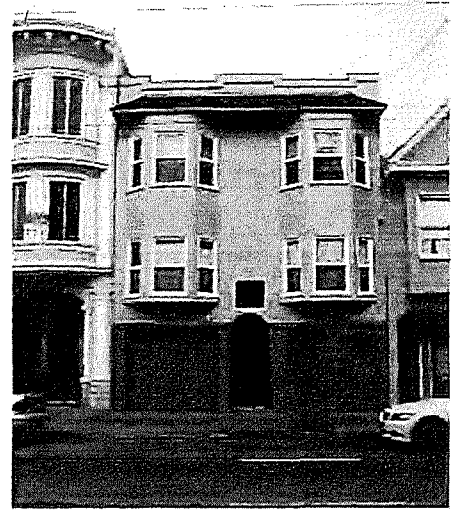
Develop affordable family housing in areas where families can safely walk to schools, parks, retail, and other services.

POLICY 2.5.3

Require new development to meet minimum levels of “green” construction.

POLICY 2.5.4

Provide design guidance for the construction of healthy neighborhoods and buildings.



OBJECTIVE 2.6

CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND AVAILABILITY

The City already has programs in place to increase access and production of affordable housing, primarily through the Mayor's Office of Housing. These existing programs, such as the inclusionary housing program, should be promoted and strengthened where economically feasible. Current city programs such as the second mortgage loans, first-time homebuyer, and down payment assistance programs should be promoted and expanded. To encourage private renovation of existing housing by low-income homeowners, programs that provide low-cost credit and subsidies to homeowners for the repair of code violations and target such subsidies to low-income households,

especially families and seniors, should be initiated. And new models that reduce housing costs, such as limited equity models, location efficient mortgages and community land trusts, should be explored. Finally, programs, incentives and funding to increase housing production outside of the Mayor's Office of Housing should be pursued, such as developer-supported housing initiatives, for-profit and non-profit developer partnerships as well as employer subsidies for workforce housing.

In addition, there are a number of Citywide policies that can be modified to recognize population needs and growth. Units that are nonconforming or illegal, such as accessory units or housing in nonresidential structures, are often sources of affordable housing, and the City should continue to explore ways of legalizing such units. One prime example is live-work units, which as nonconforming units are limited in expansion. The City could enable live/work units to conforming status as a residential unit, provided they meet planning and building code requirements for residential space and pay retroactive residential development fees, e.g. school fees, as well as new impact fees that are proposed as part of this area plan. Finally, the City should work outside of the planning process to support affordable housing through citywide initiatives, such as housing redevelopment programs, and employer subsidies for workforce housing.

The City should continue to work for increased funding towards its programs, utilizing outside sources such as state and regional grant funding as well as new localized sources. Property transfer taxes, tax increment, and City prioritization all offer potential dedicated funding streams that can provide needed revenue to the continued need for affordable housing.

POLICY 2.6.1

Continue and strengthen innovative programs that help to make both rental and ownership housing more affordable and available.

POLICY 2.6.2

Explore housing policy changes at the citywide level that preserve and augment the stock of existing rental and ownership housing.

POLICY 2.6.3

Research and pursue innovative revenue sources for the construction of affordable housing, such as tax increment financing, or other dedicated City funds.



BUILT FORM

The many cultures, land uses, architectural styles, street grids and street types that exist within the Mission neighborhood define its character and set it apart from other areas of San Francisco. Indeed it is the coexistence and commingling, at times chaotic, of all these different elements that attracts most residents to the Mission. Urban design is central to defining how such a diverse physical and social environment is able to function, and will determine whether new additions contribute to, or detract from, the neighborhood's essential character.

The main purpose of this chapter is to strengthen the current character of the neighborhood, while allowing new development to positively contribute in an original way to the quality of life of residents, visitors and workers. The three main elements addressed here are height, architectural design and the role of new development in supporting a more ecologically sustainable urban environment. The policies and guidelines in this chapter will help to harmonize the old and the new. Where it is appropriate from an urban design and city building perspective, increase heights in those areas that are expected to see significant new development or that ought to have increased heights to support the city's public transit infrastructure. The design of streets and sidewalks, an equally critical element in creating sustainable and enjoyable neighborhoods, is addressed in the Street and Open Space chapter of this Plan.

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

The Mission is one of the city's most distinctive neighborhoods. To maintain this unique character in the face of new development we must ensure that buildings are of high-quality design and that they relate well to historic and surrounding structures. We must also ensure that new buildings enhance the quality of place and that ensure the neighborhood's long-term livability and a compelling relationship to the rest of the city.

Specific policies and design guidelines to address the objective above are as follows:

POLICY 3.1.1

Adopt heights that are appropriate for the Mission's location in the city, the prevailing street and block pattern, and the anticipated land uses, while preserving the character of its neighborhood enclaves.

POLICY 3.1.2

The design of new, mixed-use infill development in the Northeast Mission Industrial Zone (NEMIZ) should strengthen the area's industrial character through appropriate materials, massing, and setback.

The tight integration of light industrial, mixed-use and residential buildings makes the NEMIZ a unique area in the city. All new development needs to strengthen the area's traditional industrial character by choosing quality materials and finishes compatible with the existing fabric and by designing within a building envelope that is consistent with the surrounding context. New development should also recognize the building's responsibility to provide architecturally interesting ground floors that contribute to, and not detract from, the pedestrian experience.

POLICY 3.1.3

Relate the prevailing heights of buildings to street and alley width throughout the Plan Area.

Generally, the height of buildings is set to relate to street widths throughout the Plan Area. An important urban design tool in specific applications is to frame streets with buildings or cornice lines that roughly reflect the street's width. A core goal of the height districts is to create an urban form that will be intimate for the pedestrian, while improving opportunities for cost-effective housing and allowing for pedestrian-supportive ground floors.

POLICY 3.1.4

Heights should also reflect the importance of key streets in the city's overall urban pattern, such as Mission and Valencia streets, while re-

specting the lower scale development that typifies much of the established residential areas throughout the Plan Area.

Generally, the prevailing height of buildings is set to relate to street widths throughout the Plan Area. Height should also be used to emphasize key transit corridors and important activity centers. A primary intent of the height districts is to provide greater variety in scale and character while maximizing efficient building forms and enabling gracious ground floors.

The scale of development and the relationship between street width and building height offer an important orientation cue for users by indicating a street's relative importance in the hierarchy of streets, as well as its degree of formality. Taller buildings with more formal architecture should line streets that play an important role in the city's urban pattern.

POLICY 3.1.5

Respect public view corridors. Of particular interest are the east-west views to the Twin Peaks and Potrero Hill, south views to Bernal Hill, and several views towards the downtown.

San Francisco's natural topography provides important wayfinding cues for residents and visitors alike, and views towards the hills or the bay enable all users to orient themselves vis-à-vis natural landmarks. Further, the city's striking location between the ocean and the bay, and on either side of the ridgeline running down the peninsula, remains one of its defining characteristics and should be celebrated by the city's built form.

POLICY 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

Infill development should always strive to be the best design of the times, but should do so by acknowledging and respecting the positive attributes of the older buildings around it. Therefore, the new should provide positive additions to the best of the old, and not merely replicate the older architecture styles.

POLICY 3.1.7

Attractively screen rooftop HVAC systems and other building utilities from view.

POLICY 3.1.8

New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.

POLICY 3.1.9

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

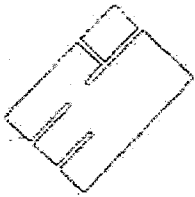
Important historic buildings cannot be replaced if destroyed. Their rich palette of materials and architectural styles imparts a unique identity to a neighborhood and provides valuable additions to the public realm. The Mission, as do the other inner-ring neighborhoods with an industrial past, demonstrates how adaptive reuse of historic buildings can provide a unique, identifiable, and highly enjoyed public place. Historic or otherwise notable buildings and districts should be celebrated, preserved in place, and not degraded in quality. See the Historic Preservation section of this area plan for specific preservation policies.

POLICY 3.1.10

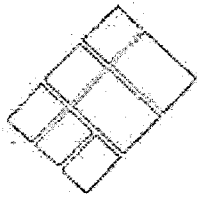
After results are obtained from the historic resources surveys, make necessary adjustments to these built form guidelines to ensure that new structures, particularly in historic districts, will be compatible with the surrounding historic context.

POLICY 3.1.11

Establish and require height limits along alleyways to create the intimate feeling of an urban room.



Introducing through-alleys is an important part of a dynamic pedestrian network along otherwise large blocks.



The alleyway network in the Mission offers residents and visitors the opportunity to walk through one of the most intimately-scaled environments in San Francisco. This feeling of intimacy is established by carefully balancing building height and setbacks so as to ensure a sense of enclosure, while not overwhelming the senses.

Heights at the property line along both sides of alleys should be limited. In general, building height at the property line must not exceed 1.25 times the width of the alley. Above this height, a minimum 10-foot setback is required to maintain the appropriate and desired scale.

POLICY 3.1.12

Establish and require height limits and upper story setbacks to maintain adequate light and air to sidewalks and frontages along alleys.

The narrowness of many of the Mission's alleyways requires that development along them be carefully sculpted to proper proportions and to ensure that adequate light and air reach them and the frontages along them.

In addition to the building height and setback requirements stated in Policy 3.1.10 above, the building height at the property line along the south side of east-west alleys, building

height must be setback so as to ensure a 45-degree sun access plane, as extended from the property line on the opposite side of the street to the top corner of each story.

Along both north-south and east-west alleyways, setbacks are not required for the first 60 linear feet of the alley from the adjoining major street, as measured from the property line along the major street, so as to allow a proper streetwall along that street.

POLICY 3.1.13

Architectural design should be used to highlight publicly important views generated by shifts in the street grid or the termination of a street at a T-intersection.

The evolution of the city's built fabric presents important opportunities to increase visual interest and create a special identity for the neighborhood. As one moves through the neighborhood, unexpectedly coming upon a view that terminates in a building designed to a higher standard generates an image unique to that place, while also helping to create a special connection to the built environment.

OBJECTIVE 3.2

**PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER
THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND
SAFE PUBLIC REALM**

Achieving an engaging public realm for the Mission is essential. While visual interest is key to a pedestrian friendly environment, current development practice does not always contribute positively to the pedestrian experience, and many contemporary developments detract from it. Seeing through windows to the activities within – be they retail, commercial, or PDR – imparts a sense of conviviality that blank walls or garage doors are unable to provide. Visually permeable street frontages offer an effective and engaging nexus between the public and private domains, enlivening the street, offering a sense of security and encouraging people to walk. Where there are residential uses, seeing the activities of living is key, represented by stoops, porches and entryways, planted areas, and the presence of windows that provide “eyes on the street.”

Specific policies and design guidelines to address the objective above are as follows:

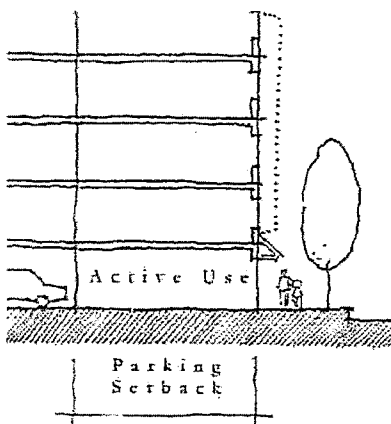
POLICY 3.2.1

Require high quality design of street-facing building exteriors.

- A. Provide strong, repeating vertical articulation on new buildings, especially those with large street frontages, to achieve the visual interest necessary to sustain pedestrian interest and activity. Avoid undifferentiated massing longer than 25 feet on residential streets or alleys, and 40 feet on all other streets. Such vertical articulation as this cannot be satisfactorily achieved by minor changes such as change of color alone.

- B. For vertically mixed-use buildings, changes in use should be visually differentiated through changes in material, scale, setback or other means, and not solely by color.
- C. Building openings and fenestration should represent the uses behind them, minimize visual clutter, harmonize with prevailing conditions, and provide architectural interest. Windows should have a minimum recess of 3 inches, generally should be oriented, and open, vertically, and the frames should not be made of vinyl.
- D. Use authentic, materials with a substantial appearance, including wood, masonry, ceramic tile, pre-cast concrete or integrated stucco. Avoid using inauthentic materials, in particular those that have the appearance of thin veneer or attachment, such as EIFS or tilt-up panels. If used, inauthentic materials should not be the dominant façade material, and should not be used for detailing or ornamentation.
- E. Brick, stone, tile, veneers or applied materials should terminate logically and strongly, such as by wrapping corners and terminating at architectural modulations, articulations, frames or other features, so that they don't appear superficially affixed to the façade.
- F. Blank or blind frontages at the ground floor are highly discouraged and should be minimized wherever possible. Where necessary, frontages used for utilities, storage, refuse collection and other activities should be integrated into the overall articulation and fenestration of the façade, or be masked by landscaping or other design features where active uses are not possible.
- G. Extended blank or blind frontages are not permitted along Transit Preferential Streets as defined in the General Plan, and within the 6th Street neighborhood commercial transit district, even if alternative street or alley frontage is not available.

At-grade parking must be wrapped with at least 15 feet of active uses, such as retail or PDR.



POLICY 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

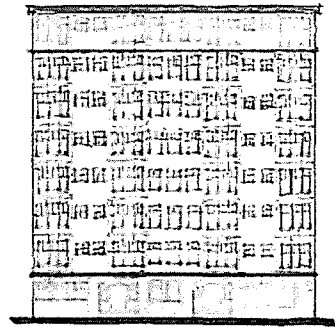
A. Maximize interior clear ceiling heights for ground floor retail or PDR uses. Where height districts end in five feet, such as 45', 55', 65', and 85', interior ground floor clear ceiling heights should maximize a fifteen foot envelope. This additional height will increase the flexibility of the space and improve its long-term viability.

B. Ground-level facades should be 75% transparent to permit a clear view inwards from the street and should not be tinted. Post construction alterations, such as retail displays, should not obscure the clear view.

POLICY 3.2.3

Minimize the visual impact of parking.

- A. Where off-street parking is provided, placing it underground should be encouraged wherever site conditions allow, and especially for development on lots exceeding 5,000 square feet. Underground parking should be consolidated for multiple properties, where opportunities arise, thereby reducing the average cost of construction and minimizing the number of curb cuts and garage entrances.
- B. At grade parking is strongly discouraged. Where at-grade parking is necessary, it should be wrapped with a minimum of 15 feet of active use, such as residential, retail, or PDR on both the primary and secondary street frontages, except for the minimum frontage required for fire doors and parking access.
- C. For development with no more than 20 units, parking access should be provided by a single door not exceeding 8 feet. Where lot dimensions require separate ingress and egress, individual doors and driveways should not exceed a width of eight feet and should be separated by one foot.
- D. For developments with more than 20 residential units but less than 100 residential units, individual doors and driveways should not exceed a width of 8 feet for ingress and 8 feet for egress, separated by one foot, and should not be widened to allow for off-street loading. Combined ingress and egress should not exceed 16 feet. More than one ingress and one egress or one combined ingress/egress access point should be discouraged.
- E. For developments with 100 residential units or more, individual doors and driveways should not exceed a width of 8 feet for ingress and 8 feet for egress for auto parking, separated by one foot, and 10 feet for ingress and 10 feet for egress for joint parking and loading. Based on the conditions above, a combined ingress and egress should not exceed 20 feet. More than one ingress and one egress or one combined ingress/egress access point should be discouraged.
- F. The number of curb cuts should be kept to an absolute minimum, with no more than one lane for ingress and one lane for egress, regardless of the total amount of parking proposed. Parking and loading should share access lanes, wherever possible, rather than requiring separate doors and driveways.
- G. Curb cuts are prohibited on Transit Priority Streets (TPS), along Valencia Street, and on 24th Street through the neighborhood retail district, even if alternative street or alley frontage is not available.
- H. Where a building has two frontages, parking entrances, loading docks, bays, and auxiliary service entrances should be accessed from secondary streets, and their visual impact on the neighborhood should be minimized.



Buildings should have a clear bottom, middle and top. The building exterior of floors with retail or PDR uses should be differentiated visually from residential floors.

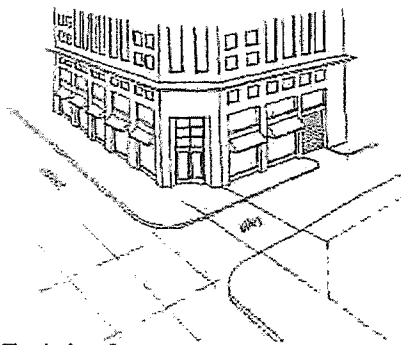


Parking infrastructure should not be noticeable from the street. The above building shows how insubstantial materials and observable parking infrastructure can degrade the pedestrian experience on the street.

POLICY 3.2.4

Strengthen the relationship between a building and its fronting sidewalk.

- A. Blank and blind walls at the ground floor are highly discouraged and should be minimized. Building frontage should not be used for utilities, storage, and refuse collection wherever possible; where this function must be on the street, landscaping and other well-integrated design features shall be used to enhance the street frontage.
- B. Ground-floor units should be primarily accessed directly from the public way, and not through common corridors or lobbies. Upper story units should connect to a lobby entry that opens directly onto the public way. Where possible, units should not be accessed only from an interior courtyard.
- C. The individual entrances to ground-floor units should be set back 3-5 feet but no more than 10 feet from the street-fronting property line, and should be at least 18 inches, and ideally 3 feet, above sidewalk level.
- D. All setback areas should maximize landscaping opportunities.
- E. Utility vaults and access panels should be placed in driveway curb cuts so as to prevent blank building frontages and to ensure that sidewalk planting opportunities for street trees and landscaping are not limited.
- F. Physically intimidating security measures such as window grills or spiked gates should be avoided; security concerns should be addressed by creating well-lit, well-used streets and active residential frontages that encourage "eyes on the street."



The design of corner buildings should relate to the civic significance of intersections.

POLICY 3.2.5

Building form should celebrate corner locations.

- A. In use, design and entry, orient buildings towards corners.
- B. Major entrances should be located at corners, but primary residential entrances can be located away from the corner to prevent congestion.
- C. Architectural features and detailing including towers, bays, and copulas at the corner are strongly encouraged.

POLICY 3.2.6

Sidewalks abutting new developments should be constructed in accordance with locally appropriate guidelines based on established best practices in streetscape design.

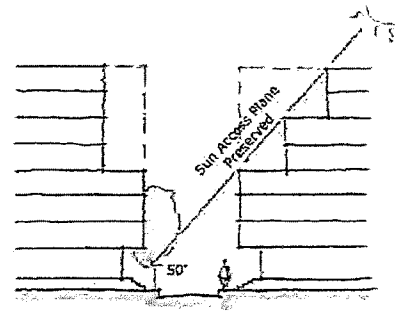
In dense neighborhoods such as the Mission, streets can provide important and valued additions to the open space network, offering pleasurable and enjoyable connections for people between larger open spaces.

San Francisco's Better Streets Plan will provide guidance on how to improve the overall urban design quality, aesthetic character, and ecological function of the city's streets while maintaining the safe and efficient use for all modes of transportation.

POLICY 3.2.7

Strengthen the pedestrian network by extending alleyways to adjacent streets or alleyways wherever possible, or by providing new publicly accessible mid-block rights of way.

- A. Developments on properties with 200 or more feet of street frontage on a block face longer than 400 feet should provide a minimum 20-foot-wide publicly accessible mid-block right of way and access easement for the entire depth of the property, connecting to existing streets or alleys.
- B. Developments on properties with 200 feet or more, but less than 300 feet of street frontage should be encouraged to provide a minimum 20-foot wide publicly accessible easement where doing so would reconnect an alley with an adjacent street or another alley.
- C. Developments on properties with 100 feet or more, but less than 200 feet of street frontage in the middle one-third of a block face longer than 400 feet where the adjacent property has the potential to do likewise, should be encouraged to provide a minimum 10-foot-wide publicly accessible mid-block right of way and access easement for the entire depth of the property, connecting to existing streets or alleys.



Maintaining a pleasurable pedestrian environment along the street is an important element of the plan.

POLICY 3.2.8

Recognize the distinctive Mission murals and expand the opportunities for new murals as well as other public art by providing space such as visible and publicly accessible walls in new construction adjacent to or near the murals to allow for these art traditions to thrive and continue, and by ensuring new construction does not obstruct, demolish, damage or otherwise diminish the Mission murals and other public art.

POLICY 3.2.9

Preserve sunlight access to BART plazas.

OBJECTIVE 3.3

PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA

Given the reality of global climate change, it is essential that cities, and development within those cities, limit their individual and collective ecological footprints. Using sustainable building materials, minimizing energy consumption, decreasing storm water runoff, filtering air pollution and providing natural habitat are ways in which cities and buildings can better integrate themselves with the natural systems of the landscape. These efforts have the immediate accessory benefits of improving the overall aesthetic character of neighborhoods by encouraging greening and usable public spaces and reducing exposure to environmental pollutants.

Specific policies and design guidelines to address the objective above are as follows:

POLICY 3.3.1

Require new development to adhere to a new performance-based ecological evaluation tool to improve the amount and quality of green landscaping.

The San Francisco Planning Department, in consultation with the Public Utilities Commission, is in the process of developing a green factor. The green factor will be a performance-based planning tool that requires all new development to meet a defined standard for on-site water infiltration, and offers developers substantial flexibility in meeting the standard. A similar green factor has been implemented in Seattle, WA, as well as in numerous European cities, and has proven to be a cost-effective tool, both to strengthen the environmental sustainability of each site, and to improve the aesthetic quality of the neighborhood. The Planning Department will provide a worksheet to calculate a proposed development's green factor score.

POLICY 3.3.2

Discourage new surface parking lots and explore ways to encourage retrofitting existing surface parking lots and off-street loading areas to minimize negative effects on microclimate and stormwater infiltration. The city's Stormwater Master Plan, upon completion, will provide guidance on how best to adhere to these guidelines.

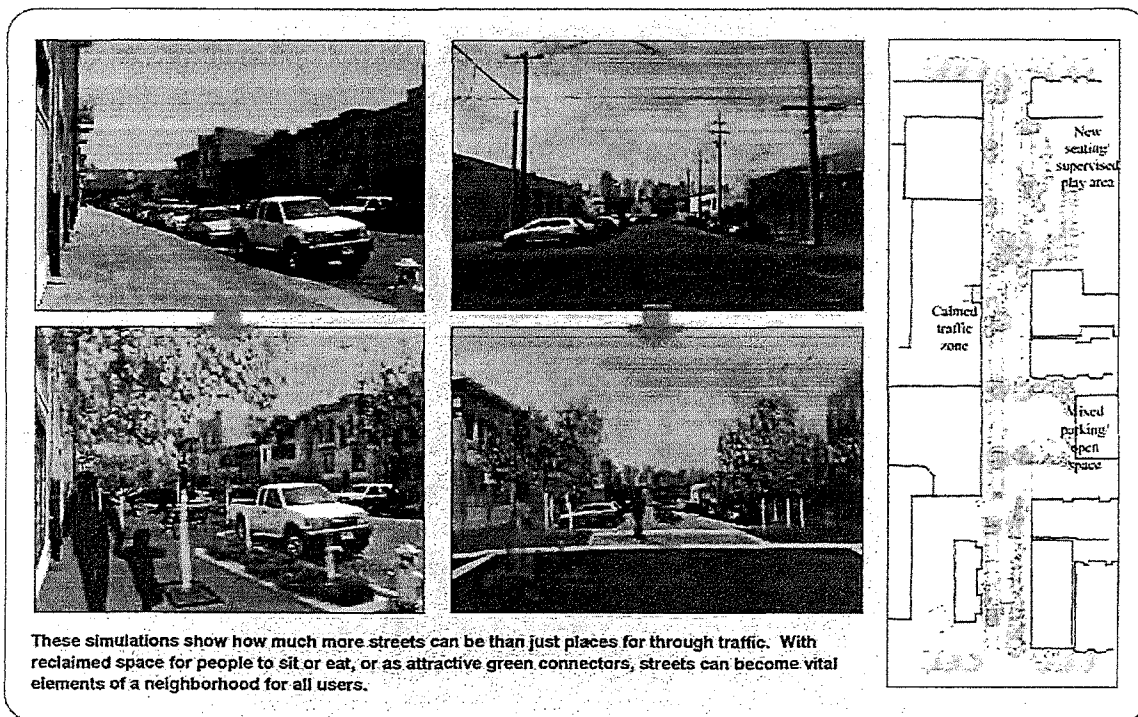
POLICY 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

POLICY 3.3.5

Compliance with strict environmental efficiency standards for new buildings is strongly encouraged.

The positive relationship between building sustainability, urban form, and the public realm has become increasingly understood as these buildings become more commonplace in cities around the world. Instead of turning inwards and creating a distinct and disconnected internal environment, sustainable buildings look outward at their surroundings as they allow in natural light and air. In so doing, they relate to the public domain through architectural creativity and visual interest, as open, visible windows provide a communicative interchange between those inside and outside the building. In an area where creative solutions to open space, public amenity, and visual interest are of special need, sustainable building strategies that enhance the public realm and enhance ecological sustainability are to be encouraged.





TRANSPORTATION

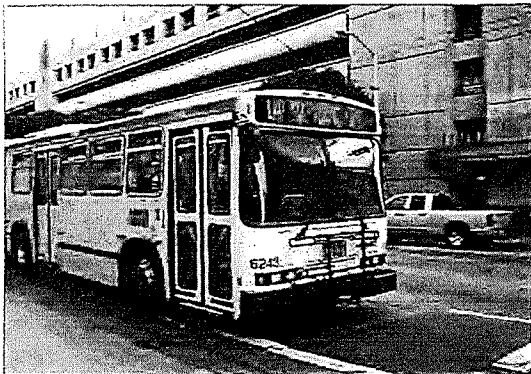
The Mission District's compact built environment and its varied mix of uses make walking, bicycling and public transit attractive, high-demand transportation modes. Abundant transit options (local and regional), vibrant, pedestrian-scale commercial corridors (Mission Street, Valencia Street and 24th Street) and a popular network of bicycle lanes and routes make the Mission a great neighborhood to get around in without a car. The vision for an improved transportation system within the Mission District includes improvements for all modes, especially pedestrians and transit. Efforts to improve transit speed, reliability and the safety of pedestrians and bicyclists should not obstruct the loading and circulation needs of vehicles supporting the Mission's PDR business activities.

OBJECTIVE 4.1

IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN THE MISSION

The Mission's several Muni lines and two BART stations make it an important local and regional transit hub. Commuters, residents and visitors from San Francisco and throughout the Bay Area pour in and out of the BART Stations at both 16th Street and 24th Street each morning and evening. Muni's 14 and 49 buses which run along Mission Street carry almost 40,000 riders every day. The 48, 22, 33, and 9 bus lines also serve the Plan Area. Enhancements to existing transit service that improve speed

Note: The following Transportation objectives and policies relate specifically to the transportation system. Objectives and policies related to physical street design can be found in the Streets and Open Space chapter.



and reliability should be made to reinforce the neighborhood's existing transit orientation.

Mission Street, 16th Street and Potrero Avenue stand out as desirable corridors to be considered for high-level transit improvements. These streets are called out in the San Francisco Municipal Transportation Agency's (SFMTA) *A Vision for Rapid Transit in San Francisco* (2002) as corridors important to long-range transit planning. New bus rapid transit (BRT) service, transit signal priority, transit-only lanes, and/or lengthened distances between stops are some tools that should be explored further.

The role of 16th Street as a key east-west transit corridor continues to grow as new development in the Eastern Neighborhoods and Mission Bay takes shape. Sixteenth Street is the only street that provides a continuous uninterrupted connection between the Mission, Showplace Square, Mission Bay and the eastern waterfront. It is also provides a critical link between local (Muni Third Street Light Rail) and regional transit (16th Street BART). The planned rerouting of the #22 bus down the full length of 16th Street to Mission Bay will help establish a major cross-town route in this developing area. Transit improvements for the 16th Street corridor are needed to accommodate increased transit service and to ensure transit vehicles are not crippled by congestion. Collaborative planning between city agencies, BART, businesses and large land holders like UCSF is necessary to design a transit corridor that prioritizes transit while serving the diverse land uses along the corridor. Transit improvements on 16th Street will also benefit the existing PDR businesses and employees found in the area that are expected to stay and grow.

SFMTA



Beginning in 2008, the SFMTA, Planning Department and the San Francisco County Transportation Authority (SFCTA) will commence a comprehensive Eastern Neighborhoods Transportation Implementation Planning Study (EN TRIPS) to further explore the feasibility of the options described above, determine which projects are needed, how they should be designed and how they can be funded. A key input to this will be SFMTA's "Transit Effectiveness Project" (TEP), the first comprehensive study of the Muni system since the late 1970s. The TEP aims to promote overall performance and long-term financial stability through faster, more reliable transportation choices and cost-effective operating practices. The TEP recommendations focus on improving transit service, speed and reliability and should be implemented as soon as possible within the Mission area.

The policies to address the objective above are as follows:

POLICY 4.1.1

Commit resources to an analysis of the street grid, the transportation impacts of new zoning, and mobility needs in the Mission / Eastern Neigh-

borhoods to develop a plan that prioritizes transit while addressing needs of all modes (transit, vehicle traffic, bicyclists, pedestrians).

This policy refers to the Eastern Neighborhoods Transportation Implementation Planning Study described above:

POLICY 4.1.2

Decrease transit travel time and improve reliability through a variety of means, such as transit-only lanes, transit signal priority, transit “queue jumps,” lengthening of spacing between stops, and establishment of limited or express service.

POLICY 4.1.3

Implement the service recommendations of the Transit Effectiveness Project (TEP).

POLICY 4.1.4

Reduce existing curb cuts where possible and restrict new curb cuts to prevent vehicular conflicts with transit on important transit and neighborhood commercial streets .

Curb cuts should be reduced on key neighborhood commercial, pedestrian, and transit streets, where it is important to maintain continuous active ground floor activity, reduce transit delay and variability, and protect pedestrian movement and retail viability such as Mission, Valencia, 16th and 24th Streets. This is critical measure to reduce congestion and conflicts with pedestrian and transit movement along Transit Preferential Streets, particularly where transit vehicles do not run in protected dedicated rights-of-way and are vulnerable to disruption and delay.

POLICY 4.1.5

Ensure Muni’s storage and maintenance facility needs are met to serve increased transit demand and provide enhanced service.

POLICY 4.1.6

Enhance existing public transit service linking the Mission to downtown and BART.

POLICY 4.1.7

Balance competing land use and transportation-related priorities for 16th Street in the Mission to improve transit speed and reliability.

As a core PDR area served by a major transit route (Muni’s #22 bus), 16th Street and neighboring parcels illustrate the conflicts between the competing policy goals of improving transit and preserving PDR businesses. PDR land uses in the Mission and Showplace Square should be preserved to support the critical business activity they provide. However, PDR-related truck traffic, loading and circulation needs can slow transit vehicles. Further planning and design work is needed to make 16th Street a better transit street by mitigating the impacts of surrounding land uses. For example,

off-street truck loading requirements and transit-signal priority can improve 16th Street for transit while continuing to support the neighboring PDR land uses.

POLICY 4.1.8

Study the possibility of creating a "premium" transit service such as Bus Rapid Transit or implementing high-level transit preferential treatments for segments of Mission Street, 16th Street and Potrero Avenue.

Additional transit vehicles will be needed to serve new development in the Eastern Neighborhoods. The capacity of existing storage and maintenance facilities should be expanded and new facilities constructed to support growth in the Eastern Neighborhoods.

OBJECTIVE 4.2

INCREASE TRANSIT RIDERSHIP BY MAKING IT MORE COMFORTABLE AND EASY TO USE

A transit rider's experience is largely impacted by the quality of environment in and around the stops and stations where they start or end their transit trips. Transit stops can be made more attractive and comfortable for riders through installation of bus bulbs, shelters, additional seating, lighting, and landscaping. Pedestrian safety should also be prioritized near transit through the installation and maintenance of signs, crosswalks, pedestrian signals and other appropriate measures. Quality passenger information such as maps directing riders to major destinations, and accurate real-time transit information should be provided. Key transit stops with high passenger volumes or where transfers occur should be prioritized for enhanced amenities. In the Mission, these key stops may include 16th Street and Mission, 24th Street and Mission, 16th street and Potrero Avenue among others.

The policies to address the objective above are as follows:

POLICY 4.2.1

Improve the safety and quality of streets, stops and stations used by transit passengers.

POLICY 4.2.2

Provide comprehensive and real-time passenger information, both on vehicles and at stops and stations.

OBJECTIVE 4.3

ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

The Mission's dense concentration of housing along with its vibrant mix of restaurants, neighborhood services, shopping and nightlife all generate a high demand for parking. Determining how existing and new parking is managed in the Mission is essential to achieving a range of community goals including reduced congestion and private vehicle trips, improved transit, successful commercial areas, housing production and affordability, and attractive urban design.

Elimination of minimum off-street parking requirements in new residential and commercial developments, while continuing to permit reasonable amounts of parking if desired, allows developers more flexibility in how they choose to use scarce developable space. In developments where space permits or where expected residents would particularly desire to own cars, parking can be provided, while in transit intensive areas, or where expected residents would not need cars (senior developments for example) parking would not be required. Space previously dedicated to parking in residential developments can be made available for additional housing units. With no parking minimums and therefore no need for individual drive-in parking spaces, new residential and commercial developments can explore more efficient methods of providing parking such as mechanical parking lifts, tandem or valet parking.

"Unbundling" parking from housing costs can reduce the cost of housing and make it more affordable to people without automobiles. The cost of parking is often aggregated in rents and purchase prices. This forces people to pay for parking without choice and without consideration of need or the many alternatives to driving available in the Mission. This could be avoided by requiring that parking be separated from residential or commercial rents, allowing people to make conscious decisions about parking and auto ownership.



Proper management of public parking, both on-street and in garages is critical. Currently, on-street parking is difficult to find in many parts of the city. Loose regulation and relatively inexpensive rates increase demand and decrease turnover of parking spaces. This shifts demand away from public transit and other modes, increases congestion and encourages long term on-street parking by employees and commuters. To support the needs of businesses and create successful commercial areas, on-street parking spaces should be managed to favor short-term shoppers, visitors, and loading. In residential areas, curbside parking should be managed to favor residents, while allocating any additional spaces for short-term visitors to the area. Recent research has proposed a number of ways to use market-based pricing and other innovative management techniques to improve availability of on-street parking while also increasing the revenue stream to the city. These methods are currently under study and should be applied in this area.

In accordance with Section 8A.113 of Proposition E (2000), new public parking facilities can only be constructed if the revenue earned from a new parking garage will be sufficient to cover construction and operating costs without the need for a subsidy. New development built with reduced parking could accommodate parking needs of drivers through innovative shared parking arrangements like a “community parking garage.” Located outside of neighborhood commercial and small scale residential areas, such a facility would consolidate parking amongst a range of users (commercial and residential) while contributing to the neighborhood with an active ground floor featuring opportunities for neighborhood services and retail.

The policies as well as implementing actions to address the objective outlined above are as follows:

POLICY 4.3.1

For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.

POLICY 4.3.2

For new non-residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing caps generally equal to the previous minimum requirements. For office uses, parking should be limited relative to transit accessibility.

POLICY 4.3.3

Make the cost of parking visible to users, by requiring parking to be rented, leased or sold separately from residential and commercial space for all new major development.

POLICY 4.3.4

Encourage, or require where appropriate, innovative parking arrangements that make efficient use of space, particularly where cars will not be used on a daily basis.

POLICY 4.3.5

Permit construction of new parking garages in Mixed Use districts only if they are part of shared parking arrangements that efficiently use space, are appropriately designed, and reduce the overall need for off-street parking in the area.

POLICY 4.3.6

Reconsider and revise the way that on-street parking is managed in both commercial and residential districts in order to more efficiently use street parking space and increase turnover and parking availability.

The San Francisco County Transportation Authority is conducting the On-Street Parking Management and Pricing Study to evaluate a variety of improved management techniques for on-street parking and recommend which should be put into effect in San Francisco.

OBJECTIVE 4.4**SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR USES IN THE MISSION**

A significant share of deliveries to PDR and other businesses in the Mission are performed within the street space. Where curbside freight loading space is not available, delivery vehicles double-park, blocking major thoroughfares like Mission Street, slowing transit and creating potential hazards for pedestrians, bicyclists and automobiles. The City should evaluate the existing on-street curb-designation for delivery vehicles and improve daytime enforcement to increase turnover. Where necessary, curbside freight loading spaces should be increased. During evenings and weekends, curbside freight loading spaces should be made available for visitor and customer parking. In new non-residential developments, adequate loading spaces internal to the development should be required to minimize conflicts with other street users like pedestrians, bicyclists and transit vehicles.

**POLICY 4.4.1**

Provide an adequate amount of short-term, on-street curbside freight loading spaces in PDR areas of the Mission.

POLICY 4.4.2

Continue to require off-street facilities for freight loading and service vehicles in new large non-residential developments.

POLICY 4.4.3

In areas with a significant number of PDR establishments, design streets to serve the needs and access requirements of trucks while maintaining a safe pedestrian environment.

OBJECTIVE 4.5**CONSIDER THE STREET NETWORK IN THE MISSION AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE**

Not only are streets essential for movement, but they are a major component of the city's public realm and open space network. The Mission's streets and sidewalks move people and goods as well as provide places to sit, talk and stroll. Past sale of streets or rights-of-way to accommodate private development has impeded connectivity and mobility in some parts of San Francisco. Future closure and sale of city streets to private development should be discouraged unless it is determined excess roadway or reconfiguration of specific intersection geometries will achieve significant public benefits such as increased traffic safety, pedestrian safety, more reliable transit service

(See also the Built Form chapter in this Plan, where there is more in-depth discussion on alleyways and publicly accessible mid-block rights of ways.)

or public open space. New developments on large lots must consider alleys to break up the scale of the building and allow greater street connectivity.

POLICY 4.5.1

Maintain a strong presumption against the vacation or sale of streets or alleys except in cases where significant public benefits can be achieved.

POLICY 4.5.2

As part of a development project's open space requirement, require publicly-accessible alleys that break up the scale of large developments and allow additional access to buildings in the project.

OBJECTIVE 4.6

SUPPORT WALKING AS A KEY TRANSPORTATION MODE BY IMPROVING PEDESTRIAN CIRCULATION WITHIN THE MISSION AND TO OTHER PARTS OF THE CITY

The Mission's primary commercial corridors - Mission, Valencia and 24th Streets - are crowded with pedestrians. Storefront retail, street level art and murals, good transit, well-marked crosswalks, and pedestrian signals all support a strong walking environment. However, conflicts with vehicles continue to present pedestrian safety concerns in the neighborhood. Opportunities exist to further improve pedestrian safety and accessibility in the Mission.

Several studies related to pedestrian improvements in the Mission have been completed or are in the planning stages. Recommendations from the *Southeast Mission Pedestrian Safety Plan* produced by SFMTA and the Department of Public Health should be implemented. In addition, the Planning Department is working with the SFMTA to develop the *Mission Public Realm Plan* and *Better Streets Plan* to ensure the Mission's streets are designed to promote pedestrian comfort and safety. The planned widening of Valencia Street's sidewalks should also be seen through to completion. In 2008, the Planning Department will be leading a planning process for the redesign of Cesar Chavez Street to make the street function better for pedestrians, bicyclists and transit.

(See also the Streets and Open Space chapter in this Plan, where there is more in-depth discussion on the physical design of streets.)

Where possible, the city should implement high-visibility crosswalks, pedestrian signal heads with countdown timers, corner bulbouts, median refuge islands, or other pedestrian improvements. In specific areas with known higher rates of pedestrian-collisions, developers should be encouraged to carry out context specific planning and design on building projects to improve pedestrian safety.

The policies to address the objective above are as follows:

POLICY 4.6.1

Implement recommendations from the Mission Public Realm Plan, Southeast Mission Pedestrian Safety Plan and established street design

standards and guidelines to make the pedestrian environment safer and more comfortable for walk trips.

POLICY 4.6.2

Prioritize pedestrian safety improvements at intersections and in areas with historically high frequencies of pedestrian injury collisions.

POLICY 4.6.3

Improve pedestrian access to major transit stops and stations such as the 16th and 24th Street BART Stations.

OBJECTIVE 4.7

IMPROVE AND EXPAND INFRASTRUCTURE FOR BICYCLING AS AN IMPORTANT MODE OF TRANSPORTATION

The Mission's existing bicycle infrastructure and relatively flat terrain create an attractive bicycling environment. The Valencia and Harrison Street bicycle lanes are busy with bicyclists during commute times and throughout the day. These lanes provide good north-south bicycle connections, but the Mission lacks strong east-west bicycle facilities. Improvements are planned to strengthen east-west connections. The SFMTA currently has improvements planned for Cesar Chavez and 17th Streets. Bicycle lanes and shared lane markings ("sharrows") on select segments of these streets will be installed once the San Francisco Bicycle Plan achieves environmental clearance. In addition, increased bicycle parking throughout the Mission especially in commercial areas and near BART is needed to accommodate the ever increasing number of bicyclists. Recent citywide zoning code amendments require bicycle parking for all new developments. The proposed Mission Creek Bikeway presents the opportunity for a future landscaped bicycle path from the Mission District to Mission Bay. Bikeway plans should be further examined, especially issues surrounding cost and implementation.

The policies to address the objective above are as follows:

POLICY 4.7.1

Provide a continuous network of safe, convenient and attractive bicycle facilities connecting the Mission to the citywide bicycle network and conforming to the San Francisco Bicycle Plan.

POLICY 4.7.2

Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

POLICY 4.7.3

Explore feasibility of the Mission Creek Bikeway project.

OBJECTIVE 4.8**ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE
REDUCTION OF PRIVATE VEHICLE TRIPS**

In addition to investments in our transportation infrastructure, there are a variety of programmatic ways in which the City can encourage people to use alternative modes of travel. Car sharing and transportation demand management programs (TDM) are important tools to reduce congestion and limit parking demand.

Carsharing offers an affordable alternative to car ownership by allowing individuals the use of a car without the cost of ownership (gas, insurance, maintenance). Carsharing companies provide privately owned and maintained vehicles for short-term use by their members. Carshare members pay a flat hourly rate or monthly fee to use cars only when they need them (i.e. to run errands or make short trips).

The Mission already has a high concentration of car share vehicles, especially near the Mission and Valencia corridors. Recent zoning code changes require carshare spaces in new residential developments. Car sharing should continue to be encouraged in the Mission as part of new residential and commercial developments in support of parking policies and increased mobility of residents without automobiles.

“Transportation demand management” (TDM) programs that encourage residents and employees to walk, bike, take public transit or rideshare should be implemented in the Mission and throughout the Eastern Neighborhoods. Transportation Demand Management (TDM) combines marketing and incentive programs to reduce dependence on automobiles and encourage use of a range of transportation options. Cash-out policies (where employers provide cash instead of a free parking space), Commuter Checks and emergency ride home programs are some of the methods institutions and employers can utilize.

City College of San Francisco’s new Valencia Street campus, among other large institutions and employers should be encouraged to develop programs that provide information and incentives to students and staff related to the many transportation alternatives nearby. Major residential developments (50+ units) should be required to provide transit passes to all residents as part of rent or homeowner association fees.

The policies to address the objective above are as follows:

POLICY 4.8.1

Continue to require car-sharing arrangements in new residential and commercial developments, as well as any new parking garages.

POLICY 4.8.2

Require large retail establishments, particularly supermarkets, to provide shuttle and delivery services to customers.

POLICY 4.8.3

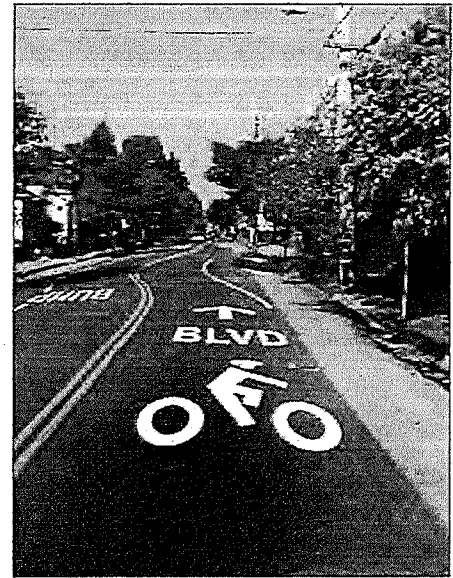
Develop a Transportation Demand Management (TDM) program for the Eastern Neighborhoods that provides information and incentives for employees, visitors and residents to use alternative transportation modes and travel times.

OBJECTIVE 4.9

FACILITATE MOVEMENT OF AUTOMOBILES BY MANAGING CONGESTION AND OTHER NEGATIVE IMPACTS OF VEHICLE TRAFFIC

Automobiles in the Mission navigate streets crowded with pedestrians, bicyclists and transit vehicles. Vehicle traffic should be accommodated without jeopardizing the safety of other street users. Traffic calming projects should be implemented to reduce speeding and improve safety, without introducing delay or reliability problems for transit. Guerrero Street and South Van Ness Avenue provide opportunities for traffic calming to balance neighborhood and pedestrian needs with auto traffic.

New technologies such as those being developed by the Department of Parking and Traffic's "SFGO" program should be pursued to reduce congestion, respond to current traffic conditions and move autos safely and efficiently.



The policies to address the objective above are as follows:

POLICY 4.9.1

Introduce traffic calming measures where warranted to improve pedestrian safety and comfort, reduce speeding and traffic spillover from arterial streets onto residential streets and alleyways.

POLICY 4.9.2

Decrease auto congestion through implementation of Intelligent Traffic Management Systems (ITMS) strategies such as progressive metering of traffic signals and the SFMTA "SFGO" program.

OBJECTIVE 4.10

DEVELOP A COMPREHENSIVE FUNDING PLAN FOR TRANSPORTATION IMPROVEMENTS

New development in the Mission and throughout the Eastern Neighborhoods will exert significant strain on the area's existing transportation infrastructure. The City must develop new funding sources and a funding plan to ensure needed improvements are made.

Transportation improvements are costly. While federal, state, regional and local grant sources are available to partially defray the cost of transportation capital projects, they are not sufficient to meet transportation needs identified by the community. Streets and transportation improvements (pedestrian, bicycle, and transit) will require a significant portion of the funding generated through the Eastern Neighborhoods Public Benefits Program. Because funds from this program will also be needed to support a number of other community improvements beside transportation, it will be important to identify additional sources of funding.

POLICY 4.10.1

As part of the Eastern Neighborhoods Public Benefits Program, pursue funding for transit, pedestrian, bicycle and auto improvements through developer impact fees, in-kind contributions, community facilities districts, dedication of tax revenues, and state or federal grant sources.



STREETS AND OPEN SPACE

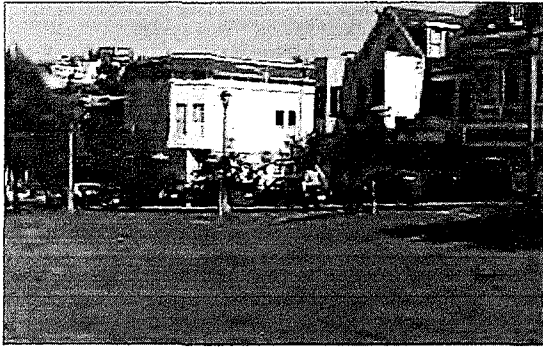
The Mission has a deficiency of open spaces serving the neighborhood. Some portions of the Mission historically have been predominantly industrial, which has meant that many areas are not within walking distance to an existing park and many areas lack adequate places to recreate and relax. Moreover, the Mission has a concentration of family households with children — almost 50% — which is significantly higher than most neighborhoods in the city. With the addition of new residents, this deficiency will only be exacerbated. Thus, one of the primary objectives of this Plan is to provide more open space to serve both existing and new residents, workers and visitors. Analysis reveals that a total of about 4.3 acres of new space should be provided in this area to accommodate expected growth. This Plan proposes to provide this new open space by creating at least one substantial new park site in the Mission. In addition, the Plan proposes to encourage some of the private open space that will be required as part of development to be provided as public open space and to utilize our existing rights-of-way to provide pocket parks.

OBJECTIVE 5.1

PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS

In a built-out neighborhood such as this, finding sites for sizeable new parks is difficult. However, it is critical that at least one new substantial open space be provided as part

of this Plan. The Planning Department will continue working with the Recreation and Parks Department to identify a site in the Mission for a public park and will continue to work to acquire additional open spaces.



In order to provide this new open space, significant funding will need to be identified to acquire, develop, and maintain the space. One source of funds would be impact fees or direct contributions from new development. New residential development directly impacts the existing park sites with its influx of new residents, therefore new residential development will be required to either pay directly into a fund to acquire new open space.

Commercial development also directly impacts existing park sites, with workers, shoppers and others needing places to eat lunch and take a break outside. Existing requirements in the Mission for commercial development establish a minimum amount of open space to be provided on-site, or project sponsors may elect to pay an in-lieu fee. Because these fees are low, project sponsors often elect to pay the fee. This Plan proposes to maintain the current requirements for commercial development to provide adequate, usable open space, but increase the in-lieu fee if project sponsors choose not to provide this space. This in-lieu fee will be used to provide publicly accessible open space.

The policies to address the objective above are as follows:

POLICY 5.1.1

Identify opportunities to create new public parks and open spaces and provide at least one new public park or open space serving the Mission.

POLICY 5.1.2

Require new residential and commercial development to contribute to the creation of public open space.

OBJECTIVE 5.2

ENSURE THAT NEW DEVELOPMENT INCLUDES HIGH QUALITY, PRIVATE OPEN SPACE

In addition to the publicly accessible open space requirements, another tool for making the Mission greener is to require additional private open space. Currently, residential developments are required to provide open space accessible to residents. Because of its more industrial past, this requirement is currently much lower in the Northeast Mission than other parts of the Mission. This Plan increases the open space required as part of new developments to be similar to what is currently required in other neighborhoods that allow residential redevelopment.

Additionally, commercial development is currently required to provide open space in SoMa. These existing requirements establish a minimum amount of open space to be provided on-site, or project sponsors may elect to pay an in-lieu fee. Because these fees are low, project sponsors often elect to pay the fee. This plan proposes to reexamine the current requirements for commercial development in SoMa to provide adequate, usable open space, and it proposes to expand them and apply them to projects in the Mission.

In small-scale residential developments in this area, open space is provided as backyards. Currently many of the blocks, especially the alleys and neighborhood commercial streets of Mission and Valencia, have a rear yard pattern similar to many of the residential neighborhoods in the city. Taken together in the center of a block, these rear yards provide a sense of visual relief and access to open space in this part of the city. In areas where the existing pattern is one of rear yards, this pattern should be maintained. However, in areas where rear yards do not predominate, new residential developments should provide open space in a manner that best fits the characteristics of the particular site, while still ensuring high quality open space design.

The quality of the private open space is also being reexamined in the Mission District. Currently, open space is often provided as sterile hardscape atop a building's podium. By employing the new performance-based evaluation tool, discussed in greater detail in the Built Form section of this Area Plan, required open space will be made greener, more ecologically sustainable, and more enjoyable for residents.

The policies to address the objective above are as follows:

POLICY 5.2.1

Require new residential and mixed-use residential development to provide on-site, private open space designed to meet the needs of residents.

POLICY 5.2.2

Establish requirements for commercial development to provide on-site open space.

POLICY 5.2.3

Encourage private open space to be provided as common spaces for residents and workers of the building wherever possible.

POLICY 5.2.4

Encourage publicly accessible open space as part of new residential and commercial development.

POLICY 5.2.5

New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels has flexibility as to where open space can be located.

POLICY 5.2.6

Ensure quality open space is provided in flexible and creative ways, adding a well used, well-cared for amenity for residents of a highly urbanized neighborhood. Private open space should meet the following design guidelines: A. Designed to allow for a diversity of uses, including elements for children, as appropriate. B. Maximize sunlight exposure and protection from wind C. Adhere to the performance-based evaluation tool.

In new mixed-use developments, common, unenclosed residential open space areas can be provided as a rear yard, rooftop garden, central courtyard, balcony, or elsewhere on the lot or within the development so long as it is clearly accessible and usable by residents. Landscaping visible from the street is encouraged. Common spaces are encouraged over private spaces.

OBJECTIVE 5.3

CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD.

In a built out neighborhood such as the Mission, acquiring sites for new large parks can be difficult. For this reason, in addition to the acquisition of at least one park site in the neighborhood, the Mission Area Plan proposes an open space network of “Green Connector” streets, with wider sidewalks, places to sit and enjoy, significant landscaping and gracious street trees that would provide linkages between larger open spaces and diffuse the recreational and aesthetic benefits of these spaces into the neighborhood.

Green Connector streets are proposed throughout the Mission to connect the Mission east to Potrero Hill and eventually the Bay as well as west to Dolores Park and Noe Valley. Although the specific locations will be addressed in the upcoming Mission Public Realm Plan, connections are desirable in the northern part of the Mission (e.g. 16th or 17th Streets), in the center of the Mission (e.g. 20th or 21st Streets) and through the southern part of the Mission (e.g. 24th, 25th or Cesar Chavez Streets). Additionally, north-south connections are being considered for Potrero Avenue (See Figure A3. Streets and Open Space Concept Map in the Appendix of this plan). Reconfiguring many of the Mission’s wide, heavily trafficked streets that currently satisfy the needs of private vehicles over the needs of pedestrians and cyclists would go far to create a more livable neighborhood for residents, workers, and visitors.

The Mission Area Plan calls for a fundamental rethinking of how the city designs and uses its streets. In addition to Green Connector streets, smaller streets and alleys can provide a welcomed respite from the busy activities along major streets. These alleyways are proposed to be converted into “living streets,” where through-traffic is calmed and paving and landscaping are designed to reflect what is envisioned as the

pedestrian primacy of these streets. (See Figure A3. Streets and Open Space Concept Map in the Appendix of this plan).

In dense neighborhoods such as the Mission District, it is increasingly clear that streets can and should provide important and valued additions to the open space network and aesthetic quality of the area. The design and maintenance of all other streets throughout the Plan Area should be guided by the forthcoming Better Streets Plan, a policy document that will provide direction on how to improve the overall urban design quality, aesthetic character, and ecological function of the city's streets while maintaining safe and efficient use for all modes of transportation. The Better Streets Plan will provide guidance for both public and private improvements to the streetscape. The Mission Area Plan, in addition to the Better Streets Plan, will generate amendments to the Planning Code to make more explicit the requirements of private developers to construct and maintain a more enjoyable, more beautiful pedestrian environment.

In addition to these general streetscape improvements along streets, specific design interventions should also be considered for major intersections. To better foster a sense of place and to improve the pedestrian experience, at important intersections, significant public space improvements - such as bulb-outs and landscaping treatments - should be focused at these intersections. Additionally, as described in the Built Form chapter of this Plan, specific effort should be paid to improving the quality, design, massing, and scale of corner buildings to better reflect the civic importance of major street intersections.

The Mission Area Plan also calls for two primary interventions that are aimed at connecting the Mission's open space network to that of the city as a whole. The first is a Civic Boulevard such as Folsom Street, connecting the emerging Transbay and Rincon Hill Areas, East and West SoMa, and the Mission District. A Civic Boulevard would be a green street linking public open spaces, cultural and social destinations, and transit connections. It would be heavily landscaped with a strong design aesthetic, with pocket parks, plazas, and with wide sidewalks and a distinctive lighting character. Through the Mission, Folsom street is a more residential in character than in SoMa and the improvements proposed would reflect this more residential character.

Second, primary pedestrian connections between neighborhoods are to be strengthened. Sixteenth, 24th, Mission, and Valencia Streets are currently designated pedestrian connectors between the Mission, SoMa, Upper Market, and the Castro. Potrero and South Van Ness should be added to this street classification. Primary pedestrian streets should aim to foster an enjoyable pedestrian environment, such as minimizing shade, maximizing sidewalk width, and providing agreeable pedestrian amenities such as lighting and street furniture.

The forthcoming Mission Public Realm plan will focus in detail on the Mission District's streets and public spaces. This Plan will define how best to define the street typologies found in the Mission, with the goals of reducing private vehicle primacy,

fostering walking, and strengthening economic vitality of neighborhood commercial streets. The Mission Public Realm Plan will serve as the implementing document for the streetscape improvements proposed in this Area Plan.

The policies to address the objective outlined above are as follows:

POLICY 5.3.1

Redesign underutilized portions of streets as public open spaces, including widened sidewalks or medians, curb bulb-outs, "living streets" or green connector streets.

POLICY 5.3.2

Maximize sidewalk landscaping, street trees and pedestrian scale street furnishing to the greatest extent feasible.

POLICY 5.3.3

Design the intersections of major streets to reflect their prominence as public spaces.

POLICY 5.3.4

Enhance the pedestrian environment by requiring new development to plant street trees along abutting sidewalks. When this is not feasible, plant trees on development sites or elsewhere in the Plan Area.

POLICY 5.3.5

Significant above grade infrastructure, such as freeways should be retrofitted with architectural lighting to foster pedestrian connections beneath.

POLICY 5.3.6

Where possible, transform unused freeway and rail rights-of-way into landscaped features that provide a pleasant and comforting route for pedestrians.

POLICY 5.3.7

Develop a comprehensive public realm plan for the Mission that reflects the differing needs of streets based upon their predominant land use, role in the transportation network, and building scale.

OBJECTIVE 5.4

THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

Open space not only provides places to recreate and relax, but also provides a means to strengthen the environmental quality of the neighborhood. As discussed in the Built Form chapter of this plan, one tool for greening private open spaces is the performance-based evaluation tool. This tool requires all new development to meet a defined standard for on-site water infiltration, and offers developers a large number of strategies to meet the standard.

Ecological sustainability is also a key goal in the development of public spaces. Some new public spaces will be created through the reclamation of the excess street right-of-ways throughout the Mission. Turning these concrete and impermeable surfaces into pocket parks and plantings will not only beautify the street, it will also provide greater on-site water filtration. Additionally, new public parks that are being acquired will consider incorporating ecological sustainability elements, such as bioswales and natural areas.

In addition to the on-site menu of options available to project sponsors as part of the performance-based evaluation tool, there are many additional measures that can create a better environment. Built out, urban areas such as San Francisco can improve existing water quality of our bays and oceans by encouraging more on-site infiltration. Pervious surfaces, such as parking lots, are one of the main causes of pollution flowing directly into these water resources and one of the easiest sources to make more permeable. Permeability allows the water to be filtered through the soil before reaching the bay or the ocean. An ongoing master planning process being conducted by the San Francisco's Public Utility Commission (PUC) will provide guidance on how best to mitigate stormwater flow into the city's sewers, for example, by designing surface parking and loading areas to infiltrate rainwater onsite, rather than sending it into the drain.

Uncovering long-buried creeks would also substantially change the environment of the Mission. Mission Creek once meandered from the base of Twin Peaks down to through the Mission and along Division to Mission Bay. Future consideration should be given to daylighting some elements of this historic streambed.

Public art can be a component of existing and proposed open spaces that enhance the spaces and relate them to the existing neighborhoods. For example, a rotating art public art exhibit such as the one at Victoria Manolo Draves Park adds a locally relevant cultural element to the new park.

The policies to address the objective above are as follows:

POLICY 5.4.1

Increase the environmental sustainability of the Mission's system of public and private open spaces by improving the ecological functioning of all open space.

POLICY 5.4.2

Explore ways to retrofit existing parking and paved areas to minimize negative impacts on microclimate and allow for storm water infiltration.

POLICY 5.4.3

Encourage public art in existing and proposed open spaces.

POLICY 5.4.4

Explore opportunities to uncover Mission Creek's historic channel through the Mission.

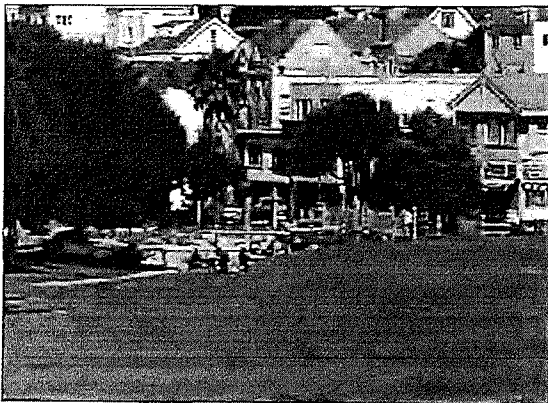
OBJECTIVE 5.5

ENSURE THAT EXISTING OPEN SPACE, RECREATION AND PARK FACILITIES ARE WELL MAINTAINED

Throughout the community planning process participants have given a high priority to maintaining and renovating existing park facilities. Maintenance needs will only become more apparent with the acquisition of a new park and as more open spaces such as green connector streets, living streets, and pocket parks are constructed. These types of spaces are often more complex and therefore generally more difficult to maintain on a per square foot basis than an open field, so the city should work to find space for maintenance equipment in the Mission area and to assure that maintenance funding and funding to renovate existing parks is provided with the development of these spaces.

This plan proposes to renovate at least one existing park by securing the funding through impact fees and other sources. Specifically in the Mission, the majority of the area's parks are in need of renovation including the Mission Playground (which is being prioritized for funds from the recently approved open space bond), Garfield Square, James Rolph Jr. Playground, Juri Commons, Jose Coronado Playground, Franklin Square, Alioto Mini Park, and the Mission Recreation Center (See Figure A3. Streets and Open Space Concept Map in the Appendix of this plan). Parque Niños Unidos, Kidpower Park, and 24th and York mini park were recently renovated, so are not prioritized for renovation at this time, but over the life of the Plan renovation is anticipated for these parks as well. The Recreation and Parks Department (RPD) is now using, safe, durable and long lasting materials and are designing facilities appropriately for the intended uses and these efforts will result in fewer repairs, longer and

expanded usage periods and more reliable facilities. *New public parks and re-designs of existing public parks should maximize drought tolerant landscaping and minimize features that require regular irrigation. Native species are encouraged, where appropriate.*



There are also opportunities to more efficiently and creatively utilize existing facilities, such as school playgrounds, in the Mission. The Mayor's Office and the San Francisco Unified School District have recently begun a pilot program to open one school playground in each supervisorial district for use on weekends and select holidays. This program better utilizes our existing resources and the city should continue to work with the School District to expand this program.

The policies to address the objective above are as follows:

POLICY 5.5.1

Prioritize funds and staffing to better maintain existing parks and obtain additional funding for a new park and new open space facilities.

POLICY 5.5.2

Renovate run-down or outmoded park facilities to provide high quality, safe and long-lasting facilities. Identify at least one existing park or recreation facility in the Mission for renovation.

POLICY 5.5.3

Explore opportunities to use existing recreation facilities, such as school yards, more efficiently.



ECONOMIC DEVELOPMENT

Economic development should create sustainable prosperity for the residents, workers, and businesses of San Francisco. As described in the San Francisco Economic Strategy, such sustainable prosperity includes increasing job growth, wages and tax revenue, and small business development; while decreasing economic inequality and out-migration of businesses.

Attaining these goals involves determining the relationships that link government policy, industry competitiveness, and economic outcomes. From a government policy standpoint, these relationships are manifested in three ways:

- 1) by focusing on the land, through the City's land use strategy and zoning
- 2) by focusing on our businesses, through the City's business assistance programs
- 3) by focusing on our workers, through the City's workforce development programs and other mechanisms to promote economic self-sufficiency for workers.

This chapter will focus on objectives for supporting businesses and workers, while the land use-related economic development objectives are reflected in the Land Use chapter of this Plan.

OBJECTIVE 6.1**SUPPORT THE ECONOMIC WELLBEING OF A VARIETY OF BUSINESSES IN THE EASTERN NEIGHBORHOODS**

Business assistance forms a vital part of an overall strategy to help San Francisco's business sectors grow, compete and succeed. Business assistance is provided by a city or a non-profit organization and often broadly includes start-up assistance, ongoing technical assistance, assistance navigating city government processes, financial assistance, real estate and site selection assistance, assistance accessing workforce and incentive programs and assistance forming sector specific industry associations or organizations. In the Eastern Neighborhoods, there are three broadly defined industries: Physical Infrastructure, the Knowledge Sector, and the Small Business Sector.

The physical infrastructure sector includes production, distribution and repair (PDR) businesses that share key characteristics, such as the need for flexible, industrial space and their role in providing goods and services that support other primary industries in San Francisco (such as tourism, retail, high technology, and office-based industries). Providing business assistance to businesses in the physical infrastructure sector is important because these businesses are critical to the city's economy. Specifically:

- These jobs tend to pay above average wages, provide jobs for residents of all education levels and offer good opportunities for advancement.
- These businesses support our Knowledge Sectors by providing critical business services that need to be close, timely and often times are highly specialized.
- The products produced in this sector provide a valuable export industry in the city. Businesses that manufacture products in San Francisco often do so because of the city's unique combination of location, talent, and proximity to clients.

While protecting physical infrastructure businesses and other vulnerable uses, space should be provided in the Eastern Neighborhoods for "Knowledge Sector" businesses (See Land Use chapter). Broadly speaking, the Knowledge Sector describes businesses that create economic value because of the knowledge they possess and generate for their customers. Knowledge Sector business assistance is important because most Knowledge Sector industries have the highest fiscal impacts of any industry in the local economy. Specifically:

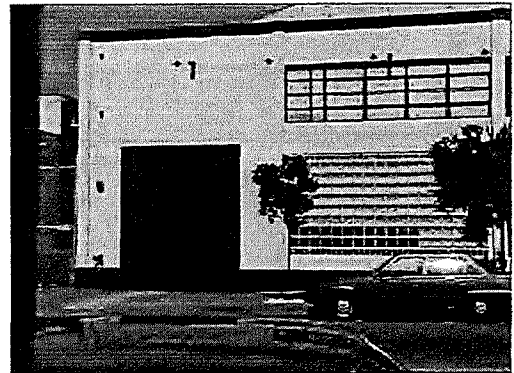
- Citywide, the Knowledge Sector provides the majority of San Francisco's high-wage jobs and can provide above-average paying jobs for workers without a four-year degree.
- The Knowledge Sector creates significant multiplier effects for local-serving businesses and City payroll taxes.

- The strength of the Knowledge Sector will play a large part in determining the trajectory of the entire City economy.

Small businesses are generally defined as businesses with a total workforce of 100 or fewer employees and include sole-proprietors who have no employees. Small business assistance is important because small businesses represent a significant and growing portion of the city economy. Specifically:

- Small businesses account for over 95% of the companies in San Francisco and one out of every three jobs.
- The growth in the number of small business has created an alternative to salaried employment for many San Francisco residents, and has the potential to address the city's high rates of asset poverty and economic insecurity.
- Small businesses that start in San Francisco tend to grow and expand in San Francisco, creating more jobs and revenue for the city.

Providing business assistance to PDR businesses, Knowledge Sector businesses and small businesses is important in achieving the broader economic and workforce objectives of the city as defined in the city's Economic Strategy. The high cost of doing business in San Francisco, and perceptions of an unfriendly business climate, are cited as barriers to business growth and economic development in the city. If the city is to retain PDR, Knowledge Sector and small businesses as they grow—and benefit from the greater range of jobs that large firms offer—then it must work to offer a competitive business climate. Business assistance services are a vital part of an overall strategy to strengthen the overall business climate and help these business sectors grow.



The policies to address the needs highlighted above are as follows:

POLICY 6.1.1

Provide business assistance for new and existing PDR businesses in the Eastern Neighborhoods.

POLICY 6.1.2

Provide business assistance for new and existing Knowledge Sector businesses in the Eastern Neighborhoods.

POLICY 6.1.3

Provide business assistance for new and existing small businesses in the Eastern Neighborhoods.

OBJECTIVE 6.2**INCREASE ECONOMIC SECURITY FOR WORKERS BY PROVIDING ACCESS TO SOUGHT-AFTER JOB SKILLS**

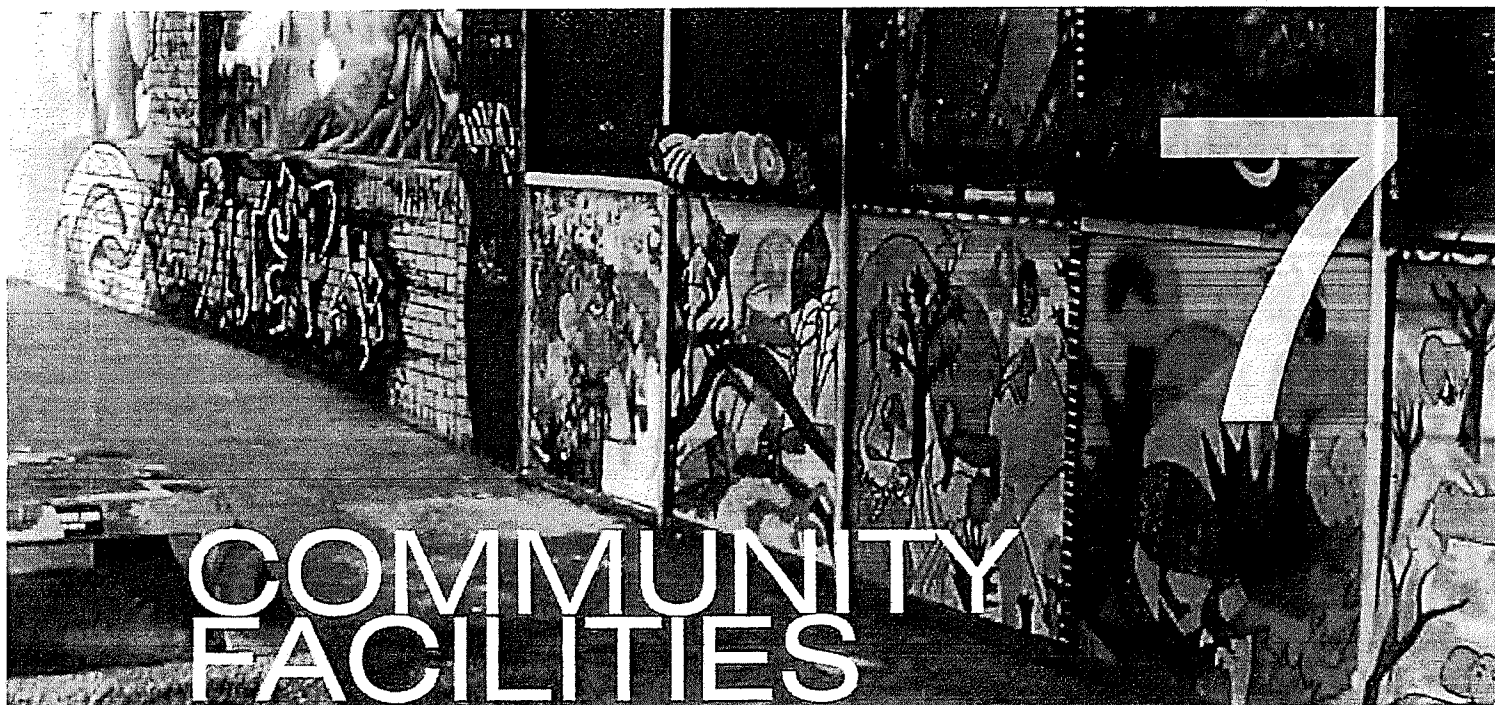
Workforce development efforts - including job preparation, occupational skills training, and other strategies - are designed to provide individuals with the skills and knowledge necessary to access and retain quality jobs in a competitive economy. Skills development is key to helping workers move toward economic self-sufficiency through jobs that are in demand in our local and regional economies. Supporting the development of job skills benefits individual workers and their families, and also benefits companies that do business in San Francisco.

Because of the complex and changing nature of our economy, it is important that our workforce development strategies are aligned with the needs of industry - matching job training with the skills needed by employers. This is the match that will ensure that all San Francisco residents - particularly those that are low-income and/or may experience barriers to employment - are prepared for jobs as a result of their training. The workforce success of all San Francisco residents is essential to sustainable economic development and reducing inequality in San Francisco.

Workforce development strategies will target a range of established and growing industries. These industries reflect the breadth of San Francisco's economy, and include Physical Infrastructure jobs and Knowledge Sector jobs (as discussed above), as well as those that are more involved in the "Experience Sector" (i.e. tourism and hospitality) and human services. These sectors are specifically targeted because of their ability to pay above-average wages to well-trained workers, even if those workers do not have a four-year degree. Employers range from small neighborhood serving businesses to large and mature companies.

POLICY 6.2.1

Provide workforce development training for those who work in and live in the Eastern Neighborhoods, particularly those who do not have a college degree.



COMMUNITY FACILITIES

Community facilities are key elements that can help to create a strong sense of community and identity. They are an integral element of socially and sustainable communities and they include community anchors like schools and libraries, child care facilities, community centers (where youth, after school, and other activities can occur), cultural and arts centers, clinics and a range of other amenities. Community facilities can include any type of service needed to meet the day-to-day needs of the community. In the Eastern Neighborhoods these facilities can provide language/communication curricula programs to address education gaps, job skills and training, tutoring and youth development, cultural resource centers, and the support networks often so critical for lower income communities. Specific needs might include multicultural programs, legal aid, information and referral, various parenting groups, immigration adaptation and settlement, etc.

Some community facilities critical to neighborhood development, such as streets, open space, housing and transportation, are addressed specifically in other sections of this Area Plan. This Community Facilities chapter includes the remaining needs and attempts to address how they will be met either through traditional land use regulations or through other methods to fund, encourage and maintain them. In the Eastern Neighborhoods, the expected level of need for these community facilities is based on existing needs as well as future ones, derived from projected population growth and new development demand. Recommendations towards expansion or improvements to community facilities are based on this assessment, as well as on conversations with

Therefore, the city should facilitate the careful location and expansion of essential neighborhood services, while limiting the concentration of such activities within any one neighborhood. New development can also help fund such additional new services and amenities in proportion to the need generated by new development. Additionally, maintenance is an important, though often neglected, aspect of community facilities. Proper maintenance of existing (and new) facilities is equally important to the creation of new facilities. The influx of residents will further increase the usage of existing facilities, potentially increasing their staffing and maintenance costs. Even if no new facilities are built in Mission, existing facilities need to be adequately staffed and maintained and methods for meeting the increased costs must be considered.



The policies to provide essential community facilities and services are as follows:

POLICY 7.1.1

Support the siting of new facilities to meet the needs of a growing community and to provide opportunities for residents of all age levels.

POLICY 7.1.2

Recognize the value of existing facilities, including recreational and cultural facilities, and support their expansion and continued use.

POLICY 7.1.3

Ensure childcare services are located where they will best serve neighborhood workers and residents.

POLICY 7.1.4

Ensure public libraries that serve the plan area have sufficient materials to meet projected growth to continue quality services and access for residents of the area.

OBJECTIVE 7.2

ENSURE CONTINUED SUPPORT FOR HUMAN SERVICE PROVIDERS THROUGHOUT THE EASTERN NEIGHBORHOODS

San Francisco's population is known for its ethnic diversity, and many of its diverse cultural and ethnic traditions are rooted in areas of the Eastern Neighborhoods. The Mission holds more than 25 percent of the City's Latino population, SoMa retains a significant number of the City's Asian, and specifically its Filipino, population. The neighborhoods have long been a home for much of the City's ethnic, cultural, linguistic and social diversity, and as a result, the neighborhoods' populations have demonstrated a greater need for community facilities, human and social services to support this diversity.

Most human and social service needs are met through a partnership of public and nonprofit organizations. Nonprofit providers often serve under contract with City agencies, leverage substantial additional funding from state, federal, corporate, foundation and private sources. In a 2001 survey, nonprofit human service providers laid claim to exactly how important it was to be located close to their clients, in their own neighborhoods: the majority stated that it was “essential” that their activities were located in a specific neighborhood; the neighborhoods most often cited were the Mission, Potrero Hill, and SoMa. This information demonstrates just how important the existing facilities are to the local communities of the Eastern Neighborhoods, and how critical it is that services continue.



Health Care is another critical component for the Eastern Neighborhoods, where many residents fall between the cracks of managed health care. The neighborhoods do have a good number of care centers and nonprofit health providers - the Department of Public Health recommends a one-mile access to health care centers, and all except for the easternmost edges of the Eastern SoMa are within a one mile radius of a public health center. On a per capita basis, the Eastern Neighborhoods have more facilities than exist citywide - this need for these facilities will continue if the Eastern Neighborhoods continues to house a substantial number of low-income residents.

As the Plan aims to improve the neighborhoods, and to meet the needs that new residential units in the Eastern Neighborhoods will create, it must provide support for continuance of the area's existing community facility network. Studies have shown that even in the midst of growth, the need for community and human services stays high or grows, and the rise in costs in San Francisco - high land costs, rents, facilities, employment costs - has already led to a host of pressures for service providers. New growth must mitigate this pressure with support for facilities, through facility provision, financing and other methods of assistance. Impact fees will support improvements to community infrastructure: existing impact fees already are dedicated to funding schools; new impact fees will provide revenue for others such as child care and libraries.

POLICY 7.2.1

Promote the continued operation of existing human and health services that serve low-income and immigrant communities in the Eastern Neighborhoods.

POLICY 7.2.2

Encourage new facilities and spaces for providers of services such as English as a Second Language, employment training services, art, education and youth programming.

POLICY 7.2.3

Explore a range of revenue- generating tools to support the ongoing operations and maintenance of public health and community facilities, including public funds and grants as well as private funding sources.

OBJECTIVE 7.3**REINFORCE THE IMPORTANCE OF THE MISSION AS THE CENTER OF LATINO LIFE IN SAN FRANCISCO**

The Mission has long been home to Latinos whose numbers grew substantially from the 1940s onward. The development of Latino cultural institutions and businesses both dispersed and concentrated the Latino community in the neighborhood. A considerable number of Latino families live throughout the Mission. However, many families have also moved on to outlying parts of the City or other places but continue to look at the Mission as “home” – attending Sunday services at the Mission Dolores Church, shopping and eating in the local Latino businesses and dropping by the Mission Cultural Center for activities.



Cultural and service facilities that support Latinos, such as the Mission Cultural Center, Arriba Juntos, Galeria de La Raza, Brava Theatre, and the Mission Language and Vocational School, to name a few, are key contributors to the diversity of the Mission and the city as a whole.

In addition to the maintenance of existing facilities, new facilities that support the importance of Latino life and other cultures in the Mission such as English as a Second Language, employment, art, education and youth centers would provide additional support to strengthening Latino culture in the Mission.

The policies and implementing actions to ensure Latino life and other cultural institutions are strengthened and recognized in the Mission are as follows:

POLICY 7.3.1

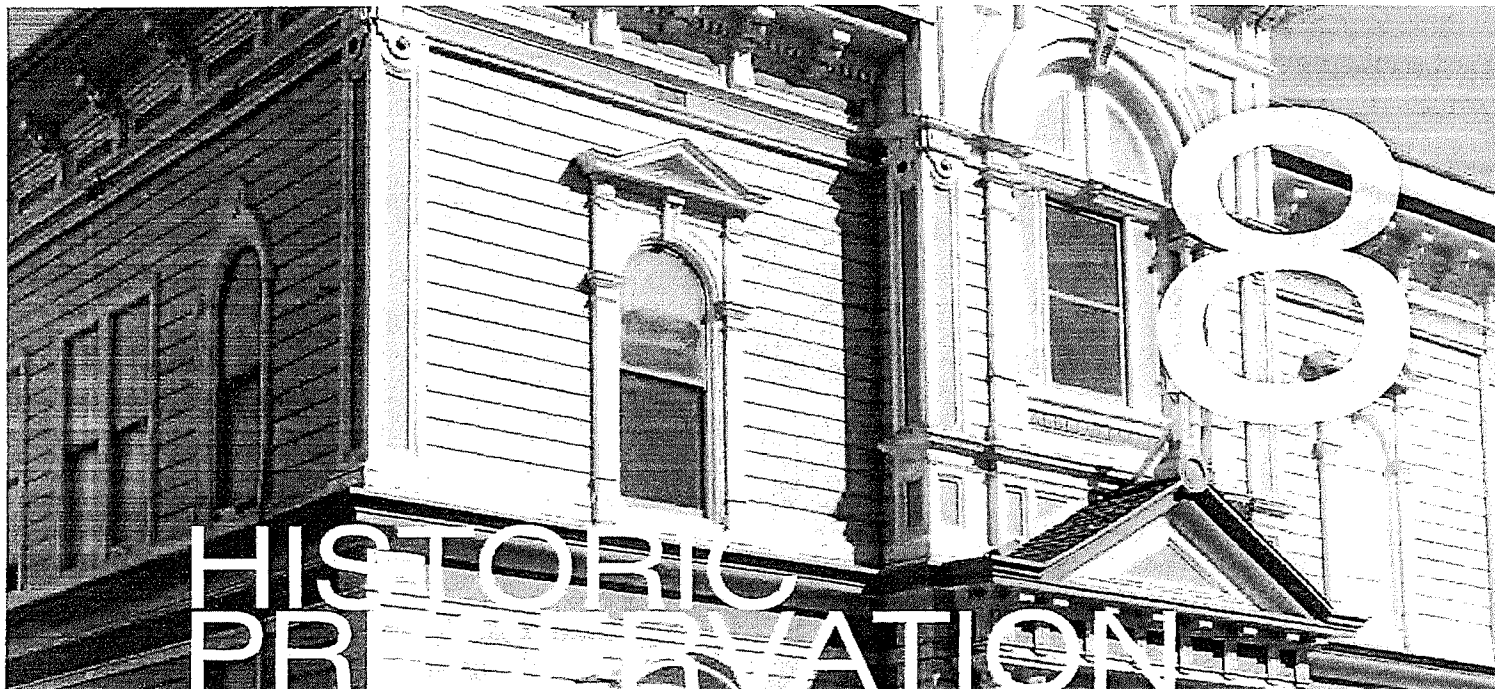
Support efforts to preserve and enhance social and cultural institutions.

POLICY 7.3.2

Encourage the creation of new social and cultural facilities in the Mission area.

POLICY 7.3.3

Protect and support Latino and other culturally significant local business, structures, property and institutions in the Mission.



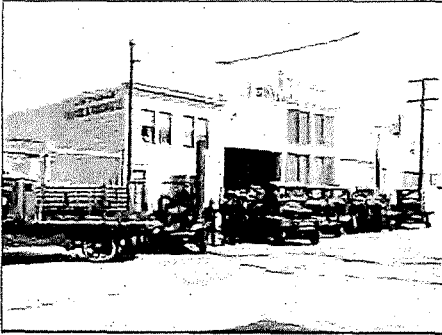
HISTORIC PRESERVATION

The heritage of San Francisco is preserved in its historically significant buildings, sites, districts, and other resources. These historic resources are important to quality of life in the city, and they help to make it attractive to residents, visitors, and businesses. They provide continuity to the events, places, people, and architecture of San Francisco's storied past. Historic resources contribute to the city's diverse housing and commercial stock, and to the human scale and pedestrian orientation of its neighborhoods. Plan policies should promote the identification, protection and rehabilitation of known and unknown historic resources to assure that they accommodate for current populations as well as future generations.

The Mission District is particularly rich in historical properties, including several of the oldest and most important in the city. Just west of the Mission Area Plan boundary stands San Francisco's oldest building and the district namesake, the Mission Dolores (1776), last intact remnant of the city's Spanish-Mexican period. Also found scattered throughout the Mission District are farmhouses, cottages, and even barns of the settlers and farmers who occupied the Mission valley during the Gold Rush and the American pioneer period of the 1850s and 1860s. Examples include the Tanforan Cottages on Dolores Street (also located just outside of the Mission Area Plan boundary), two of the oldest extant homes in the city.

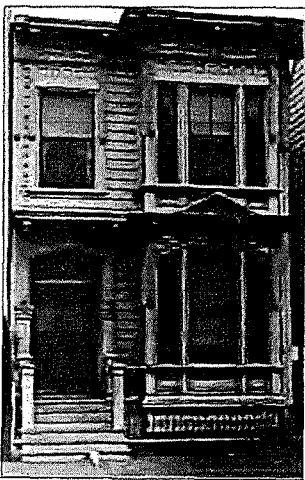
Much of the Mission District's building stock dates to the area's development as one of the city's first streetcar suburbs in the 1870s and 1880s. As new transit lines were installed from the growing city center to the outlying Mission, and as the old Mexican

ranchos were subdivided, residential development in Victorian styles followed. The Mission's proximity to the South of Market and the Central Waterfront areas, and the direct access provided by transit lines, fostered growth of a working-class population and character in the Mission. The city's wealthy elite also found the Mission, particularly Howard Street (now South Van Ness Avenue), to be a desirable area for their estates and mansions. During the latter nineteenth century, the majority of the Mission was built out as a residential suburb.



The Great Earthquake and Fire of 1906 destroyed the northern part of the Mission District, while the southern Mission was spared. In the vast area of the Mission that burned to the ground, a decade of furious reconstruction following the disaster largely replicated what had existed before, though modernized. The reconstruction building stock was taller and denser than the older stock, and rendered largely in Edwardian, Classical Revival, and Mission Revival styles. In the southern part of the Mission, where the Victorian-styled building stock was untouched by the 1906 fire, significant new construction also occurred during the reconstruction in order to meet the urgent needs of refugees.

As the twentieth century progressed, the established commercial thoroughfare of Mission Street thrived and grew. Following the 1906 destruction of the downtown commercial center, Mission Street assumed a new role as a vital citywide shopping district. The surviving portion functioned while the burned portion was rebuilt. The corridor, which came to be known as the "Mission Miracle Mile," was characterized by innovations in consumer-oriented architecture that developed during the twentieth century. Downtown department stores, furniture stores, movie theaters, and numerous other consumer-oriented businesses gravitated to Mission Street and spilled over to surrounding streets such as Valencia and Sixteenth.



Following the post-1906 reconstruction period, the Mission District was largely built out and its population had expanded. To serve the larger population, construction of commercial buildings, public buildings such as schools, and community institutions such as churches, temples, and union halls continued through the first few decades of the twentieth century. New pockets of residential infill also appeared, designed in twentieth century styles such as Craftsman, Mediterranean Revival, and Deco/Modern. Since mid-century, public and private redevelopments have altered the Mission's older landscape. Changes in socio-economics have also occurred, including the establishment of Latino culture in the heart of the Mission, centered on the 24th Street commercial corridor.

The Mission's multi-layered heritage is distinguished by the existence of individually significant historic properties as well as by cohesive groupings that form historic districts. Within the Mission Area Plan, Article 10 of the Planning Code officially designates a number of City Landmarks, including the San Francisco Labor Temple, the Victoria

Theater, the San Francisco Women's Building (formerly the Mission Turnverein), and residences ranging from cottages to mansions. Article 10 also designates the Liberty Hill Historic District. Individual properties such as Mission Dolores, the National Guard Armory, and the California Trunk Factory are also listed in the National Register of Historic Places and the California Register of Historical Resources. Various other historic properties and districts, such as the Mission Reconstruction District, are identified through informational surveys and are listed in the statewide Historical Resources Inventory maintained by the California Office of Historic Preservation (OHP). It is expected that additional historic surveys in the Mission Area Plan will document a substantial number of previously unknown resources.

The historic preservation objectives and policies of the Mission Area Plan provide for identification, retention, reuse, and sustainability of the area's historic properties. As the area changes and develops, historic features and properties that define it should not be lost or diminished. New construction should respect and relate to the Mission's historical contexts. The Plan regulates sound treatment of historic resources according to established standards, it encourages rehabilitation of resources for new compatible uses, and it allows for incentives for qualifying historic projects. As greater understanding of the Mission's important historic resources is gained through ongoing survey and property evaluations, the preservation policies of the Mission Area Plan may be revised or augmented to incorporate the new information.

OBJECTIVE 8.1

IDENTIFY AND EVALUATE HISTORIC AND CULTURAL RESOURCES WITHIN THE MISSION PLAN AREA

Individually significant historic resources or historic districts are often identified by a historic resource survey or a historical context statement. While a number of historic resource surveys have been completed in the Mission Plan area (including the identification and Article 10 designation of the Liberty-Hill Historic District and the ongoing Inner Mission North Survey program), it is expected that additional historic resource surveys in the Mission Plan area will document a substantial number of previously unidentified historic resources.

Historic resource surveys and historical context statements help the Planning Department determine eligibility of resources for designation at the local, state, and/or national level. Official designation in turn, fosters civic pride in historic preservation for the benefit of the Mission Plan area and the city as a whole.

Materials, styles, and property types from the nineteenth and early twentieth centuries are more widely appreciated and studied than those associated with the recent past. However, there are some structures that have developed exceptional cultural or historic significance as part of our recent past. These resources – buildings, objects or land-

scapes - deserve consideration in the preservation process. The Planning Department will continue to develop historical context statements and to conduct historic resource surveys in the Mission to identify historic and cultural resources from the distant past as well as from the recent past.

POLICY 8.1.1

Conduct context-based, historic resource surveys within the Mission plan area.

POLICY 8.1.2

Pursue formal designation of the Mission's historic and cultural resources, as appropriate.

POLICY 8.1.3

Recognize and evaluate historic and cultural resources that are less than fifty years old and may display exceptional significance to the recent past.

OBJECTIVE 8.2

PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE MISSION PLAN AREA

Significant historic and cultural resources located in the Mission Plan area include individual properties and districts that are listed on or eligible for the National or California Register, or that are designated as Landmarks or Districts under Article 10 of the Planning Code. These historic and cultural resources cannot be replaced if lost to demolition or altered in such manner their historic significance is diminished. To retain this significance, there are a number of ways to protect, preserve and reuse historic resources within the Mission Plan area.

The established Secretary of the Interior's Standards for the Treatment of Historic Properties provide guidelines for managing any change to a historic resource and for appropriately addressing historical materials, features, and character. In other instances, because many historic and cultural resources no longer retain their historic use, it is desirable to adapt historic resources to accommodate compatible new uses while preserving character-defining features. The Planning Department will support rehabilitation and the adaptive reuse of historic buildings within the Mission area Plan pursuant to the Secretary of the Interior's Standards for Rehabilitation.

POLICY 8.2.1

Protect individually significant historic and cultural resources and historic districts in the Mission plan area from demolition or adverse alteration.

POLICY 8.2.2

Apply the Secretary of the Interior's Standards for the Treatment of Historic Properties in conjunction with the Mission Area Plan objectives and policies for all projects involving historic or cultural resources.

POLICY 8.2.3

Promote and offer incentives for the rehabilitation and adaptive reuse of historic buildings in the Mission plan area.

**OBJECTIVE 8.3**

ENSURE THAT HISTORIC PRESERVATION CONCERNS CONTINUE TO BE AN INTEGRAL PART OF THE ONGOING PLANNING PROCESSES FOR THE MISSION PLAN AREA AS THEY EVOLVE OVER TIME

New information regarding historic and cultural resources is discovered on a regular basis. As new information is compiled, it should be utilized to update and revise the policies set forth in the Mission Plan. It is also important that throughout the planning process, the Planning department work with various city agencies to ensure the protection and preservation of historic resources.

Historic resources are particularly vulnerable to deterioration due to their age and lack of maintenance. Neglect can result in effective demolition of a historic resource and alterations executed without the benefit of the appropriate city permits have the potential to diminish the significance of a historic resource. Owners of all properties have a responsibility to maintain their investment in good condition and to obtain City approval for alterations.

Valuing the historic character of older buildings can help to protect these structures in the event of a natural disaster. Older buildings are among those most vulnerable to destruction or heavy damage from events such as earthquake or fire, resulting in potential danger to life safety as well as an irreplaceable loss of the historic fabric of San Francisco.

Valuing the historic character of neighborhoods can preserve economic diversity. In some cases, older buildings that are responsibly rehabilitated may be more affordable than new construction. These buildings may be opportunities for low and moderate income households to find affordable housing.

POLICY 8.3.1

Pursue and encourage opportunities, consistent with the objectives of historic preservation, to increase the supply of affordable housing within the Mission plan area.

POLICY 8.3.2

Ensure a more efficient and transparent evaluation of project proposals which involve historic resources and minimize impacts to historic resources per CEQA guidelines.

POLICY 8.3.3

Prevent destruction of historic and cultural resources resulting from owner neglect or inappropriate actions.

POLICY 8.3.4

Consider the Mission area plan's historic and cultural resources in emergency preparedness and response efforts.

POLICY 8.3.5

Protect and retrofit local, state, or nationally designated UMB (Unreinforced Masonry Buildings) found in the Plan Area.

POLICY 8.3.6

Adopt and revise land use, design and other relevant policies, guidelines, and standards, as needed to further preservation objectives.

OBJECTIVE 8.4

PROMOTE THE PRINCIPLES OF SUSTAINABILITY FOR THE BUILT ENVIRONMENT THROUGH THE INHERENTLY "GREEN" STRATEGY OF HISTORIC PRESERVATION

A commitment to retaining and preserving historic resources saves, preserves, recycles and reuses valuable materials that contain embodied energy. For this reason, the preservation, protection and reuse of historic and cultural resources are "green" strategies that can be applied to the built environment and help the City to achieve broader goals of sustainability.

POLICY 8.4.1

Encourage the retention and rehabilitation of historic and cultural resources as an option for increased sustainability and consistency with the goals and objectives of the Sustainability Plan for the City and County of San Francisco.

OBJECTIVE 8.5

PROVIDE PRESERVATION INCENTIVES, GUIDANCE, AND LEADERSHIP WITHIN THE MISSION PLAN AREA

Preservation incentives are intended to offset the cost of preservation and encourage property owners to maintain, repair, restore, or rehabilitate historic and cultural resources. A number of financial incentives are available to owners of historic and cultural resources to assist in preservation.

On a local level, San Francisco offers preservation incentive programs, and other incentives are offered through California Office of Historic Preservation. These include federal tax credits for rehabilitation of qualified historical resources, property tax abatement programs (the Mills Act), and tax reductions for preservation easements. Grants, loans, and other funding sources are also available from public and private organizations. Preservation incentives can result in tangible benefits to property owners.

On a State level, the California Historic Building Code (CHBC) permits alternate design approaches to the regular Building Code that can minimize adverse impacts while still providing for health and safety. The CHBC can be used to find creative solutions to protect materials and methods of construction that might not otherwise be permitted under the standard Code. Property owners seeking to rehabilitate historic buildings may also be able to realize cost savings when rehabilitating an historic structure by using the CHBC. The CHBC protects California's heritage by recognizing the unique construction problems inherent in historic buildings and providing an alternative to the regular Building Code.

Another good resource for incentive programs and education is the Planning Department staff. The Planning Department retains a core staff of Historic Preservation Technical Specialists who are available to share expertise with the public and other government agencies. Because the City and County of San Francisco is the largest owner of officially designated landmarks in the City, the planning staff will work to share their expertise with other agencies to identify, maintain and rehabilitate the publicly owned historic and cultural resources in the Mission Plan Area. With the guidance of the Landmarks Preservation Advisory Board, the City will also lead by example and demonstrate good stewardship of its resources by maintaining, rehabilitating, and restoring its publicly owned historic resources within the Mission Plan area.



POLICY 8.5.1

Disseminate information about the availability of financial incentives for qualifying historic preservation projects.

POLICY 8.5.2

Encourage use of the California Historic Building Code for qualifying historic preservation projects.

POLICY 8.5.3

Demonstrate preservation leadership and good stewardship of publicly owned historic and cultural resources.

OBJECTIVE 8.6

FOSTER PUBLIC AWARENESS AND APPRECIATION OF HISTORIC AND CULTURAL RESOURCES WITHIN THE MISSION PLAN AREA

San Francisco residents, merchants, and local historians may possess and have access to valuable historic information not widely known about buildings or other resources that would be useful in the evaluation process. The public can play an important role in identifying historic resources by participating in City surveys and context statement development or by submitting Potential San Francisco Landmark Evaluation forms to begin a formal designation process. Such participation can help to promote greater civic pride and awareness of the historic and cultural landscape of the Mission Plan area which is also helpful for the planning and environmental decision-making process.

POLICY 8.6.1

Encourage public participation in the identification of historic and cultural resources within the Mission plan area.

POLICY 8.6.2

Foster education and appreciation of historic and cultural resources within the Mission plan area among business leaders, neighborhood groups, and the general public through outreach efforts.

APPENDIX

A1. Public Transit Improvements Concept Map

A2. Pedestrian / Bicycle / Traffic Calming Improvements Map

A3. Streets and Open Space Concept Map

Eastern Neighborhoods Public Transit Improvements Concept

Adopted December 2008

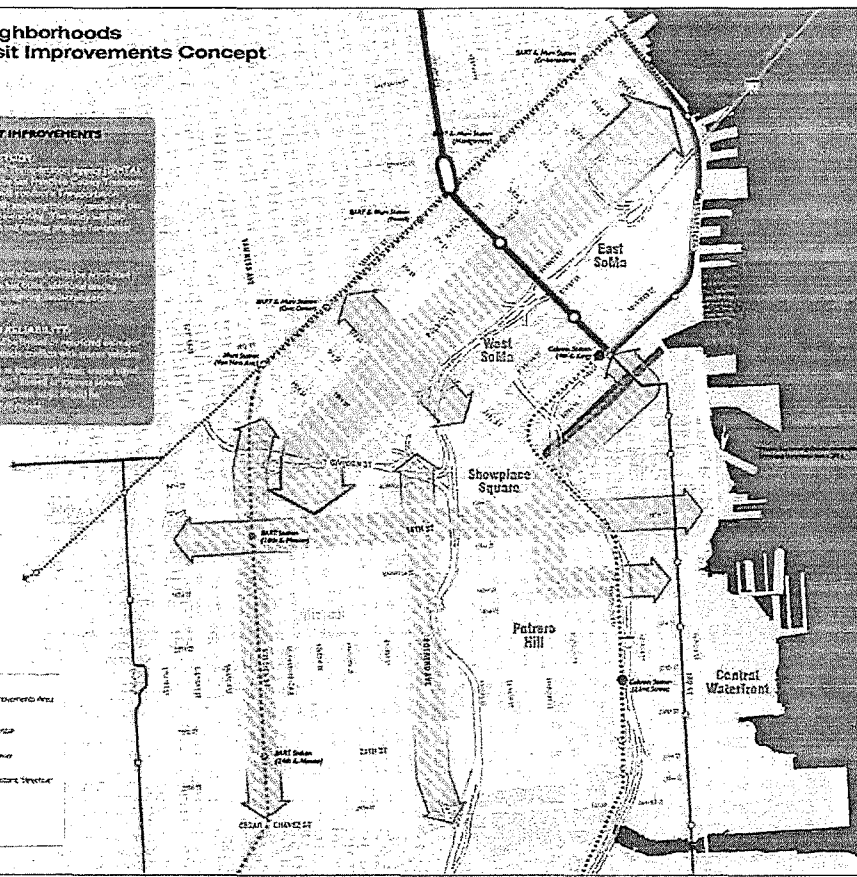
GENERAL TRANSIT IMPROVEMENTS

TRANSIT SERVICE IMPROVEMENTS AREA
The Eastern Neighborhoods Transit Service Improvements Area (ESI) is a geographic area within the City of San Francisco that is the focus of the Eastern Neighborhoods Transit Service Improvements Program. The ESI is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. The ESI is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

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- Transit Service Improvements Area
- Future Transit Service
- Future Transit Service
- Proposed Transit Service
- Future Transit Service
- Future Transit Service



SOHA The SoMa area is a key transit corridor in the Eastern Neighborhoods. The SoMa area is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. The SoMa area is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

WESTERLY The Western area is a key transit corridor in the Eastern Neighborhoods. The Western area is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. The Western area is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

SHOWPLACE SQUARE Showplace Square is a key transit corridor in the Eastern Neighborhoods. Showplace Square is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. Showplace Square is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

CENTRAL WATERFRONT Central Waterfront is a key transit corridor in the Eastern Neighborhoods. Central Waterfront is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. Central Waterfront is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

14TH STREET 14th Street is a key transit corridor in the Eastern Neighborhoods. 14th Street is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. 14th Street is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

POTRERO AVENUE Potrero Avenue is a key transit corridor in the Eastern Neighborhoods. Potrero Avenue is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. Potrero Avenue is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

MISSION STREET Mission Street is a key transit corridor in the Eastern Neighborhoods. Mission Street is bounded by the San Francisco Bay to the west, the Golden Gate Bridge to the east, the San Francisco Peninsula to the south, and the San Francisco Bay to the north. Mission Street is divided into three sub-areas: the Eastern Neighborhoods Transit Service Improvements Area (ESI), the Eastern Neighborhoods Transit Service Improvements Area (ESI), and the Eastern Neighborhoods Transit Service Improvements Area (ESI).

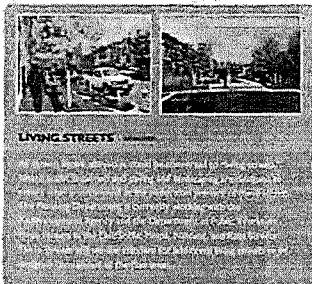


Adopted December 2008

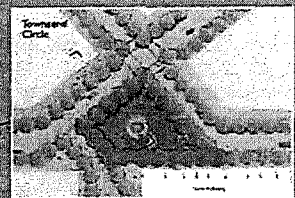
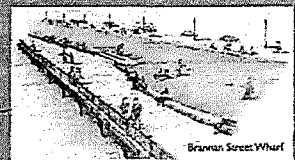
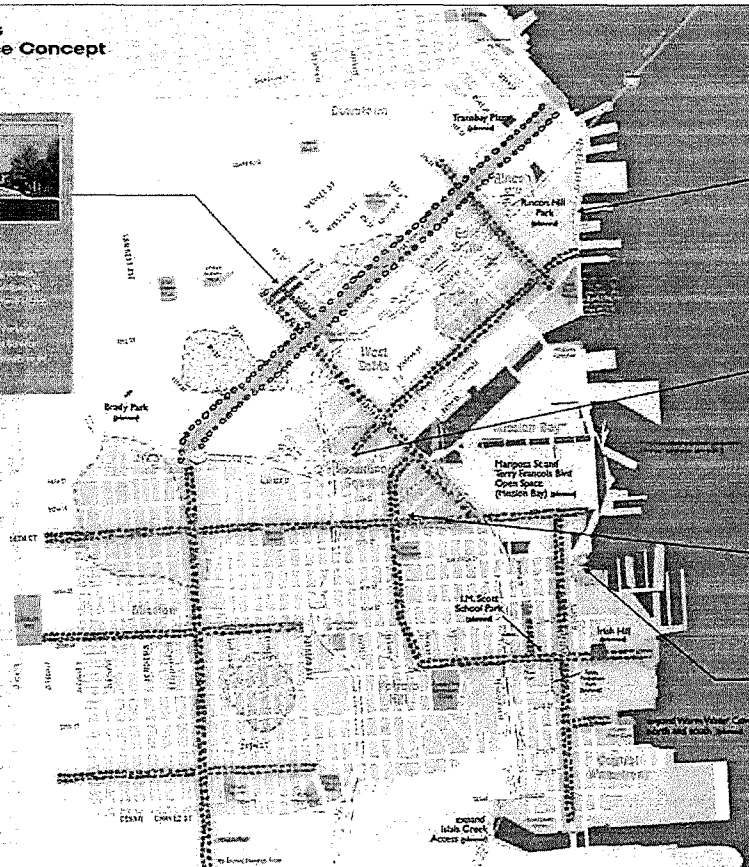


Eastern Neighborhoods Streets and Open Space Concept

Adopted December 2008



- Acquire and develop sites for open space or recreational parks in the general vicinity
- Existing Open Space
- Planned Open Space
- City Boulevard
- Green Connector Corridor
- Proposed Living Streets





SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No.: 2014.1020ENV
Project Address: 1515 South Van Ness Avenue
Zoning: Mission Street NCT (Neighborhood Commercial Transit) Use District
55-X and 65-X Height and Bulk District
Block/Lot: 6571/008, 001, 001A
Lot Size: 35,714 square feet
Plan Area: Eastern Neighborhoods Area Plan
Project Sponsor: Peter Schellinger – (415) 975-4982
peter.schellinger@lennar.com
Staff Contact: Melinda Hue – (415) 575-9041
Melinda.Hue@sfgov.org

PROJECT DESCRIPTION

The project site is located on the northern portion of a block bordered by South Van Ness Avenue, 26th Street, Shotwell Street, and Cesar Chavez Street in San Francisco's Mission neighborhood. The project site currently includes a two-story, 34-foot-tall, 31,680-square-foot, production, distribution, repair (PDR) building (constructed in 1948) with a surface parking lot. The building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include the demolition of the existing building and the construction of a five- to six-story, 55- to 65-foot-tall (up to 75 feet tall with roof-top equipment), approximately 180,300-square-foot mixed-use building. The proposed building would consist of 157 residential dwelling units and approximately 1,080 square feet of retail uses. The proposed

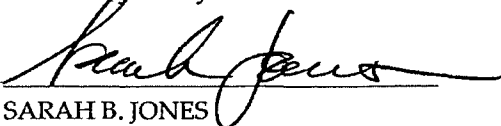
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EXEMPT STATUS

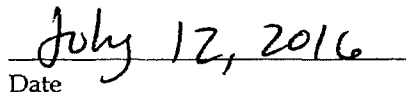
Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

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


SARAH B. JONES

Environmental Review Officer


Date

cc: Peter Schellinger, Project Sponsor; Supervisor David Campos, District 9; Doug Vu, Current Planning Division; Eiliesh Tuffy, Preservation Planner; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). Usable open space would be provided in a courtyard, roof terrace and private patios. The proposed project would include a basement parking garage that would be accessed via an existing curb cut on Shotwell Street. The garage would include 79 parking spaces, two carshare spaces, and 150 Class I bicycle spaces. The proposed project would include eight Class II bicycle spaces provided on the sidewalks in front of the building entrances on South Van Ness Avenue and on 26th Street. Proposed streetscape improvements would include planting of 23 street trees, installation of corner bulb-outs on the southeast corner of South Van Ness Avenue and 26th Street and on the southwest corner of Shotwell Street and 26th Street, and the removal of a curb cut on South Van Ness Avenue. A new 40-foot-long on-street loading space is also proposed on 26th Street to accommodate larger delivery vehicles. Two service vehicle parking spaces would be located in the garage to accommodate smaller delivery vehicles.

Construction of the proposed project is expected to last 23 months. Construction of the proposed project would require excavation of up to approximately six feet and the removal of about 4,800 cubic yards of soil.

PROJECT APPROVAL

The proposed 1515 South Van Ness Avenue project would require the following approvals:

Actions by the Planning Commission

- Conditional Use Authorization for development on a lot larger than 10,000 square feet

Actions by other City Departments

- Approval of building permits from the San Francisco Department of Building Inspection (DBI) for demolition and new construction
- Approval of proposed streetscape improvements from San Francisco Municipal Transportation Agency (SFMTA)
- Approval of street and sidewalk permits from San Francisco Public Works for any modifications to public streets, sidewalks, protected trees, street trees, or curb cuts

The approval of the Conditional Use Authorization is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EXEMPTION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially

significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 1515 South Van Ness Avenue project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)¹. Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 1515 South Van Ness Avenue.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{2,3}

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

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a "No Project" alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of

¹ Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

² San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

³ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268>, accessed August 17, 2012.

development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.⁴

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Exemption (CPE) Checklist, under Land Use. The 1515 South Van Ness Avenue site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with a building height up to 55 to 65 feet.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 1515 South Van Ness Avenue is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 1515 South Van Ness Avenue project, and identified the mitigation measures applicable to the 1515 South Van Ness Avenue project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{5,6} Therefore, no further CEQA evaluation for the 1515 South Van Ness Avenue project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The project site is located on the northern portion of a block bordered by South Van Ness Avenue, 26th Street, Shotwell Street, and Cesar Chavez Street in San Francisco's Mission neighborhood. The project site has frontage on 26th Street, South Van Ness Avenue, and Shotwell Street. The uses immediately south of the project site include auto repair and supply shops located within single-story buildings. A project is currently proposed at 1296 Shotwell Street, directly southeast of the project site, involving the demolition of the existing building and construction of a nine-story building with 96 senior affordable housing residential units. Uses further south, across Cesar Chavez Street, include two- to four-story residential uses. The areas to the west of the project site, across South Van Ness Avenue, include auto-related uses (gas station, auto repair), ground-floor retail and residential uses. Buildings range from one to three stories. A project is currently proposed at 3314 Cesar Chavez Street, west of the project site, involving the

⁴ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

⁵ Adam Varat, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 1515 South Van Ness Avenue, April 5, 2016. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.1020ENV.

⁶ Jeff Joslin, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 1515 South Van Ness Avenue, April 6, 2016.

demolition of the existing building and the construction of a six-story building with 52 residential units and 1,740 square feet of commercial space. The areas north of the project site, across 26th Street, include auto repair and residential uses. Buildings range from one to three stories as well. The areas east of the project site, across Shotwell Street, include a four-story residential development. The project site is located within a half-mile of the 24th Street BART Station and Muni bus lines 14-Mission, 49-Van Ness/Mission, 12-Folsom/Pacific, and 27-Bryant.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 1515 South Van Ness Avenue project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 1515 South Van Ness Avenue project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The conversion of the existing PDR use to a mixed-use residential use would not contribute to the significant and unavoidable cumulative land use impact identified in the Eastern Neighborhoods PEIR. The project site was zoned NC-3 (Moderate-Scale Neighborhood Commercial District) prior to the rezoning of Eastern Neighborhoods, which did not encourage PDR uses and the rezoning of the project site to Mission Street NCT (Neighborhood Commercial Transit) was not included as part of the long-term PDR land supply loss that was considered a significant cumulative impact in the Eastern Neighborhoods PEIR. The proposed project would not involve the demolition of a historic resource and is not located within a historic district. Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR. Transit ridership generated by the project would not considerably contribute to the transit impacts identified in the Eastern Neighborhoods PEIR. Based on the shadow fan analysis, the proposed project is not expected to shade any Planning Code Section 295 or non-Section 295 open spaces. The proposed project would shade nearby private property at levels commonly expected in urban areas.

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

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Applicable: though currently not proposed, piles could be	The project sponsor has agreed to, if piles for foundation

Mitigation Measure	Applicability	Compliance
	needed in lieu of ground improvements for building foundation purposes	purposes are needed, implement noise and vibration attenuation measures during construction.
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to develop and implement a set of noise attenuation measures during construction.
F-3: Interior Noise Levels	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
F-5: Siting of Noise-Generating Uses	Applicable: though noise-generating uses are not anticipated, exact uses for trade shop spaces are not yet known	The project sponsor has agreed to conduct and submit a detailed analysis of noise reduction requirements if trade shops accommodate future noise-generating uses.
F-6: Open Space in Noisy Environments	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: superseded by the Dust Control Ordinance and project site not located within an Air Pollutant Exposure Zone	N/A

Mitigation Measure	Applicability	Compliance
G-2: Air Quality for Sensitive Land Uses	Not Applicable: project site not located within an Air Pollutant Exposure Zone and CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: proposed project would include uses (residential, ground floor commercial) that would not emit substantial levels of DPM	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: proposed project would include uses (residential, ground floor commercial) that would not emit substantial levels of other TACs	N/A
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: project site not located on site with previous studies	N/A
J-2: Properties with no Previous Studies	Applicable: project located on site with no previous studies	The project sponsor has agreed to implement the Planning Department's Standard Mitigation Measure #3 (Testing).
J-3: Mission Dolores Archeological District	Not Applicable: project site is not located within the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A

Mitigation Measure	Applicability	Compliance
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: proposed project would involve demolition of an existing building	The project sponsor has agreed to remove and properly dispose of any hazardous building materials in accordance with applicable federal, state, and local laws prior to demolishing the existing buildings.
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level	N/A

Mitigation Measure	Applicability	Compliance
	mitigation by SFMTA	
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

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

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on October 8, 2015 to adjacent occupants, and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Concerns related to physical environmental effects include land use impacts resulting from the loss of PDR; air quality impacts; wind and shadow impacts; traffic and parking impacts; hazardous materials impacts; and cultural resources impacts. These concerns are addressed in the land use; air quality; wind and shadow; transportation; hazards and hazardous materials; and cultural and paleontological resources sections of the CPE Checklist. In regards to potential parking impacts, pursuant to Public Resources Code 21099(d), parking impacts are not to be considered significant CEQA impacts for mixed-use residential development projects on in-fill sites in a transit priority area. The proposed project meets the criteria, as discussed under the Senate Bill 743 section of the CPE Checklist.

Comments related to topics outside the scope of CEQA were also received. These comments concerned socioeconomic issues such as displacement of existing low-income resident and jobs, displacement of organizations that contribute to the Calle 24 Latino Cultural District, and rise in housing costs due to increased development of market-rate housing. The proposed project is subject to the Mission 2016 Interim Zoning Controls, effective January 2016, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR. The project sponsor has prepared such additional analysis and has submitted this analysis to the Planning Department.⁷ The Planning Commission will review and consider this analysis before making a decision and taking an approval action on the proposed project.

Environmental analysis under CEQA is required to focus on the direct and indirect physical changes to the environment that could reasonably result from a proposed project. Economic or social effects of a project are not considered significant environmental impacts, unless they lead to physical changes in the environment (CEQA Guidelines 15131). Accordingly, the displacement issue addressed under CEQA refers specifically to the direct loss of housing units that would result from proposed demolition of existing housing and the foreseeable construction of replacement housing elsewhere. This is because demolition of existing housing has the potential to result in displacement of substantial numbers of people and would necessitate the construction of replacement housing elsewhere. This would in turn

⁷ Mission 2015 Interim Controls Additional Findings for 1515 South Van Ness Ave. Case No. 2014.1020CUA, submitted to Doug Vu, San Francisco Planning Department.

result in a number of direct and indirect physical changes to the environment associated with demolition and construction activities and new operational impacts.

As discussed under the population and housing section of the CPE Checklist, the project site does not contain any existing residential units and the proposed project would not result in any direct displacement of low-income residents. The existing building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include approximately 1,080 square feet of retail uses and six trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). These spaces are anticipated to be retail units with some reserved space for goods production (e.g. jewelry making, bag making, ceramics). Therefore, the proposed project would result in a small increase in jobs within the city. Additionally, as discussed under the cultural and paleontological resources section of the CPE Checklist, the existing building is not a historic resource and the project site is not located within a historic district. Finally, the possibility that the proposed project would contribute to rising housing costs is speculative with regard to potential physical changes that would result, and therefore is not a physical environmental effect subject to analysis under CEQA. Additional comments received were related to the building design, the quality of ground floor spaces, the project outreach process, and requests to be on the distribution list for future documents. Comments on the merits of the project that are not related to environmental analyses topics will be provided to decision-makers for consideration in their review of approval actions for the proposed project.

The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

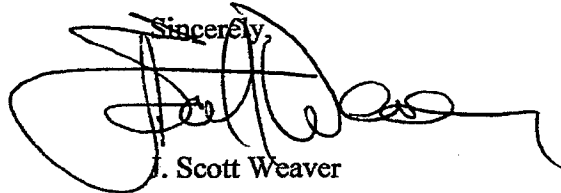
⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.1020ENV.

Therefore, the proposed project is exempt from further environmental review pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

Melinda Hue
June 3, 2016
Page Seven

I have not had the opportunity to thoroughly discuss all the potential issues that would inform the impacts of the proposed project both individually and cumulatively and may request that you add to this inquiry in the future.

In light of the foregoing, you are requested to undertake the evaluation requested before considering the proposed project, or any of the other projects listed above that would have an impact on the Calle 24 Latino Cultural District. At your convenience, please let me know if the Department intends to undertake this evaluation as requested.

Sincerely,

J. Scott Weaver

Jsw:sme

cc. Calle 24 Latino Cultural District
Our Mission No Eviction
PODER
MEDA
John Rahaim
Members, San Francisco Planning Commission
Members, San Francisco Board of Supervisors
Mayor, Ed Lee
Joaquin Torres
Dianna Ponce de Leon

bccs

EXHIBIT E

EXHIBIT E

EXHIBIT E

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Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Friday, October 14, 2016 2:08 PM
To: jscottweaver@aol.com; peter.schellinger@lennar.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); Lew, Lisa (BOS); Vu, Doug (CPC); Hue, Melinda (CPC); BOS Legislation, (BOS)
Subject: Appeal Response: Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016
Categories: 161001

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council, concerning the Community Plan Exemption Appeal for the proposed project at 1515 South Van Ness Avenue.

[Appellant Letter - October 14, 2016](#)

The appeal hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on October 25, 2016.

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

[Board of Supervisors File No. 161001](#)

Thank you,

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West Bay Law
Law Office of J. Scott Weaver

October 14, 2016

President London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr Carlton B Goodlett Pl #244
San Francisco, CA 94102

Re: 1515 South Van Ness Avenue Project. 2014.1020CUA

Dear Supervisor Breed,

Please accept this submission on behalf of the Calle 24 Latino Cultural District Council with respect to the proposed project at 1515 South Van Ness Avenue.

I. Factual Background

The proposed project is a five to six story building at the corner of South Van Ness Avenue and 26th Street, and within the boundaries of the Calle 24 Latino Cultural District. It replaces the 35,000 square feet of PDR use with a project consisting of approximately 4,167 square feet of trade shops, 1,074 square feet of retail and 157 housing units of various sizes. Originally 88% of those units were to be “market rate”. Shortly before the hearing the project sponsor proposed 75% market rate, 15% affordable to those earning 55% AMI and 10% affordable to those earning 100% AMI.

- A. On October 23, 2015 Appellant Calle 24 Latino Cultural District Council (“Council”) wrote to the Planning Department requesting that any environmental analysis of the proposed project at 1515 South Van Ness Avenue (“proposed project”) include an evaluation of the cumulative impacts of the proposed project along with other market rate projects affecting the Calle 24 Latino Cultural District (LCD), and to fashion mitigations for any negative impacts. The letter also noted that substantial new information rendered the Eastern Neighborhoods Plan EIR (“PEIR”) out of date. (See Exhibits, Pages 484 - 486)
- B. On June 3, 2016 Appellant Council wrote to the Planning Department objecting to a Draft Certificate of Exemption prepared by the Planning Department, reiterating the need for an analysis of the impacts on the LCD, stating the basis for such an analysis, and requesting that adequate mitigations be put in place. The letter provided specific areas of inquiry that would assist in this evaluation. The letter also reiterated the substantial new information rendered the PEIR out of date and no longer a basis for issuing a Certificate of Exemption. (Exhibits, Pages 590-596, 588-89)

- C. On July 12, 2016 the Planning Department issued a Certificate of Exemption from Environmental Review. (Exhibits, Pages 577-587)
- D. On August 3, 2016 Appellant Council wrote Planning Commissioners expressing its concerns regarding the proposed project, including the failure of the Department to evaluate cumulative impacts of increased gentrification on the LCD and that the PEIR was no longer a viable basis for issuing a Certification of Exemption. (Exhibits, Pages 46-57)
- E. On August 3, 2016 Supervisor David Campos wrote to the Planning Commission requesting that impacts of the projects affecting the LCD be evaluated and adequate mitigations be put in place prior to the approval of any project. (Exhibits, Page 597, 598)
- F. On August 11, 2016, the Planning Commission approved the proposed project, including approval of the Community Plan Exemption (Exhibits, Pages 2-40).
- G. Appellant timely filed this appeal on September 12, 2016.

II. Reasons for Appeal

- A. The CEQA findings did not take into account the direct, indirect, and cumulative impacts that the proposed project and other “market rate” projects would have on the businesses, residents, and non-profits in the LCD.
- B. The Community Plan Exemption reliance on the PEIR was improper because 1) The PEIR contemplated production of no more than 2,054 units with an approved preferred project of 1,696 units for the Mission Area. As of February, 2016 there were 2,451 units either completed or under environmental review. and 2) Substantial new information renders the PEIR out of date. These changes cumulatively impact areas of land use, consistency with area plans and policies, recreation and open space, traffic and circulation, transit and transportation
- C. The Planning Department and Planning Commission have engaged in a pattern and practice of approving projects relying on an out-of-date Plan EIR and without regard to the direct and indirect cumulative impacts that these projects have on the environment.

III. The CEQA Findings Did Not Take into Account the Cumulative Impacts of the Proposed Project on the Calle 24 Latino Cultural District.

A. Background of the LCD and Existing Threats.

The businesses and nonprofits in the LCD have been recognized by resolution of the Board of Supervisors as an important cultural, historical and commercial resource for the City. (Resolution Creating LCD is attached as Exhibit 1) The Ordinance creating the LCD noted that “The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco.” The District was established “to stabilize the displacement of Latino Businesses, and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco’s residents and tourists, . . .” and that its contribution will provide “cultural visibility, vibrancy, and economic opportunity for Latinos in the City and County of San Francisco.” (See Exhibits Pages 170-178)

The Calle 24 Latino Cultural District Community Council (“the Council”), a nonprofit consisting of community stakeholders in the LCD, has stated as its mission: “To preserve, enhance, and advocate for Latino cultural continuity, vitality, and community in San Francisco’s touchstone Latino Cultural District and the greater Mission community”. (Exhibits Page 183) With funding from the Mayor’s Office of Economic and Workforce Development and technical support from the Gato Group, the Council engaged in an extensive planning process that included numerous stakeholder interviews, four focus groups, a study session with expert consultants, and four community meetings. At the conclusion, the Council prepared a report on its community planning process. (Exhibits Page 186, 187) Among the Council’s initiatives are the creation of a Special Use District and a Cultural Benefits Campaign district. These initiatives are currently in process.

The report noted that “there were major concerns among all stakeholders about the **lack of affordable housing** and about the gentrification and recent eviction and displacement of long-time residents. A related theme was the **rapid transformation** underway with some saying they wanted to prevent another ‘Valencia’ (referring to the way Valencia lost much of its Latino culture in the 1990s and 2000s)”. (Emphasis original) (Exhibits Page 191)

Unfortunately, we are beginning to see the Valenciazation of the LCD. Small mom and pop businesses are being replaced by upscale corporate-owned businesses. Non-profits such as the 40-year-old Galaria de la Raza, on month-to-month tenancies are extremely vulnerable. They are also seeing a diminution of their customer base due to gentrification and the resulting displacement.

While it is true that “gentrification” is already occurring in the area, with little market rate development, the sudden influx of over 650 households earning 200% AMI will pour gasoline on the fire. (See “cumulative impacts” below)

Development has already demonstrated the potential physical impacts of continued market rate development. For instance, at a proposed project on 24th and York, the owner plans to build 12 condo townhomes which will cover a mural that has been on there over 30 years and is part of the Precita eyes mural tours. The famous Carlos Santana mural on 22nd and South Van Ness was completely covered when the lot in front built housing. In Balmy Alley new owners of a property wanted to remodel and add a second unit which faced balmy ally, covering a 40 year-old mural.

More disturbing has been complaints by newcomers against neighboring Latino owned businesses from the owner and residents of the Vida on Mission Street. A group of new residents on Harrison St. calling themselves “the gang of five” said they would sue to stop Carnival. During Sunday Streets on 24th a group of neighbors did not want the low riders on Harrison Street, saying that they were intimidated by them. Additionally, neighbors have complained about “Mexican” music on 24th Street. Without sufficient mitigation and community benefits, problems such as these will only get worse with the influx of hundreds more “gentrifiers”, all to the detriment of the residents, businesses, and nonprofits that the City said it wanted to protect when it created the LCD. As we have seen on Valencia Street we can foresee gentrifiers requesting the police to move Latino youths, and adults, off “their” street corners.

B. Cumulative Impacts Must Be Examined.

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

The impacts of the proposed project cannot be examined in isolation. The proposed project is not constructed inside a bubble. Both the project and its residents interact with the immediate community in multiple ways. Similarly, the environmental impacts of this project cannot be examined apart from other proposed projects currently in the pipeline. Including this project, there are approximately 666 luxury units currently in the pipeline that are located in or near the LCD. They are: 2675 Folsom Street (98 “market rate” units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 2918 Mission St. (38), 1298 Valencia St. (35), and 2600 Mission (20). Two blocks from the LCD is 2000-2070 Bryant Street (191 units), for a total of 662.(Exhibits, Page 58)

C. Cumulative Impacts of the Proposed Project and Other Market Rate Projects on the LCD are Subject to CEQA Review.

CEQA defines “environment” as “the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance.” 14 CCR Sec. 15131(a). See e.g. *Eureka Citizens for Responsible Government v City of Eureka* (2007) 147 Cal.App.4th 357, 363). The cumulative impacts of the proposed project on the LCD are subject to CEQA because (1) They have a potential adverse impact on the businesses and nonprofits in the LCD and therefore may impact the physical environment, and (2) LCD is “historic” as defined in the Public Resources Code and the CCR. These impacts to land use were not examined in the PEIR because the LCD did not exist at the time the PEIR was prepared.

1) The Market Rate Projects Have a Potential Adverse Impact on the Physical Environment.

As previously stated, the City has placed great importance on the long term viability of the LCD, by its creation, investment in the study by the Council (Exhibits, Pages 170-187), its inclusion in the MAP 2020 program, and by creation of a Legacy Business program along with other assistance to small businesses. Further, two of the primary objectives of the Mission Area Plan are to preserve the diversity of the Mission, and to “preserve and enhance the unique character of the Mission District Commercial Areas”. (Exhibits Page 500). It is a resource worth preserving.

The proposed project itself will result in the influx of approximately 141 households earning 200% AMI. In the pipeline are projects proposing more than 500 more households in or near the LCD. It is no leap of faith to anticipate that the proposed project will result in higher rents on properties within the LCD especially for businesses and non-profits which do not have rent control protections. High wage earners have much more disposable income than most residents of the area. According to 2009-2013 census estimates, the median income for residents in the census tract on which the proposed project site is situated was \$51,510 (or 50% Median Income for a family of four). In addition to having significantly more disposable incomes and ability to purchase higher priced goods and services, these newcomers are more likely to have different consumer preferences, affecting both price and the nature of the goods and services provided by businesses in the 24th Street corridor. We might ask “how can the City provide economic opportunities for Latinos if its policies price Latinos out of the market?” We only need look at Valencia Street to see how the influx of higher wage earners with only modest market rate development can impact a commercial corridor, substituting for mom and pop businesses with high end restaurants and clothing stores. Envisioning a similar result along 24th Street is a far cry from “speculative,” it is reasonably foreseeable.

Significant effect on the environment" is defined as "a substantial, or potentially substantial, *adverse change in any of the physical conditions within the area affected by the project* including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant." (Guidelines, § 15382, italics added.)

The Court's decision in *Bakersfield Citizens for Local Control v City of Bakersfield* (2004) 124 Cal.App. 4th 1184 is highly instructive on this issue and analogous to the matter currently before the Board. In *Bakersfield*, the city refused to consider the impacts of two proposed shopping centers on downtown businesses and the potential to cause urban decay. The Court held that the businesses were part of the physical environment for which an EIR was required. Noting that under Guidelines 15131(a) "(I)f forecasted economic or social effects of a proposed project directly or indirectly will lead to adverse physical changes in the environment, then CEQA requires disclosure and analysis of these resulting physical impacts. (Citations) subdivision (e) of Guidelines section 15064 provides that when economic or social effects of a project cause a physical change, this is to be regarded as a significant effect in the same manner as any other physical change resulting from the project."

Noting that this concept is not limited to the issue of urban decay, the Court referenced *El Dorado Union High School Dist. v City of Placerville* (1983) 144 Cal. App.3d, 123, 131, where the city was required to evaluate whether a proposed apartment house development would necessitate the need to construct a new high school. In *Christward Ministry v. Superior Court* (1986) 184 Cal.App.3d 180, 197, the Court required a study as to whether the physical impacts associated with a new waste management facility under CEQA would disturb worship in an environmental retreat center.

Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciazation of the LCD. Here, mom and pop Latino owned and operated concerns are at risk being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment that defies the City's designation of the district, the MAP 2020 process, and which the City has, at least by its words, sought to avoid.

The Council's repeated requests for evaluation of impacts and development of mitigation measures is supported by a recent report by The Institute for Government Studies. It concluded that: 1) on a regional level, creation of market rate housing will relieve displacement pressures, 2) the creation of affordable housing will have double the impact of relieving such pressures, and 3) "on a block

group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at a regional scale, likely due to the mismatch between demand and supply. (Exhibits, page 341) The report further concluded that further analysis was needed “to clarify the complex relationship between development, affordability, and displacement at the local scale, . . . (and) also investing in the preservation of housing affordability and stabilizing vulnerable communities.”

2) The Calle 24 Latino Cultural District Council has Made a Fair Argument that the Department Should Have Evaluated Cumulative Impacts on the LCD.

Finally, the Board should be mindful of the burdens of both the City and Appellant to provide “substantial evidence” to support their position. “[A]rgument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.” (Pub. Res. Code § 21082.2(c); Guidelines, § 15384.)

The Court in *Stanislaus Audubon Society v. County of Stanislaus* (1995) 33 Cal.App.4th 144, 151, stressed the “low threshold” vis-à-vis the presence of a fair argument, noting that a lead agency should not give an “unreasonable definition” to the term substantial evidence, “equating it with overwhelming or overpowering evidence. CEQA does not impose such a monumental burden” on those seeking to raise a fair argument of impacts. Whether the administrative record contains a fair argument sufficient to trigger preparation of an EIR is a question of law, not a question of fact. Under this unique test “deference to the agency’s determination is not appropriate and its decision not to require an EIR can be upheld only when there is no credible evidence to the contrary.”

In *Keep Our Mountains Quiet v. County of Santa Clara* (2015) 236 Cal.App.4th 714 lay testimony held sufficient to support fair argument. “Relevant personal observations of area residents on nontechnical subjects may qualify as substantial evidence.” *Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 928. “For example, an adjacent property owner may testify to traffic conditions based upon personal knowledge.” (*Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 173.) Because substantial evidence includes “reasonable assumptions predicated upon facts” (Guidelines, § 15384, 17 subd. (b)) and “reasonable inferences” (id., subd. (a)) from the facts, factual testimony about existing environmental conditions can form the basis for substantial evidence.⁹ (Guidelines, § 15384; *Banker’s Hill, Hillcrest, Park West Community Preservation Group v. City of San Diego* (2006) 139 Cal.App.4th 249, 274 (*Banker’s Hill*) [“local residents may testify to their observations regarding existing traffic conditions”]. “The question is not whether [citizen testimony] constitutes proof that [particular effects] will occur,” but whether it (or

reasonable inferences from it) “constitutes substantial, credible evidence that supports a fair argument that . . . [the project] may have a significant impact on the environment.” Emphasis supplied) *Rominger v. County of Colusa* (2014) 229 Cal.App.4th 690, 721

Here, the Department has provided no evidence to support its position. The PEIR does not mention the LCD (because the LCD did not exist at the time the PEIR was prepared) and the Department refused to consider the impacts when so requested.

By contrast Appellant Council has provided substantial evidence to support a fair argument that the cumulative direct and indirect impacts of this and other projects at or near the LCD could, directly or indirectly adversely affect the LCD – which is part of the physical environment. The Council has presented the resolution creating the geographic area constituting the LCD (Exhibits Page 170 - 178) the report concerning the threats to the LCD (Exhibits, Pages 179-205); the extent of market rate development proposed in or near the LCD (Exhibits, Page 58), letters describing the connection between “market rate” development and threats to LCD businesses and nonprofits. (Exhibits, Pages 592-593) the Budget Analyst report describing income levels in the Mission (Exhibits 441), and census information regarding income levels for residents living in or adjacent to the proposed site and within the LCD (<http://www.census.gov/censusexplorer/censusexplorer.html> - showing household AMI for the subject census tract at \$60,479 and across the street from the site, a household income at \$51,510)

Accordingly, the City failed to meet its informational obligations under CEQA. The Certification of Exemption from Environmental Review is therefore defective and cannot be relied on for approval of the proposed project. Before we can proceed with this and other projects, we need to understand their impacts on the LCD and potential mitigation measures that will lessen those impacts.

2. The LCD is an Historic Resource.

Notwithstanding the potential physical impacts described above, and in addition to those impacts LCD qualifies as an Historic Resource and the impacts on this resource must also be evaluated under CEQA against the CRHR criteria prior to making a finding as to a proposed project’s impacts to historical resources. A project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment. (Pub. Res. Code § 21084.1; Guidelines §15064.5).

A historical resource is defined as any object, building, structure, site, area, place, record, or manuscript that: a) Is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, or cultural annals of California; and b) Meets any of the following criteria: (1) Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage; (2) Is associated with the lives of persons important in our past; (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or (4) Has yielded, or may be likely to yield, information important in prehistory or history (14 CCR 15064.5(a)(3)). These businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City whose "richness of culture, history and entrepreneurship is unrivaled in San Francisco."

The near and long term preservation and enhancement of the LCD is a stated goal of the City. This, of necessity, includes the physical presence of its residents, businesses, and nonprofits, which we submit are endangered by the extensive market rate development slated for the area.

IV. The Community Plan Exemption Reliance on the PEIR was Improper Because: 1) The PEIR Contemplated Production of no More than 2,054 Units with an Approved Preferred Project of 1,696 Units for the Mission Area: as of February, 2016 there were 2,451 Units Either Completed or Under Environmental Review; and 2) Other Substantial New Information Renders the PEIR Out of Date. These Changes Cumulatively Impact Areas of Land Use, Consistency with Area Plans and Policies, Recreation and Open Space, Traffic and Circulation, Transit and Transportation

The Department should not have issued a Certificate of Exemption under the Eastern Neighborhoods Plan EIR (PEIR) instead of a project EIR. The use of the PEIR in this way presupposes that it is sufficiently current to address all areas required under CEQA. The Mission Plan had as its goals *inter alia* to produce a substantial amount of affordable housing, preserve diversity and vitality of the Mission, preserve and enhance the distinct character of the Mission's distinct commercial areas, and preserve and enhance existing PDR businesses. (Exhibits, Page 500) The PEIR assumed these goals and presumably believed that they would be realized under the ENP. Now, eight years later, it has become painfully apparent that the Plan is falling short of its goals and that its implementation is out of balance with changing circumstances in the neighborhood. Of the 1855 units entitled or under review as of between 2011 and 12/31/15, only 12% were affordable. An additional 504 units were built during this period, however the monitoring report does not state how many were affordable. (Exhibits, Mission Monitoring Report – Pages 643, 645),

Likewise the Eastern Neighborhoods Plan Community Advisory Council had noted that many of the ENP outcomes have been skewed in the wrong direction. (Exhibits Pages, 599-609)

On September 13, this Board of Supervisors, when considering the project at 2000 to 2070 Bryant Street, expressed serious concerns about the efficacy of the Eastern Neighborhoods Plan in today's environment. (See http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=10&clip_id=26119 beginning at 3:16).

At least part of the reason for the disconnect between the goals and the outcomes is that there have been numerous changes on the ground that have direct, indirect and cumulative impacts on the environment. These changes impact on the physical environment in terms of the physical character of the Mission, notably the character of commercial areas and the presence of PDR businesses, as well as recreation and open space, transportation infrastructure, and traffic and circulation. When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). The situation on the ground has changed substantially since the PEIR was prepared in 2008 in the following ways.

- **An Unanticipated Rapid Pace of Development.** the PEIR was prepared in the midst of the "great recession" and did not project the steep increases in housing prices that we have witnessed during the past eight years. This has been especially exacerbated by the increase in high paying jobs that have come to the City. This has resulted in a construction explosion. As a result, the cumulative total of units built, approved, and under review in the pipeline (2,451 as of February 23, 2016), now exceeds the highest number of units contemplated in the Plan EIR for the Mission (2,056). The PEIR projected this production to take place over a much longer period of time - 2008 to 2025. Development has therefore accelerated at a pace higher than that anticipated in the PEIR. (Exhibits, Page 58) Because of the unexpectedly rapid pace of development, community benefits, including improvements to the Mission's traffic, transportation, open space, and recreation infrastructures have been unable to keep pace (ENCAC Response to Monitoring Report (603-608) - The report also noted that transportation impacts hurt businesses (at page 607). The PEIR clearly did not anticipate this pace of development.
- **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** As previously stated, only 12% of the units under construction, entitled, or under review are affordable units. This is worse than the deplorable City-wide totals. There, the number of market rate units have exceeded the RHNA

Allocations while the number of units affordable to low and moderate income San Franciscans is well below the 60% RHNA allocation. (Exhibits, Page 67, 68). (see also Housing Balance Report at Page 69 *et. seq.* Again, the PEIR could not have anticipated such poor performance in terms of affordability. This will have substantial traffic and transportation (see below) impacts as well as impacts on types of businesses in our neighborhoods (as previously discussed).

- **Disappearance of Redevelopment Money.** In 2012, Redevelopment Agencies throughout the State were dismantled and with that about \$1 billion per year for affordable housing. Now Cities have to struggle to meet affordable housing needs.
- **State of Advanced Gentrification in the Mission.** The glut of high income earners in the Mission has created an “advanced gentrification” that was not anticipated at the time of the PEIR. <http://missionlocal.org/2015/09/sf-mission-gentrification-advanced/> With this gentrification, small Latino “mom and pop” businesses and non-profits have been replaced with high end restaurants, clothing and accessory stores, and other businesses that cater to high earners. Additional high income earners who will occupy the proposed market rate units will further exacerbate these problems. (*Case Studies on Gentrification and Displacement in the San Francisco Bay Area* (Begins at Page 298.) The San Francisco Analyst has reported that the Mission has lost 27% of its Latinos and 26% of its families with children since 2000. One would hope that if the 2008 EIR was able to envision this advanced state that it would have advocated for more protective measures.
- **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted, and will result, in a substantial increase in the rate of automobile ownership in the Mission. Between 2000 to 2013, the number of households with automobiles increased from 37% to 64% - or 9,172 automobiles in 2000 to 16,435 in 2013. At the same time AMI increased from \$50,676 to \$75,269. (Exhibits, Pages 241, 242) It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts – even in transit rich areas such as the Mission. (Exhibits, Pages 225, *et. seq.*) The displacement of Mission residents has resulted in, and will result in, long reverse commutes to places of employment, children’s schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR. A recent report by the Eviction Defense Collaborative following up on a sampling of 566 displaced clients found that nearly 39% were forced to move moved outside San Francisco. (Exhibits, Page 614)

- **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such, we have high-earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no-fault evictions. (Exhibits, Page 616)
<http://www.antievictionmappingproject.net/techbusevictions.html>
- **MTA Traffic Changes Will Directly Impact the Proposed Project.** The recent traffic changes along Mission Street by the SFMTA forces mandatory right turns onto Cesar Chavez from Mission, and prohibits through traffic on Mission, which has added increased traffic on the surrounding residential streets. Much of the right turn traffic will then turn left at South Van Ness to This project will add 140 more households and significantly increase the traffic on Mission Street.
- **Luxury Housing Has Exacerbated the Demand for Affordable Housing.** A 2007 Nexus Study, commissioned by the Planning Department, (Exhibits, Page 108) concluded that the production of 100 market rate rental units generates a demand of 19.44 lower income households through goods and services demanded by the market rate tenants. [These conclusions were made in 2007, well before housing prices began their steep upward trajectory. Today, new “market rate” two bedroom apartments rented in the Mission begin at about \$6,000 per month – requiring an annual household income of \$240,000.] At the time, the PEIR anticipated a 15% inclusionary rate. The current Nexus study waiting to be released is expected to show a demand of 28 affordable units for every 100 built. With a 12% inclusionary rate, there is a need for 16 additional affordable units per hundred market rate units produced. (28 minus 12 = 16) This was not anticipated in the PEIR.

These changed circumstances render the current PEIR obsolete. A Community Plan Exemption is therefore not appropriate for this project and should not have been issued, due to new conditions that were not contemplated in the 2008 EN EIR, and the overbuilding of market rate units in the Mission, which have exceeded the unit count contemplated in the EN EIR.

V. The Department has Engaged in a Pattern and Practice of Allowing Community Plan Exemptions Despite the Fact that it is No Longer an Accurate Informational Tool to Evaluate the Environmental Impacts of a Project.

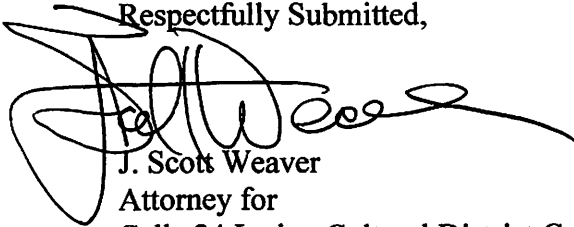
The improper grant of a Community Plan Exemption is part of a pattern and practice used by the City to approve residential development projects. The facts stated above demonstrate that this practice is improper as applied to proposed projects within both the Mission Area Plan and

the LCD. This is in violation of the mandates of CEQA and applicable state and local land use policies and regulations.

Employment of the community plan exemption routinely relies on an out of date Plan EIR that fails to account and/or provide adequate mitigation for significant direct, indirect, and cumulative environmental impacts. The City's policy to approve projects based upon a community plan exemption rather than conduct project level review forms a pattern of actions and/or is embedded in routine practices that are implemented despite the public's request to implement corrective measures and are a detriment to the environment. See *Californians For Native Salmon etc. v. Department of Forestry* (1990) 221 Cal.App.3d 1419, 1426-1430.

As such, the Board of Supervisors Should instruct the Department to refrain from using Community Plan Exemptions for projects within the boundaries of the mission Area Plan, including the LCD.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "J. Scott Weaver", is written over the typed name.

J. Scott Weaver
Attorney for
Calle 24 Latino Cultural District Council

JSW:sme

West Bay Law
Law Office of J. Scott Weaver

June 3, 2016

Via U.S. Mail and email

Melinda Hue
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Melinda.hue@sfgov.org

Re: Case No. 2014.1020U - 1515 South Van Ness Avenue

Dear Ms. Hue,

In October of 2015, I wrote to you regarding you're the environmental review on the project proposed for 1515 South Van Ness Avenue. In my letter, I requested that you evaluate the proposed project's impact in light its proximity within the Calle 24 Latino Cultural District, the Mission District's advanced stage of gentrification, and the MAP 2020 process. I pointed out that the addition of approximately 141 affluent households into the neighborhood, many earning over 200% AMI, will only exacerbate the problems of gentrification and displacement in the Mission.

Pursuant to a Sunshine request, I have obtained and reviewed the Draft Certificate of Determination of Exemption from Environmental Review. The Draft chooses to overlook the impact on the Cultural District claiming that the proposed project would not lead to any "physical impacts" on the environment and that any "indirect impacts" are "speculative". We reject these contentions. For reasons set forth below, the Department's refusal to evaluate these impacts violate both the letter and spirit of CEQA and would subject this project to judicial review unless this course is corrected.

Moreover, new developments have occurred which render the Eastern Neighborhoods PEIR out of date and no longer an adequate basis for issuing a Certificate of Exemption.

Underscoring these points is the fact that this project is unprecedented in terms of its size, number new residents, and its undeniable gentrifying impact, and any environmental analysis, must take this into consideration.

Finally, this development, in conjunction with approximately 500 other proposed market rate units in or near the Calle 24 Latino Cultural District will substantially alter the character of the district, because it will essentially import over 650 households earning at or near 200% AMI – a demographic whose price points and cultural and consumer preferences are a stark contrast with those of the existing community.

The Impact of the Proposed Project on the Calle 24 Latino Cultural District is Subject to Environmental Review.

CEQA defines “environment” as “the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance.” 14 CCR Sec. 15131(a). See eg. *Eureka Citizens for Responsible Government v City of Eureka* (2007) 147 Cal.App.4th 357, 363. The Calle 24 Latino Cultural District (LCD) falls under CEQA because (1) it is both “physical” in terms of the buildings, its residents, the businesses, and the nonprofits, and (2) it is “historic” as defined in the Public Resources Code and the CCR.

The near and long term preservation and enhancement of the LCD is a stated goal of the City. This, of necessity, includes the physical presence of its residents, businesses, and non-profits, which we submit are endangered by the extensive market rate development slated for the area - including the proposed 1515 South Van Ness development. The displacement, whether direct, or indirect (i.e. via gentrification) certainly will have a physical effect on the environment because increased commuting distances for the displaced will result in greenhouse gas emissions. (See checklist in Appendix G of the Guidelines). Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances we do not believe was contemplated in the PEIR for the Eastern Neighborhoods.

Lead agencies have the responsibility to evaluate projects against the CRHR criteria prior to making a finding as to a proposed project’s impacts to historical resources (California Public Resources Code, Section 21084.1). A historical resource is defined as any object, building, structure, site, area, place, record, or manuscript that: a) Is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, or cultural annals of California; and b) Meets any of the following criteria: (1) Is associated with events that have made a significant contribution to the broad patterns of California’s history and cultural heritage; (2) Is associated with the lives of persons important in our past; (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or (4) Has yielded, or may be likely to yield, information important in prehistory or history (14 CCR 15064.5(a)(3)).

These businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City. Accordingly, the Mayor and Board of Supervisors established the Calle 24 Latino Cultural District in May 2014 noting that "The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco." The District is bounded on the north by 22nd Street, the south by Cesar Chavez Street, the east by Potrero Avenue, and on the west by Mission Street. The District was established "to stabilize the displacement of Latino Businesses, and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco's residents and tourists, . . ." and that its contribution will provide "cultural visibility, vibrancy, and economic opportunity for Latinos in the City and County of San Francisco."

Unfortunately, we have begun to see the impact of demographic changes along the LCD, without significant market rate development, the proposed project, along with the 540 other units in the pipeline will make the intersection of class, race, and culture, further impair the viability of the LCD. For instance, at a proposed project on 24th and York, the owner plans to build 12 condo townhomes which will cover a mural that has been on there over 30 years and is part of the Precita eyes mural tours. The famous Carlos Santana mural on 22nd and South Van Ness was completely covered when the lot in front built housing. In balmy alley new owners of a property wanted to remodel and add a second unit which faced balmy ally, covering a 40 year old mural.

More disturbing has been complaints against neighboring Latino owned businesses from the owner and residents of the Vida on Mission Street. A group of new residents on Harrison St. calling themselves "the gang of five" said they would sue to stop Carnival. During Sunday Streets on 24th a group of neighbors did not want the low riders on Harrison Street, saying that they were intimidated by them. Additionally, neighbors have complained about "Mexican" music on 24th Street. This situation will only become more strained with the influx of hundreds more "gentrifiers", all to the detriment of the residents, businesses, and nonprofits that the City said it wanted to protect when it created the LCD.

Staff seems to take the position, without elaboration, that any indirect impact of the project on the LCD is "speculative". This proposition is without support. The proposed project itself will result in the influx of approximately 141 households earning 200% AMI. In the pipeline are projects proposing nearly 200 units within the LCD (in addition to the 141 units proposed), and 350 proposed market rate units adjacent to the LCD. It is no leap of faith to anticipate that the proposed project will result in higher rents on properties within the LCD housing residences, businesses, and non-profits, not to mention the cumulative impact of almost 700 market rate units. High wage earners have much more disposable income than most residents of the area. According to 2009-2013 census estimates, the median income for residents in the census tract on which the proposed project site is situated was \$51,510 (or 50% Median Income for a family of four). In addition to having significantly more disposable incomes and

ability to purchase higher priced goods and services, these newcomers are more likely to have different consumer preferences, affecting both price and the nature of the goods and services provided by businesses in the 24th Street corridor. We might ask "how can the City provide economic opportunities for Latinos if its policies price Latinos out of the market?" We only need look at Valencia Street to see how the influx of higher wage earners with only modest market rate development can impact a commercial corridor, substituting for mom and pop businesses with high end restaurants and clothing stores. Envisioning a similar result along 24th Street is a far cry from "speculative," it is reasonably foreseeable.

Finally, we note that socio-economic impacts of market rate development on the LCD such as those described above could not have been studied at the time the Eastern Neighborhoods PEIR was prepared because the LCD did not come into existence until several years later. The Department should thus study both the impacts that these market rate developments will have on the residents, businesses, and non-profits in the LCD as well as measures that will mitigate those impacts.

Cumulative Impacts of Market Rate Development on the Calle 24 Latino Cultural District Should be Examined.

As previously mentioned, the impacts from the proposed 1515 South Van Ness project cannot be examined in isolation. The proposed project is not constructed in a bubble. Both the project and its residents interact with the immediate community in multiple ways. Similarly, the environmental impacts of this project cannot be examined apart from other proposed projects currently in the pipeline. Proposed projects located within the boundaries of the LCD are: 2765 Folsom St. (115 units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 2918 Mission St. (38), 1298 Valencia St. (35), 2600 Mission (20). Two blocks from the LCD is 2000-2070 Bryant Street (195 units). Additional proposed projects are likely to be added to the pipeline as planning continues to give the green light to market rate developers.

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

Therefore, the impact of the proposed project at 1515 South Van Ness (consisting of 141 market rate units) should be evaluated in conjunction with the cumulative impacts it and the additional 543 units would have on the LCD.

Substantial New Information Negates the Exempt Status Granted in the Certificate of Exemption.

When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). My letter of October 23, 2015 discussed many of these subsequent developments, including the trend of under production of affordable housing and overproduction of luxury housing – far from the stated targets in both categories. It is also of note that housing costs for both rental and purchase have been higher than projected. At the same time, the City has fallen far short of its stated affordable housing goals. It is hard to conceive that the PEIR for the Eastern Neighborhoods would have envisioned the extent of displacement that we have seen of Latinos and families.

Many of these factors could not have been foreseen. Tech Shuttle Buses bring hundreds, if not thousands of high earning residents into the Mission and adjoining neighborhoods, further increasing the demand for housing. The accelerated loss of PDR uses (and working class jobs) is was presumably not envisioned in the plan. Likewise, the distances that displaced residents must now commute because housing affordable to them can only be found in Vallejo or Tracy was not foreseen at the time the PEIR was prepared.

Not insignificantly, production of housing in the Mission either built or in the pipeline now exceeds projections under any of the three scenarios envisioned when the Eastern Neighborhoods Plan created. According to Planning Department Data, projects containing 2,451 housing units have either been completed or are under environmental review as of 2/23/16. Option A envisioned 782 units, Option B 1,118 units and Option C 2054 units, with a Preferred Project at 1696 units. As such, the cumulative environmental impacts of the proposed have not been evaluated.

The PEIR did not predict the extensive level of displacement of Latinos and families that we have already witnessed in the Mission.

Finally, the PEIR did not, nor could not have considered the impact of a project on the LCD because the LCD did not exist at the time. Where, as here, the offsite or cumulative impacts were not discussed in the prior PEIR, the exemption provided by Section 15183 does not apply. (See 15183(j))

Evaluation Requested.

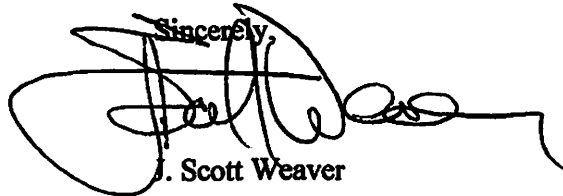
In addition to whatever evaluation that the Department may deem appropriate, we are requesting that the Department evaluate the proposed project, both individually and cumulatively, with respect to the potential impacts of the extensive market rate development on the existing residents, businesses, and non-profits in the Calle 24 Latino Cultural District. This inquiry should include, but not be limited to, the following:

- The amount of income that households will be required to have in order to afford the market rents of the proposed project.
- The amount of anticipated disposable income of the households moving into the market rate units at the proposed project.
- The consumer preferences of households moving into the market rate units at the proposed project, as compared to those Latino residents in the LCD earning 50% AMI.
- Impact on neighborhood serving Latino businesses that new market rent paying households, with higher disposable incomes, will have on commercial rents in the Latino Cultural District – both from the standpoint of the proposed project and from the standpoint of the cumulative impact of the projects listed above.
- The impact that rents at the proposed project (and cumulative proposed projects) will have on rents of vacant resident units in the immediate areas.
- The impact that the proposed project (and cumulative proposed projects) will have on displacement of Latinos and families now living in the Calle 24 Latino Cultural District.
- The housing alternatives of residents now living in the Calle 24 Latino Cultural District should they be displaced.
- The impact that the proposed project (and cumulative proposed projects) will have on the percentage of Latino residents and businesses living and working in the Calle 24 Latino Cultural District.
- Mitigation alternatives that, if employed, would stabilize commercial rents in the Latino Cultural District.

Melinda Hue
June 3, 2016
Page Seven

I have not had the opportunity to thoroughly discuss all the potential issues that would inform the impacts of the proposed project both individually and cumulatively and may request that you add to this inquiry in the future.

In light of the foregoing, you are requested to undertake the evaluation requested before considering the proposed project, or any of the other projects listed above that would have an impact on the Calle 24 Latino Cultural District. At your convenience, please let me know if the Department intends to undertake this evaluation as requested.

Sincerely,

J. Scott Weaver

Jsw:sme

cc. Calle 24 Latino Cultural District
Our Mission No Eviction
PODER
MEDA
John Rahaim
Members, San Francisco Planning Commission
Members, San Francisco Board of Supervisors
Mayor, Ed Lee
Joaquin Torres
Dianna Ponce de Leon

bccs

< 506 Results for sheila

FYI: Sup Campos Request for Continuance of Latino Cultural District Projects**From:** Chung Hagen, Sheila (BOS) <sheila.chung.hagen@sfgov.org>**To:** jscottweaver <jscottweaver@aol.com>**Date:** Wed, Aug 3, 2016 4:47 pm**From:** Chung Hagen, Sheila (BOS)**Sent:** Wednesday, August 03, 2016 3:59 PM**To:** Secretary, Commissions (CPC) <commissions.secretary@sfgov.org>**Cc:** Campos, David (BOS) <david.campos@sfgov.org>; Rahaim, John (CPC) <john.rahaim@sfgov.org>**Subject:** Sup Campos Request for Continuance of Latino Cultural District Projects

Please see letter below from Supervisor David Campos.

.....
 Sheila Chung Hagen
 Legislative Aide
 Office of Supervisor David Campos
 415-554-5144 | sheila.chung.hagen@sfgov.org

Planning Commission
 San Francisco Planning Department
 1650 Mission Street, Suite 400
 San Francisco, CA 94103
 SENT VIA EMAIL TO Commissions.Secretary@sfgov.org

August 3, 2016

Re: Request for continuance of Latino Cultural District projects

Dear Commissioners:

As the lead sponsor of the Board of Supervisors resolution that created the Calle 24 Latino Cultural District, I have worked with the Calle 24 Council and other community stakeholders to strengthen and preserve the Cultural District. Currently, there are three market rate development projects that the Commission will be considering within the next two weeks. They are 2675 Folsom Street (August 4), 1515 South Van Ness Avenue, and 2600 Harrison Street (both on August 11). These and several market rate projects in and next to the cultural district could transform the district and threaten to displace long-time residents, businesses, and non-profits.

The Calle 24 Latino Cultural District is a recognized treasure of this City and was created to preserve and enhance the vibrancy of Latino culture there. Before approval, the Planning Department should consider the impacts of these projects on the Latino Cultural District and develop measures that will mitigate those impacts.

The Interim Control Reports prepared by project sponsors do not discuss the short- and long-term demographic impacts of their projects in the context of the Latino Cultural District. First, the project sponsors are not asked to address impacts on the Cultural District, but rather the Mission as a whole. Second, there are no recognized studies evaluating impacts on the Cultural District in particular, and therefore a sponsor is unable to discuss impacts in the immediate area. This is a significant shortcoming. The recent study by the U.C. Berkeley Urban Displacement Project concluded that more detailed analysis is needed "to clarify the complex relationship between development, affordability, and displacement at a local scale." It concluded by stressing the importance of stabilizing vulnerable communities as well as producing affordable and market rate housing. Finally, and perhaps most importantly, the Interim Control Reports do not address cumulative demographic changes that multiple market rate projects in the area would have on the Cultural District.

The Planning Department has already recognized the importance of strengthening and preserving the socioeconomic diversity of the Mission neighborhood through its leadership on the Mission Action Plan 2020 (MAP 2020). I have requested that the Planning Department, in collaboration with MAP 2020 stakeholders, evaluate the impacts of these demographic changes on the Latino Cultural District and suggest mitigations that will ensure the long-term stability of the District. In particular, I have asked for an analysis of the potential impact of the pipeline projects within the Cultural District on:

- existing, neighborhood-serving businesses
- the displacement of current residents
- the affordability of rents for low- and middle-income residents
- the Latino community living and working in the Cultural District

I ask that you please continue consideration of any projects within the Calle 24 Latino Cultural District until this analysis is complete. I believe that it is critical for the Planning Commission, the Planning Department, and the Board of Supervisors to understand the impact of its decisions on the Cultural District.

10/12/2016

AOL Mail - Message View

Sincerely,

David Campos
Supervisor, District 9

September 20, 2016

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

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

Dear President Fong and Members of the Planning Commission:

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

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

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

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

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

Sincerely,



Chris Block
Chair
Eastern Neighborhoods Citizen Advisory Committee

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

INTRODUCTION

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

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

BACKGROUND

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

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

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

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

The Economy and Jobs:

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

People and Neighborhoods:

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

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

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

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

COMMENTARY FROM THE EN CAC

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

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

What Seems to be Working:

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

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

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

What Seems to Not be Working

Loss of PDR jobs in certain sectors.

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

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

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

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

What Seems to be Working:

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

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

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

What Seems to Not be Working

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

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

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

What Seems to be Working:

Affordable Housing has been created beyond what would have otherwise:

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

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

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

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

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

What Seems to Not be Working

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

Insufficient construction of affordable housing

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

High cost of housing and commercial rents

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

Pace of Development

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

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

What Seems to be Working:

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

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

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

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

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

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

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

What Seems to Not be Working

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

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

Absence of open space

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

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

The pace of infrastructure development is not keeping up with development

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

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

The impact fees inadequate

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

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

Impacts of non-EIR projects

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

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

Deficiency in Complete Neighborhoods

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

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

Evictions and move-outs

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

Traffic congestion and its impact on commercial uses

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

Loss of non-profit and institutional space

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

Urban Design Policies and Guidelines

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

PROPOSED STRATEGIES TO ADDRESS WHAT'S NOT WORKING:

Retaining PDR:

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

Retaining Non-Profit Spaces:

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

Housing

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

Infrastructure / Complete Neighborhoods

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

Non EN-EIR Projects

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

The Eviction Defense Collaborative strives to prevent homelessness, preserve affordable housing and protect the diversity of San Francisco. We work toward these goals by providing emergency rental assistance and by helping low-income tenants gain equal access to the law in order to assert their rights at court.

The Anti-Eviction Mapping Project is a data visualization, data analysis, and oral history collective documenting the displacement and resistance of Bay Area residents. With numerous partner organizations including the EDC, we seek to empower community knowledge production through our collaborative visualizations.



Donate or Volunteer at evictiondefense.org
Tax id # (94-3342323)

EVICTIION REPORT 2015



EDC 1338 MISSION ST 4th FLOOR | SF CA 94103 | 415.947.0797 | evictiondefense.org

WE'VE MOVED! as of January 2016
1338 MISSION ST 4th FLOOR | SF CA 94103 | 415.947.0797

610

The Eviction Defense Collaborative

strives to prevent homelessness, preserve affordable housing, and protect the diversity of San Francisco by providing emergency rental assistance and advocating for low-income tenants to gain equal access to the law.

Drop-In Clinic

EDC's drop-in clinic welcomes any San Francisco tenant facing an eviction. Open every weekday, services include guidance in the brief legal process of evictions; help in preparing papers to file in court; referrals to other legal resources; and hands-on negotiation, guidance, and support during the settlement conference.

Trial Project

The Trial Project offers ongoing and full-scope representation for tenants who do not settle their cases at a settlement conference. Eviction cases are heard in civil court where no public defenders are provided, but it is generally impossible for people in low-income households to afford a private attorney. The EDC charges a sliding scale fee and arranges payment plans for its services on an as-needed basis. No one is turned away due to lack of funds.

RADCo - Rental Assistance Disbursement Component

Starting in 1999, the EDC began developing a more complete preventative package of services for families and individuals dealing with an eviction lawsuit. A crucial part of this package is financial relief for renters. We provide rental assistance, grants, and interest-free loans to approximately 500 households per year, enabling families to pay overdue rent and keep their homes. RADCO works with tenants who have fallen behind in rent because of a crisis such as a family health emergency, an injury at work, or the theft of rent money. One does not need to have received an eviction notice to qualify for RADCO funds.

Shelter Client Advocates

EDC also assists those who are homeless and in need of advocates in the City's homeless shelters. San Francisco is unique in the country to have a formal grievance process for those who have been denied services from City-funded shelters. Our Shelter Client Advocates work with residents of homeless shelters to monitor conditions and rules, acting as informal conflict resolvers between the shelters and their clients and assisting clients in appealing denials of service. A recent evaluation of our program shows that the EDC's involvement leads to a 70% positive outcome for clients—either the denial of service is overturned or the denial of service is positively modified.

EVICTIION DEFENSE COLLABORATIVE

San Francisco's Changing Landscape of Inequality

San Francisco is experiencing a crisis of affordability.

In 2014 & 2015, the city ranked second in the nation in income inequality, with the fastest growing gap between rich and poor¹. This year, the poorest household incomes are finally going up. However, with the median rent for a one-bedroom apartment at \$3,100, and for a two-bedroom at \$4,125², this shift may be a result of tenants being priced out of the city. This is the landscape that SF tenants are navigating. In partnership with many others, the Eviction Defense Collaborative is fighting for tenants to stay.

¹ Brookings Institute analysis of American Community Service Data

² Data according to Rent Jungle, ACS Census Data, and San Francisco Rent Board Data

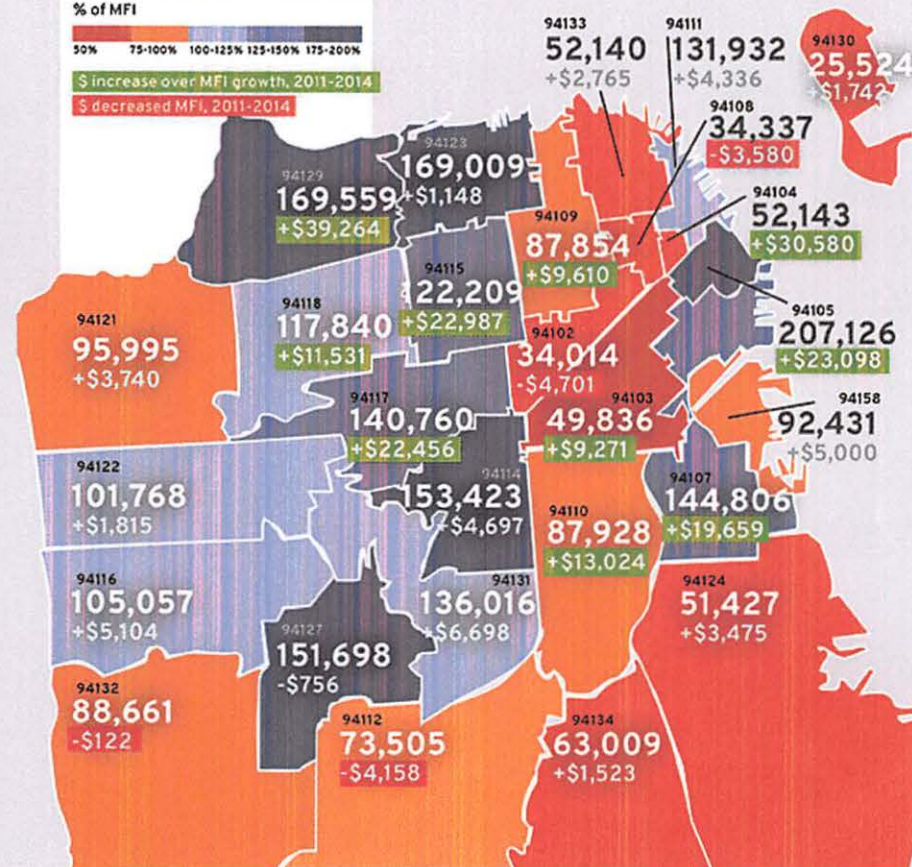
2014 San Francisco Median Family Income (MFI)

% of MFI

50% 75-100% 100-125% 125-150% 175-200%

\$ increase over MFI growth, 2011-2014

\$ decreased MFI, 2011-2014



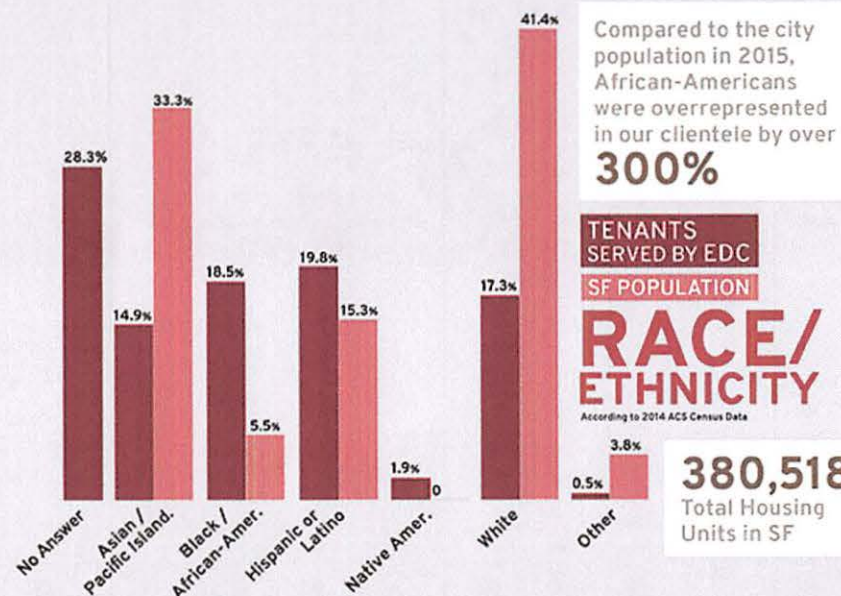
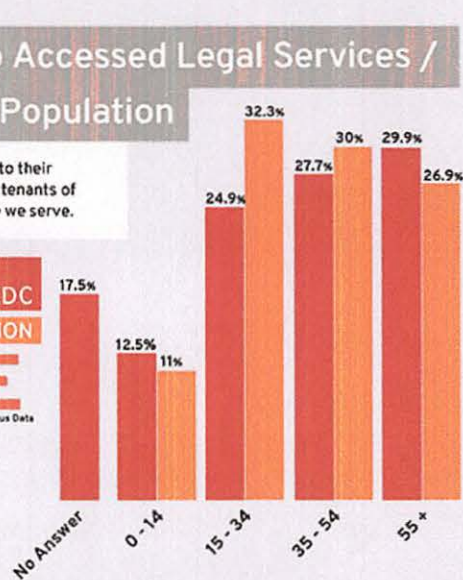
2015 EDC Clients who Accessed Legal Services / San Francisco Population

Over 90% of San Francisco tenants who respond to their eviction lawsuit do so with EDC's help. Each year, tenants of color are disproportionately represented in those we serve.

829,072
SF Population

6,720 Individuals
Served by EDC in 2015

TENANTS
SERVED BY EDC
SF POPULATION
AGE
According to 2014 ACS Census Data



Compared to the city population in 2015, African-Americans were overrepresented in our clientele by over **300%**

TENANTS
SERVED BY EDC
SF POPULATION

**RACE/
ETHNICITY**
According to 2014 ACS Census Data

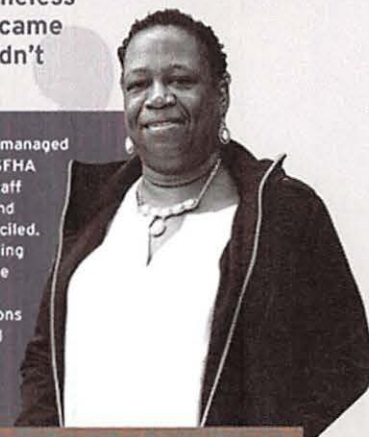
380,518
Total Housing
Units in SF

Without EDC, I would have had to return to my parents' home in Tulsa, Oklahoma, where they have no protections for transgender rights. EDC saved both my own and my son's lives from very radical change.



For ten years, Octavia Reising had been sharing a home in the Mission District with her son when she fell behind on her rent. Her landlord assured her that she could take time to make up payments as she organized her finances. In the meantime, the landlord had filed an eviction lawsuit against her for late rent. Ms. Reising realized the pitfalls of trying to self-represent and came to the EDC for help. Staff attorneys acted on her behalf on the day of her trial, negotiating a settlement in which she and her son could remain in their home. The impact of the successful settlement for Ms. Reising, a transgender woman, and her son was enormous. The resolution of their case allowed them to continue living in their home and remain in San Francisco with its inclusive culture and protections for the transgender community.

EDC's help was a blessing. I see a lot of homeless people on the streets and I feel for them. I came very close—that was a scary feeling. I wouldn't have been able to survive being homeless.



Deborah McDonald was living in public housing that was poorly managed by the San Francisco Housing Authority. In the spring of 2014, SFHA sued her for nonpayment of rent. She came to the EDC where staff attorneys discovered that SFHA's ledgers were in a shambles and that her case could not be resolved until the account was reconciled. Ms. McDonald's apartment was also falling into disrepair, including a cockroach infestation that was so bad she could not handle the eradication herself. At the trial, the EDC's attorney pushed for financial recognition that she had been living in terrible conditions for years because of SFHA's negligence. Ms. McDonald received a 20% reduction in her rental balance, lifting a huge financial burden. She was able to stay in her home, have repairs made to her unit, and pay off a much smaller balance of rent owed.

Households Facing Eviction in 2015

2,248 Total EDC SF Eviction Cases in 2015 UP
15%
SINCE
2014



% INCREASE OF EVICTION CASES BY ZIP CODE, 2014-2015

*all zip codes without indication of change saw little to no variation in eviction rates

TOP 5 NEIGHBORHOODS BY
NUMBER OF EVICTION CASES

316 TENDERLOIN **14%** OF TOTAL 2015
94102 EVICTION CASES

274 SOMA **12.2%**
94103

177 BAYVIEW **7.8%**
94124

198 INNER MISSION **8.8%**
94110

248 POLK / NOB HILL **11%**
24109

TOP 5 NEIGHBORHOODS BY
NUMBER OF FORECLOSURES

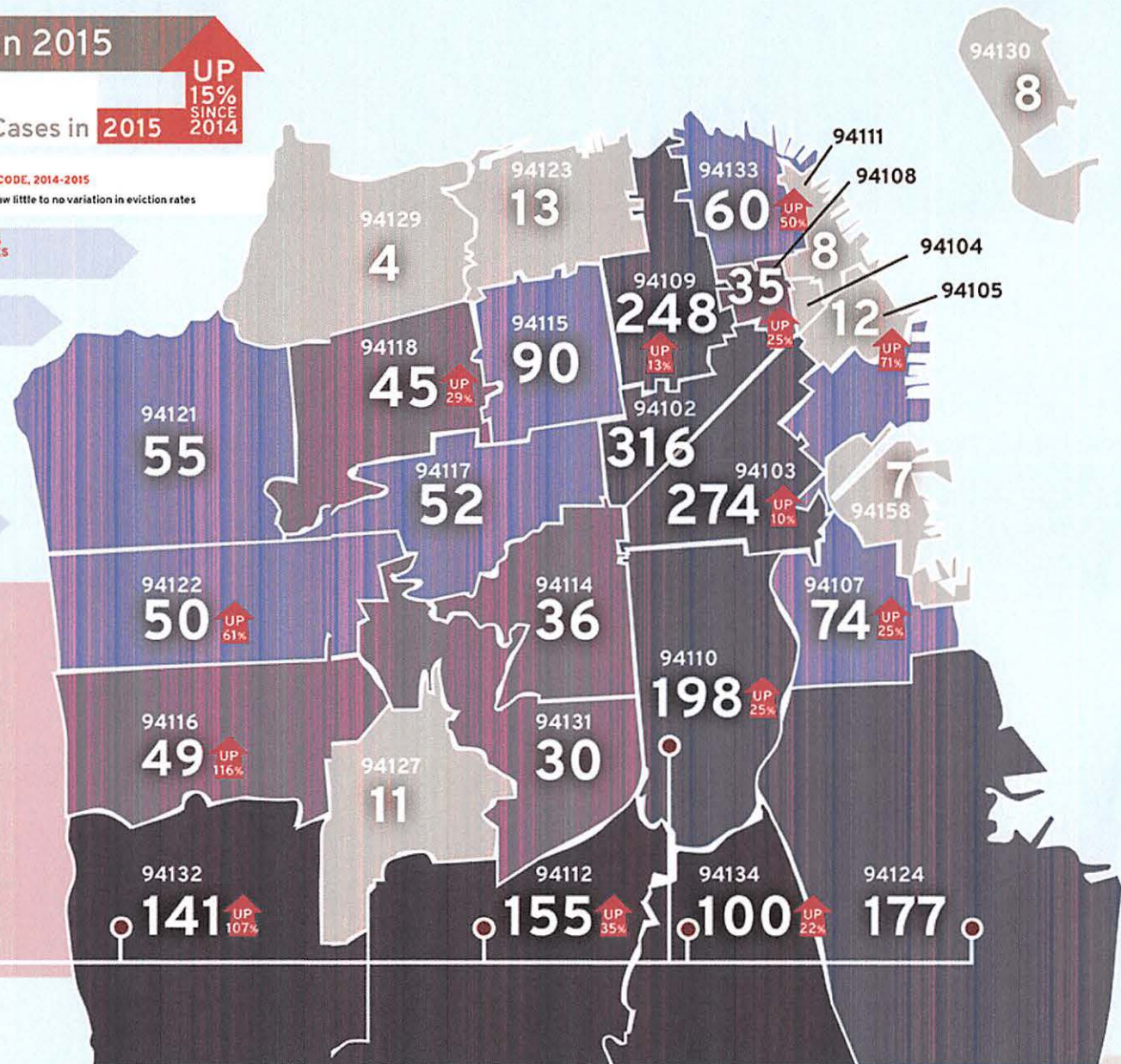
2 LAKE MERCED
94132

15 EXCELSIOR
94112

5 OUTER MISSION
94134

9 BAYVIEW
94124

7 INNER MISSION
94110

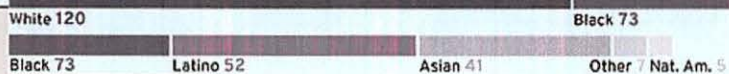


2012 Relocation Data

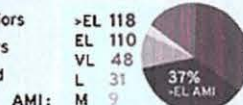
In 2013, EDC followed up with a random sample of our clients from the previous year. This is where they ended up.

Moved within SF 320 TOTAL

RACE/ETHNICITY:



21% Seniors
25% Minors
37% Disabled



Stayed in Home 153 TOTAL

RACE/ETHNICITY:



>EL 72
EL 53
VL 19
L 5
M 0



Moved within Bay Area 81 TOTAL

RACE/ETHNICITY:



34% Seniors 32% Minors 32% Disabled



Moved within CA 130 TOTAL

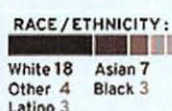
RACE/ETHNICITY:



15% Seniors 15% Minors 39% Disabled

Moved outside CA 35 TOTAL

>EL 13
EL 14
VL 5
L 3
M 0
37% <EL AMI



AMI:
>EL: Less Than Extremely Low Income
EL: Extremely Low Income
VL: Very Low Income
L: Low Income
M: Median Income or Greater
2015 AMI for one person in SF:
\$82,100

EVICION DEFENSE COLLABORATIVE

RADCo Rental Assistance June 2014 - July 2015

257
Rent Controlled
Units we Preserved



257 Rental
Control Units
[62% of clients]

155
Children we
kept housed



88 Households
with children
[21% of clients]

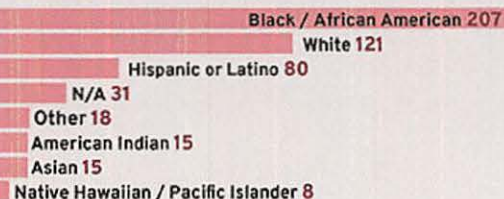
92
Seniors we
assisted



87 Households
with seniors
[20% of clients]

415 HOUSEHOLDS RECEIVED RENTAL ASSISTANCE FROM EDC

RACE/ETHNICITY



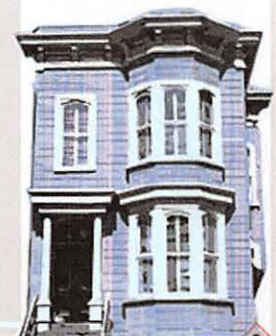
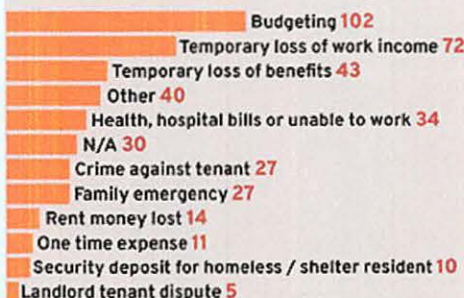
95%

Clients remained in their
homes after 3 months

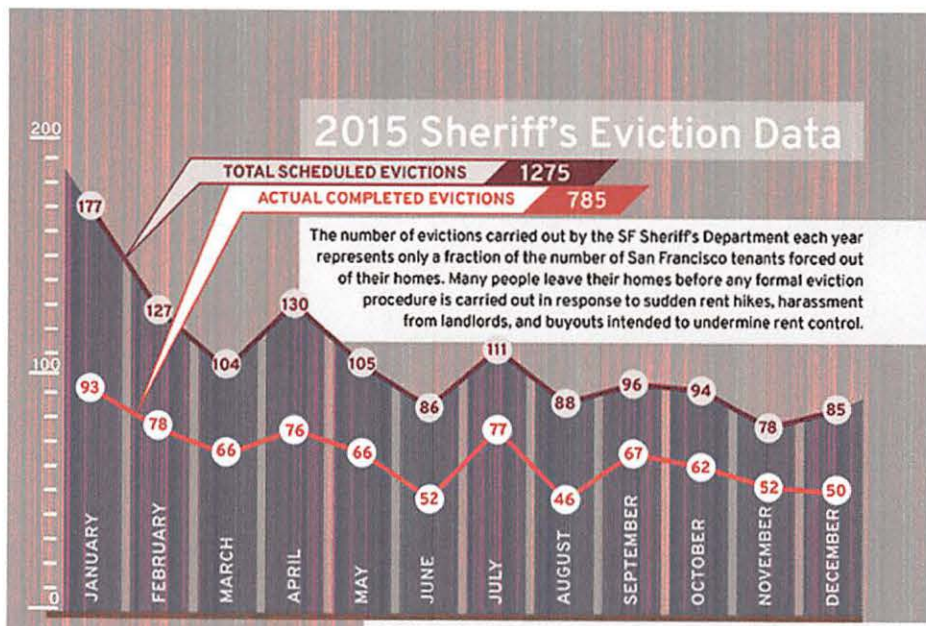
81%

Clients remained in their
homes after 9 months

REASON FOR EVICTION

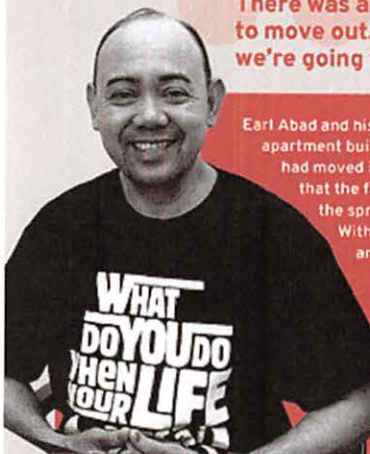


EVICION REPORT 2015



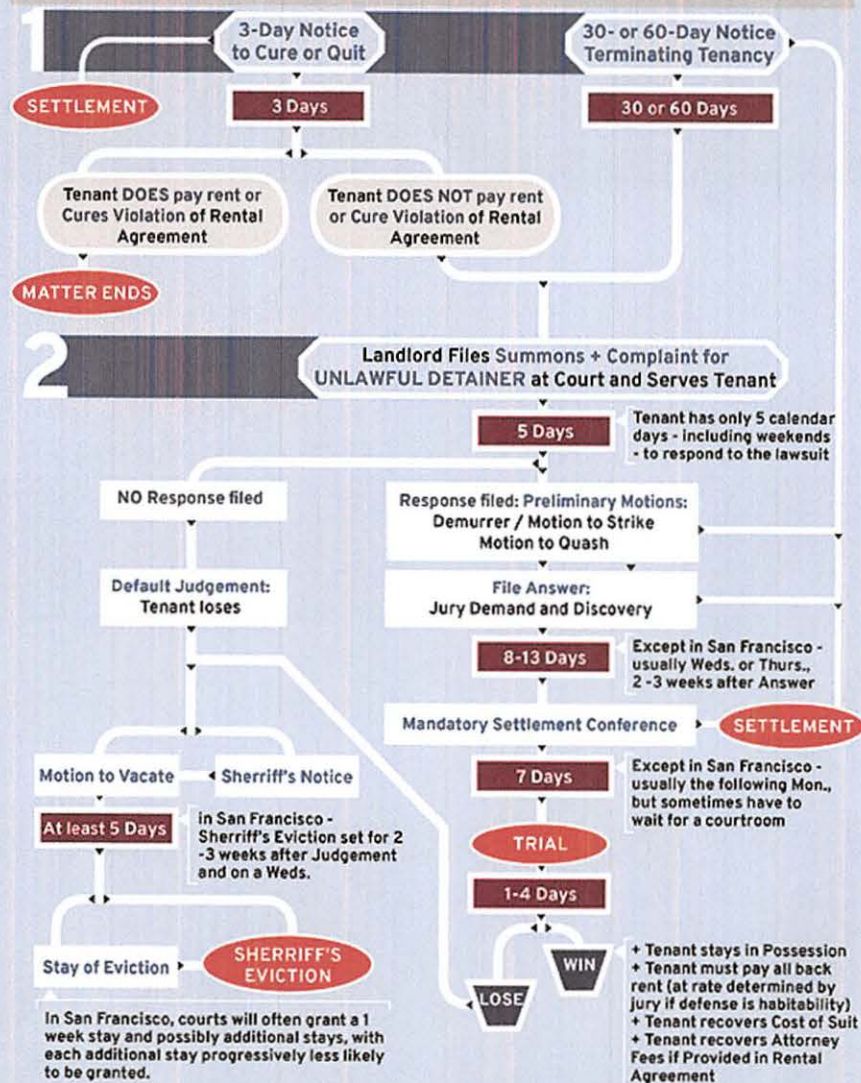
EDC's work to have a Stay of Eviction (outlined in the chart on the following page) granted in many cases accounts for the difference in number of scheduled and completed evictions shown here.

We were so stressed because we didn't know what to do. There was a time when we were going to give up, going to move out. But EDC said don't worry about a thing, we're going to help you. EDC gave us 130% effort."

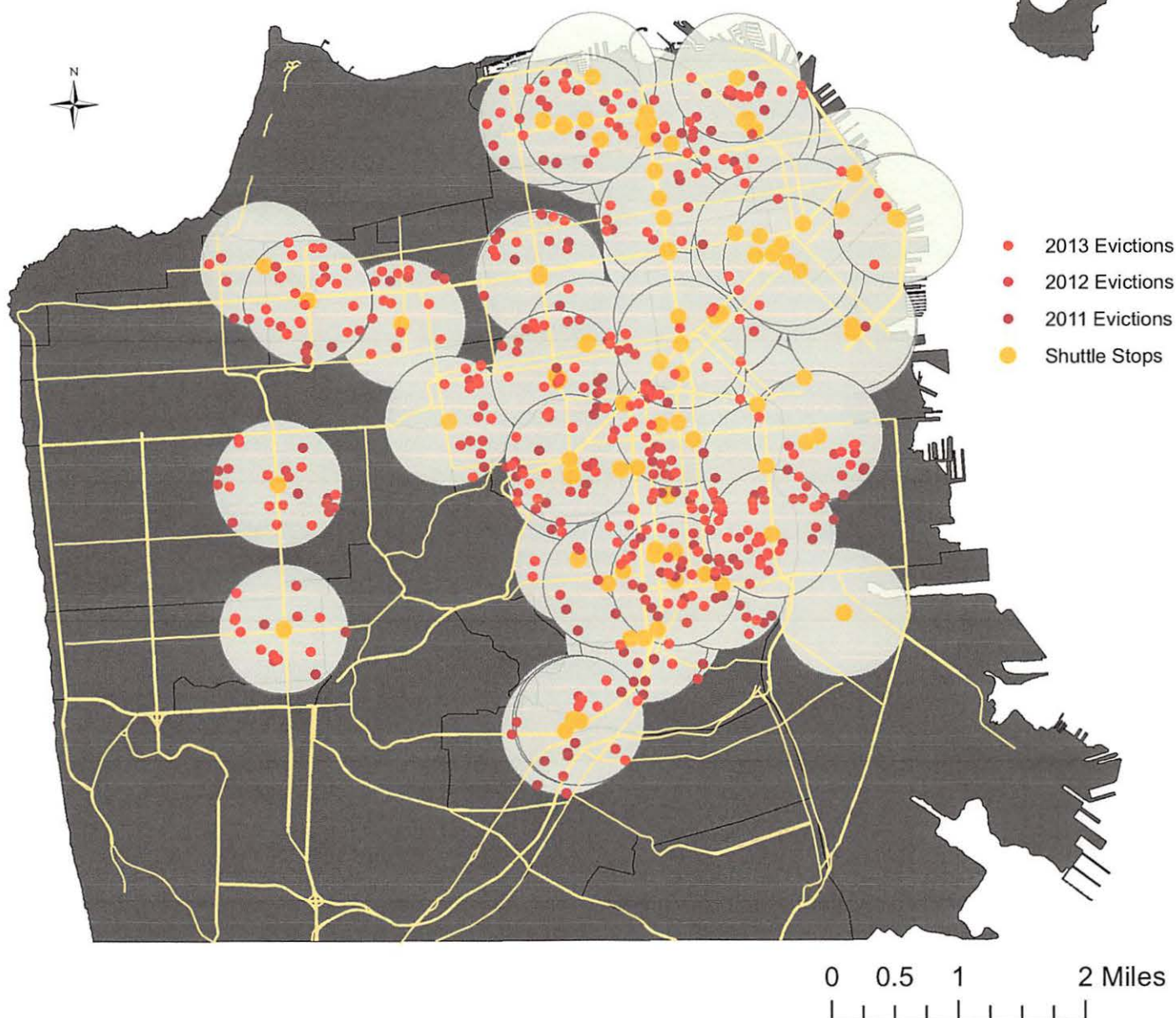


Earl Abad and his family emigrated from the Philippines, settling in an apartment building in San Francisco's SOMA district that his grandparents had moved into in the 1970s. Through the years, there were no signs that the family would be in danger of losing their long-time home until the spring of 2015 when a new landlord purchased the building. Within weeks of the purchase, the landlord served the family and two other tenants with a notice to move out because of nuisance and illegal activities. Caught completely by surprise at the accusations, Mr. Abad sought the EDC's help. Staff attorneys counseled the family, helping to bring their case to trial. The settlement allowed them to remain in the apartment building with the added agreement by the landlord to waive recovery of all unpaid rent. Mr. Abad and his family were able to return to the peaceful enjoyment of their home.

Guide to the Unlawful Detainer Process



Evictions Near Shuttle Stops 2011-2013



Overall:

No-Fault Evictions increased 42% between 2011 and 2012.

No-Fault Evictions increased 57% between 2012 and 2013.

69% of No-Fault Evictions each year occurred within four blocks of known shuttle stops.

MISSION AREA PLAN MONITORING REPORT 2011–2015



TABLE 2.4.2**Sales Taxes Collected in Mission Area Plan Area, 2011–2015**

Year	Mission	% change from previous year	San Francisco	% change from previous year
2011	\$4,486,667	–	\$75,198,021	–
2012	\$4,913,267	9.5%	\$80,709,201	7.3%
2013	\$5,292,732	7.7%	\$84,261,806	4.4%
2014	\$5,598,902	5.8%	\$89,605,413	6.3%
2015	\$6,227,719	11.2%	\$94,546,142	5.5%
TOTAL	\$26,519,287		\$424,320,583	

Source: San Francisco Controller's Office.

TABLE 2.4.3**Property Taxes Collected in the Eastern Neighborhoods, 2008 and 2015**

Area	2008	2015
Mission	\$37,908,346	\$58,957,413
Central Waterfront	\$5,704,111	\$10,338,391
East SoMa	\$46,831,664	\$63,172,434
Showplace Square/Potrero Hill	\$29,446,594	\$47,803,586
Western SoMa	\$17,146,718	\$24,348,243
Total	\$137,037,433	\$204,620,067

Source: SF Assessor's Office for 2008 data (assessed values times tax rate of 1.163%) and Tax Collector's Office for 2015.

3. Housing

The provision of adequate housing to residents of all incomes has long been a challenge in San Francisco. Over the past five years, however, San Francisco epitomized the housing affordability crisis afflicting American cities and coastal communities throughout California. As discussed in the previous section, the Bay Area, city, and Mission neighborhood have all seen robust employment growth since the "Great Recession" triggered by the financial crisis in 2007. During this period, the city has added housing units much more slowly than new employees. As a result, a growing and more affluent labor force has driven up the costs of housing, making it increasingly difficult for low and moderate income families to remain in San Francisco.

In the past five years, the Mission has been a focal point of struggles over housing as well as efforts by the City to ensure that its residents can

continue to live there. One of the main goals of the *Mission Area Plan* is to increase the production of housing affordable to a wide-range of incomes. The environmental analysis conducted for the EN EIR estimated that between 800 and 2,000 additional units could be developed as a result of the rezoning associated with the *Mission Area Plan*.⁸ The Plan also recognizes the value of the existing housing stock and calls for its preservation, particularly given that much of it is under rent control. Dwelling unit mergers are strongly discouraged and housing demolitions are allowed only on condition of adequate unit replacement.

⁸ Eastern Neighborhoods Rezoning and Area Plans Environmental Impact Report (2005).

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www.sfplanning.org

Front Cover: Mission Street at 25th Street looking south

11111
620

MISSION AREA PLAN MONITORING REPORT

2011–2015

San Francisco Planning Department
September 2016



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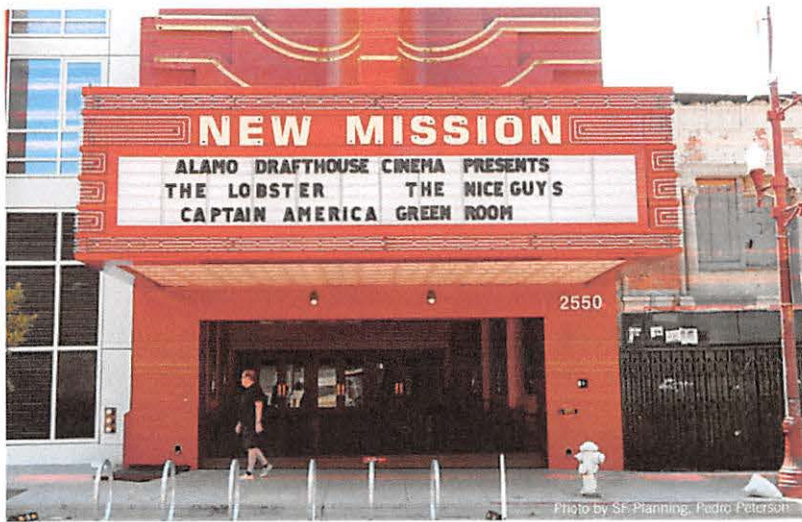
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11115
624

1. Introduction: Mission Area Plan

San Francisco's Eastern Bayfront neighborhoods have historically been the home of the city's industrial economy and have accommodated diverse communities ranging from families who have lived in the area for generations to more recent immigrants from Latin America and Asia. The combination of a vibrant and innovative industrial economy with the rich cultural infusion of old and new residents is central to San Francisco's character. Among many of the components that contributed to the economic and cultural character of the eastern part of the San Francisco were the wide availability of lands suitable for industrial activities (whether or not they were zoned for such) and the affordability of these neighborhoods' housing stock, relative to other parts of the city. Industrial properties continue to be valuable assets to the city's economy as they provide space for innovative local businesses; large, flexible floor-plans for a wide range of tenants; and living wage career opportunities to residents without advanced degrees.

Over the past few decades, and particularly during the series of "booms" in high technology industries since in the 1990s, the Eastern Bayfront neighborhoods have experienced waves of pressure on its industrial lands and affordable housing stock. Due to their proximity to downtown San Francisco and easy access (via US-101, I-280, and Caltrain) to Silicon Valley, industrially-zoned properties in the Eastern Bayshore, particularly in neighborhoods like South of Market (SoMa), Mission, Showplace Square, and Central Waterfront became highly desirable to office users who were able to outbid traditional production, distribution, and repair (PDR) businesses for those spaces. The predominant industrial zoning designations in these neighborhoods until the late 2000s—C-M, M-1, and M-2—allowed for a broad range of uses, which enabled owners to sell or lease properties to non-PDR businesses as well as to develop them into "live-work" lofts serving primarily as a residential use.

Moreover, much of the Eastern Neighborhoods is well-served by public transportation, have vibrant cultural amenities, and feature many attractive

older buildings. These neighborhood assets and employment opportunities have served as magnets for high wage earners and housing developers, creating an influx of new, more affluent residents.

Beginning in the late 1990s, the City, residents, community activists, and business owners recognized the need for a comprehensive, community-based planning process to resolve these conflicts and stabilize the neighborhoods into the future. The Eastern Neighborhoods community planning process was launched in 2001 to determine how much of San Francisco's remaining industrial lands should be preserved and how much could appropriately be transitioned to other uses. The planning process also recognized the need to produce housing opportunities for residents of all income levels, which requires not just the development of new units at market rates, but also opportunities for low and moderate income families.

In 2008, four new area plans for the Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront neighborhoods were adopted. Respecting the Western SoMa community's request for more time to complete their planning process, the area plan for that neighborhood was undertaken in parallel and completed in 2013. The resulting area plans contained holistic visions for affordable housing, transportation, parks and open space, urban design, and community facilities.

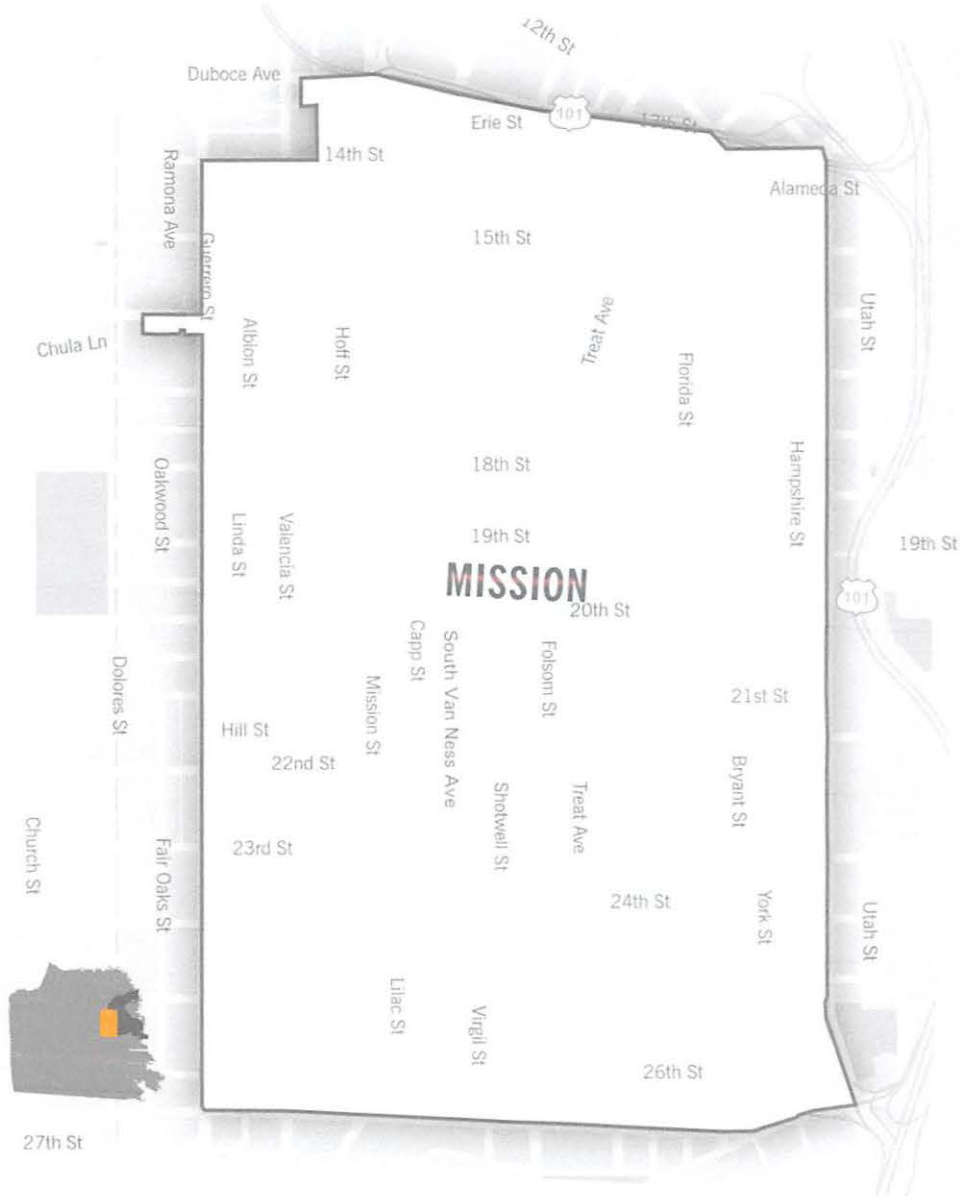
The Eastern Neighborhoods Plans represent the City's and community's pursuit of two key policy goals:

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

The challenges that motivated the Eastern Neighborhoods community planning process

MAP 1

Mission Area Plan Area Boundaries



were evident in the Mission when the plans were adopted and continue to be relevant today. The boundaries of the Mission Area Plan Area, shown in [Map 1](#), run along Duboce/13th to the north, Potrero Avenue to the east, Guerrero Street to the west, and Cesar Chavez Street to the south.¹

The Mission is highly dense with neighborhood amenities, including a variety of shops and restaurants, an architecturally rich and varied housing stock, vibrant cultural resources, and excellent transit access. Traditionally a reservoir of affordable housing relatively accessible to recent immigrants and artists, housing affordability in the Mission has significantly declined in the past decade as demand has rapidly outpaced new housing supply and due to statewide restrictions on tenant protection laws (such as the Ellis Act), which allows landlords to evict residents from rent controlled apartments. Despite inclusionary housing requirements that mandate that a certain percentage of new units be affordable to low and moderate income households, new housing has been largely unaffordable to existing residents.

Mission residents and business owners highlighted a number of policy goals, in addition to the Eastern Neighborhoods-wide objectives, that should be considered for the Area Plan:

- » Preserve diversity and vitality of the Mission
- » Increase the amount of affordable housing
- » Preserve and enhance the existing Production, Distribution and Repair businesses
- » Preserve and enhance the unique character of the Mission's distinct commercial areas
- » Promote alternative means of transportation to reduce traffic and auto use
- » Improve and develop additional community facilities and open space
- » Minimize displacement

1.1 Summary of Ordinance and Monitoring Requirements

The ordinances that enacted the Eastern Neighborhoods Area Plans (including Western SoMa), adopted by the Board of Supervisors, include a requirement that the Planning Department produce five year reports monitoring residential and commercial developments in those neighborhoods, as well as impact fees generated and public and private investments in community benefits and infrastructure.² [Appendix A](#) includes the language in the Administrative Code mandating the Monitoring Reports. The first set of monitoring reports for Mission, East SoMa, Showplace Square/Potrero Hill, and Central Waterfront were published in 2011, covering the period from January 1, 2006 through December 31, 2010.

The ordinances require the monitoring reports to track all development activity occurring within Plan Area boundaries during the five-year period, as well as the pipeline projecting future development as of the end of the reporting period. Some of this development activity was considered under the Eastern Neighborhoods Environmental Impact Report (EN PEIR), certified in 2008; and Western SoMa EIR, certified in 2012. However, a few of the developments that have been completed during this period and some of the proposed projects in the pipeline did not (or will not) receive their environmental clearance through these two EIRs, for these four reasons:

- 1) The developments were entitled prior to the adoption of the Plans, under zoning designations that were subsequently changed by the Plans.
- 2) Under the Eastern Neighborhoods Amnesty Program that expired in 2013, legalization of conversions from PDR to office space that took place prior to Plan adoption was allowed.
- 3) Some large-scale developments and Plan Areas that are within or overlap Project Area boundaries (such as Central SoMa and Pier 70) will undergo separate environmental review processes.

¹ Unless otherwise noted, this report will refer to the Mission Area Plan Area, Mission neighborhood, and "the Mission" interchangeably, as the area shown on [Map 1](#). Other official and community definitions of the boundaries of the Mission neighborhood exist. Where those are used within this report, they will be specifically referenced.

² Unless otherwise noted, this report will refer to the Eastern Neighborhoods Area Plans, or just Area Plans, as encompassing the Mission, East SoMa, Central Waterfront, Showplace Square/Potrero Hill as well as Western SoMa. References to Plan Areas (or to the names of the individual areas) will describe the areas within the boundaries outlined by the individual plans.

- 4) Certain smaller projects did not rely on the rezoning under the EIRs and are therefore excluded.

This report analyzes all development activity within the Eastern Neighborhoods, whether or not projects rely on the EN PEIR. For a list of projects relying on the EN PEIR, please refer to [Appendix D](#).

The *Mission Area Plan Monitoring Report 2011-2015* is part of the set of Eastern Neighborhoods monitoring reports covering the period from January 1, 2011 to December 31, 2015. Because Western SoMa was adopted in 2013, no monitoring reports have been produced for that Area Plan. However, due to its geographic proximity and overlapping policy goals with the other Eastern Neighborhoods, Planning Department staff, in consultation with the CAC, has shifted the reporting timeline such that the Western SoMa Area Plan Monitoring Report 2011-2015 will be the first five-year report and set the calendar so that future monitoring reports are conducted alongside the other Eastern Neighborhoods. Subsequent time series monitoring reports for the Mission area and other Eastern Neighborhoods (including Western SoMa) will be released in years ending in 1 and 6.

While the previous Monitoring Report covered only the small amount of development activities in the years immediately preceding and following the adoption of the *Mission Area Plan* in 2008, this report contains information and analysis about a period of intense market development and political activity in the Mission. This 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 U.S. Census Bureau's American Community Survey, 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.

2. Commercial Activity and Job Creation

One of the defining characteristics of the Mission neighborhood is its remarkable mix of uses and diversity of businesses, including manufacturing, restaurants and bars, a broad range of retail activities, institutional and educational uses, hospitals, and more. The neighborhood commercial corridors along Mission, Valencia, and 24th Streets support a variety of retail activities including shops and services, housing, and small offices, which serve their immediate neighborhood and also residents from throughout the city and region. Indeed, these commercial corridors have become part of San Francisco's tourism circuit, attracting visitors from around the world.³

The primarily residential portions of the Mission, which occupy the blocks on the southeast and western edges of the neighborhood, are also peppered with neighborhood serving businesses including corner stores, dry cleaning services, restaurants, cafes, and bars. Lastly, the Mission is home to a thriving collection of PDR businesses. The Northeast Mission Industrial Zone (NEMIZ) clusters many of these industrial activities and spaces, but a variety of smaller PDR businesses (such as auto repair garages, light manufacturing work, and the like) are scattered throughout the neighborhood. This mix of uses is an important source of employment opportunities for neighborhood, city and Bay Area residents; contributing to the overall vitality and culture of the Mission.

2.1 Commercial Space Inventory

[Table 2.1.1](#) illustrates the mix of non-residential space in the Mission as of 2015. The table reflects the balanced mix of uses described above, as office, retail, and PDR activities each occupy roughly a quarter of the commercial space in the neighborhood. Cultural, institutional, and educational and medical uses make up roughly another 20% of non-residential buildings and tourist hotels take up about another 1%. The table

³ For example, a recent New York Times feature highlighting 18 San Francisco attractions to visit on a 36-hour stay in the city included 6 sites within the Mission Area Plan Area and another 3 within 2 blocks of its boundaries. See http://www.nytimes.com/2015/11/01/travel/what-to-do-in-36-hours-in-san-francisco.html?_r=0

FIGURE 2.0.1**Produce Market on Mission Street**

Photo by SF Planning, Pedro Peterson

also shows the importance of the Mission in the San Francisco's stock of industrial lands. Though the neighborhood only accounts for 5% of the City's overall commercial space, its share of PDR space is much higher, at 8%. However, as will be

discussed in the sections below, in recent decades PDR space has been subject to intense pressures from uses that are able to pay higher land rents, such as office and market-rate residential.

TABLE 2.1.1**Commercial Building Space Square Footage, Mission and San Francisco, 2015**

Non-Residential Land Use	Mission		Citywide		Mission as % of San Francisco
	Square Feet	%	Square Feet	%	
Cultural, Institution, Educational	1,760,105	15%	29,898,514	13%	6%
Medical	698,877	6%	17,468,039	7%	4%
Office	3,079,231	27%	107,978,954	45%	3%
PDR / Light Industrial	2,896,338	25%	36,265,832	15%	8%
Retail	3,022,780	26%	42,299,526	18%	7%
Visitor / Lodging	92,560	1%	4,053,422	2%	2%
Total	11,549,891	100%	237,964,287	100%	5%

Source: San Francisco Planning Department Land Use Database, March 2016.

Table 2.1.2 shows commercial and other non-residential development activity in the Mission Area Plan area between January 1, 2011 and December 31, 2015 while Table 2.1.3 shows corresponding figures for San Francisco. These tables count newly developed projects (on vacant properties or redevelopment of existing properties) as well as conversions from one use to another. Between 2011 and 2015, 206,000 square feet of PDR land was converted to other uses, especially housing, equivalent to roughly 6% of PDR space in the Mission.

Two properties account for more than 75% of the PDR conversion during this period. In 2012, the Planning Department legitimized a conversion of roughly 95,000 square feet of PDR to office at 1550 Bryant; the actual conversion occurred prior to the enactment of Eastern Neighborhoods without the benefit of a permit. The legitimization program (see section 2.3.1), which was enacted

concurrently with Eastern Neighborhoods, enabled the space to be legally permitted as office. Another property at Mission Street and 15th Street, a vacant and non-functioning former printing shop, accounted for another 63,000 square feet of PDR conversion. This project was approved prior to adoption of the Mission Area Plan, but completed construction in 2013. The building was demolished to build a 194-unit residential building, shown in Photo 2.1.1, which includes 40 affordable units (21% of the total). The property is zoned neighborhood commercial transit (NCT) and urban mixed-use (UMU), designations created by the Eastern Neighborhoods Area Plans specifically to transition struggling industrial properties in transit-rich corridors to dense residential uses.

Table 2.1.2 also shows the loss of 25,000 square feet of institutional space in 2015, which took place because the San Francisco SPCA demolished a building on their campus to convert into a dog park in order to better meet their animal

FIGURE 2.1.1
1880 Mission Street



Photo by SF Planning, Pedro Peterson

rescue activities. The table also shows a modest gain of office and retail space during the reporting period. One illustrative project is the development at 1501 15th Street, which redeveloped a vacant lot of a former gas station into a mixed-use building with 40 residential units (7 of them below market rate) and roughly 8,000 square feet of ground floor commercial space.

slightly more than 7% of citywide office development between 2011 and 2015.

Map 2 shows the location of the larger-scale non-residential developments. (See Appendix B for detailed information about completed developments.)

For comparison purposes, Table 2.1.3 shows the commercial development activity throughout San Francisco. Overall, while the Mission saw a decrease of roughly 68,000 square feet, the city gained 2.8 million square feet, mostly serving office and medical uses. The Mission accounted for about 20% of the city's loss of PDR and

TABLE 2.1.2

Net Change in Commercial Space Built, Mission 2011–2015

Year Completed	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	–	–	–	(10,800)	–	–	(10,800)
2012	–	–	108,400	(98,326)	4,320	–	14,394
2013	–	–	–	(70,762)	–	–	(70,762)
2014	–	15,200	–	(26,423)	(3,696)	–	(14,919)
2015	(25,211)	–	–	–	39,495	–	14,284
Total	(25,211)	15,200	108,400	(206,311)	40,119	–	(67,803)

Source: San Francisco Planning Department.

Note: Includes all developments in the Plan Area during reporting period, including those that did not receive CEQA clearance under Eastern Neighborhoods EIR.

TABLE 2.1.3

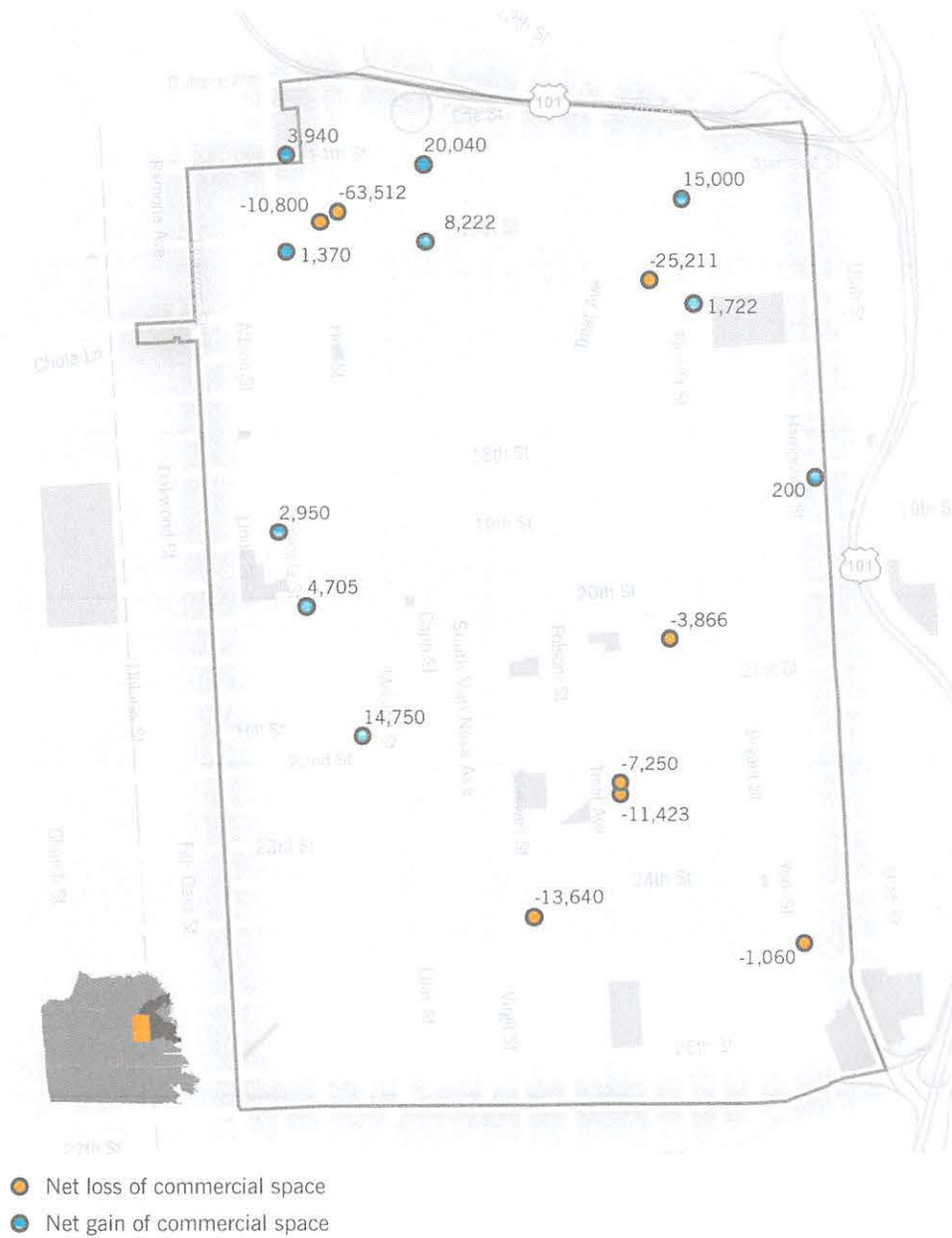
Net Change in Commercial Space, San Francisco 2011–2015

Year Completed	Cultural, Institutional, Educational	Medical	Office	PDR / Light Industrial	Retail	Visitor / Lodging	Total Commercial Sq Ft
2011	10,477	0	40,019	(18,075)	16,854	0	49,275
2012	(52,937)	0	24,373	(164,116)	32,445	0	(160,235)
2013	66,417	0	335,914	(236,473)	5,941	(69,856)	101,943
2014	446,803	1,815,700	603,997	(422,157)	11,875	63,286	2,519,504
2015	(21,456)	20,000	460,508	(183,775)	65,419	0	340,696
Total	449,304	1,835,700	1,464,811	(1,024,596)	132,534	(6,570)	2,851,183

Source: San Francisco Planning Department.

MAP 2

Completed Projects Causing Net Change in Commercial Space, Mission 2011–2015



2.2 Commercial Development Pipeline

The development pipeline is best understood as two separate subcategories, shown in [Table 2.2.1](#) as “Under Review” and “Entitled”. Entitled projects are those that have received Planning Department approvals and are under construction or awaiting financing or other hurdles to break ground. Such projects can be expected to be completed with some confidence, although some of them may take years to finally complete their construction and receive certificates of occupancy. Projects that are under review projects are those that have filed application with the Planning and/or Building Departments, but have not been approved. These projects have to clear several hurdles, including environmental (CEQA) review, and may require conditional use permits or variances. Therefore, under review projects should be considered more speculative.

The commercial development pipeline in the Mission shows a continuation of the trends that have taken place during the reporting period of 2011-15 ([Table 2.2.1](#)). The Mission will continue to see some of its PDR space converted to other uses,

particularly residential, as well as the development of some office, medical, and institutional space. However, the City continues to enforce PDR protection policies in specially designated zones in the Mission, such as PDR-1 and PDR-2.

The projects in the pipeline that have received entitlements show a slight net gain (5,000 square feet) of non-residential uses in the Mission in the near future. If all of these developments are completed, the Planning Department expects a loss of about 360,500 square feet of PDR space and concomitant gain of roughly 175,000 square feet in other commercial space, including institutional, medical, office and retail uses. Entitled projects that propose to convert PDR to other uses are mostly small spaces (up to about 6,000 square feet) that will be redeveloped as residential or mixed-use residential buildings. One representative project is at 346 Potrero Avenue, currently under construction, where 3,000 square feet of PDR has been converted to a mixed use building with approximately 1,600 square feet of ground floor retail and 70 residential units, 11 of which are affordable.

TABLE 2.2.1

Commercial and Other Non-Residential Development Pipeline, Mission Q4 2015

Development Status	Cultural, Educational, Institutional	Medical	Office	PDR/Light Industrial	Retail	Visitor/Lodging	Total Commercial Sq Ft
Under Construction	–	–	–	(12,461)	7,396	–	(5,065)
Planning Entitled	3,957	16,000	4,672	(18,607)	4,682	–	10,704
Planning Approved	2,757	–	–	(2,914)	–	–	(157)
Building Permit Filed	–	–	–	(1,939)	844	–	(1,095)
Building Permit Approved/ Issued/ Reinstated	1,200	16,000	4,672	(13,754)	3,838	–	11,956
Under Review	282,932	–	160,591	(329,490)	51,672	–	169,219
Planning Filed	282,932	–	159,388	(303,697)	55,186	–	182,933
Building Permit Filed	–	–	1,203	(25,793)	10,876	–	13,714
Total	286,889	16,000	165,263	(360,558)	67,264	–	174,858

Source: San Francisco Planning Department

Note: Includes all developments in the pipeline as of December 31, 2015, including those that did not (or will not) receive CEQA clearance under Eastern Neighborhoods EIR.

One example of a project that is currently under review, the “Armory Building” at 1800 Mission, has requested to convert roughly 120,000 square feet of PDR space into office use. Another large-scale project currently under review would build 176,000 square feet of non-profit service delivery office space at 1850 Bryant Street. If all projects that are under review come to fruition, the Mission will see roughly 360,000 square feet of PDR transition to other uses.

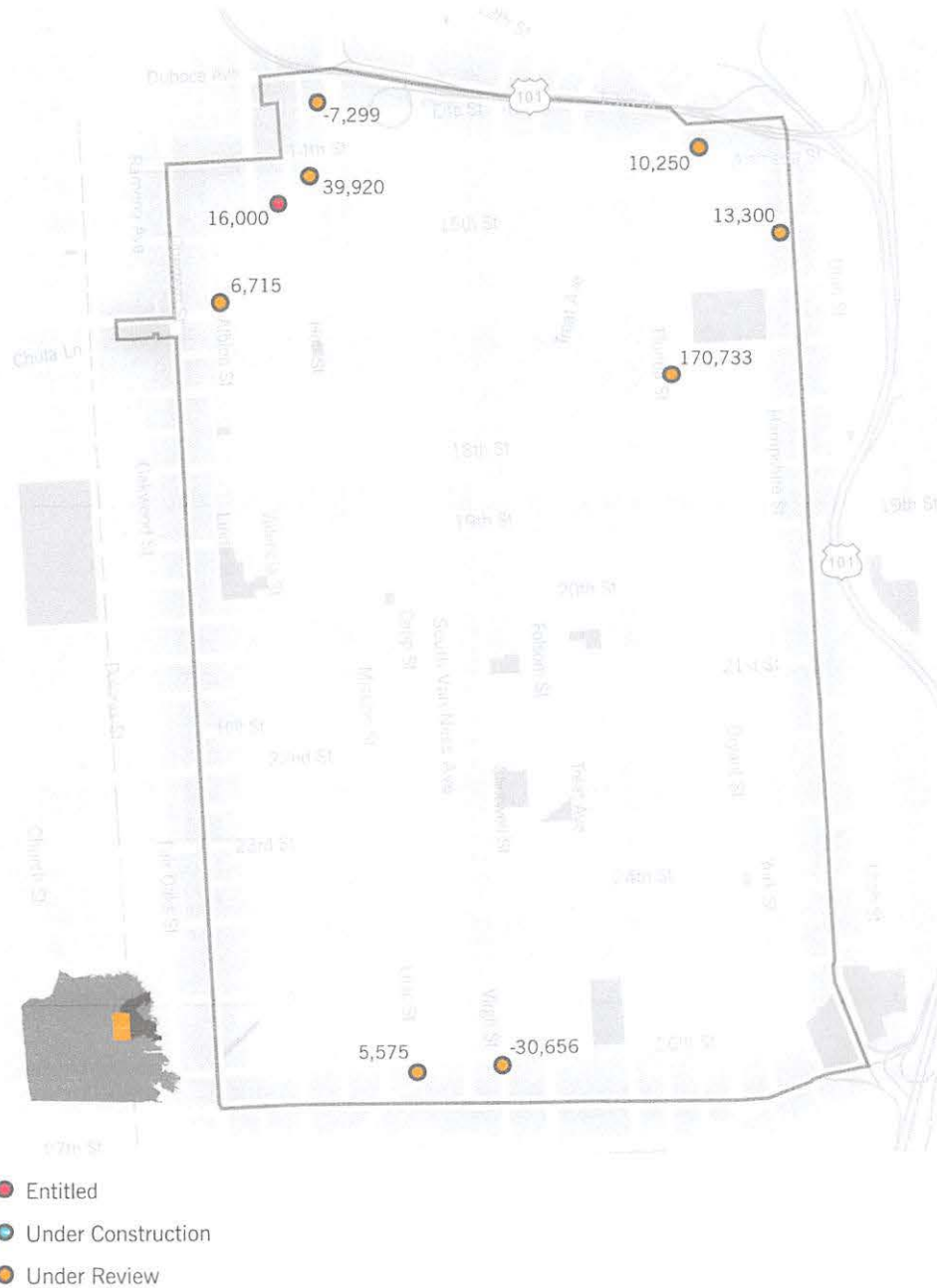
Table 2.2.2 shows the commercial development pipeline for San Francisco for comparison. The development pipeline in the Mission represents less than 1% of the citywide pipeline. Map 3 shows the locations of the larger proposed commercial developments in the plan area. (See Appendix C for detailed information about pipeline projects.)

TABLE 2.2.2

Commercial and Other Non-Residential Development Pipeline, San Francisco Q4 2010

Development Status	Cultural, Educational, Institutional	Medical	Office	PDR/Light Industrial	Retail	Visitor/Lodging	Total Commercial Sq Ft
Under Construction	1,098,708	(58,871)	3,894,055	(290,327)	491,366	(189,563)	4,945,368
Planning Entitled	312,600	20,665	5,576,249	332,662	1,268,623	519,906	8,030,705
Planning Approved	1,942	4,665	4,571,993	311,417	1,084,828	458,554	6,433,399
Building Permit Filed	4,343	–	(36,555)	(33,939)	806	–	(65,345)
Building Permit Approved/Issued/Reinstated	306,315	16,000	1,040,811	55,184	182,989	61,352	1,662,651
Under Review	1,042,013	1,875	7,459,214	(1,046,009)	1,594,639	418,557	9,470,289
Planning Filed	1,084,228	1,875	5,955,541	(994,050)	1,552,310	200,747	7,800,651
Building Permit Filed	(42,215)	–	1,503,673	(51,959)	42,329	217,810	1,669,638
Total	2,453,321	(36,331)	16,929,518	(1,003,674)	3,354,628	748,900	22,446,362

Source: San Francisco Planning Department

MAP 3**Commercial and Other Non-Residential Development Pipeline, Mission Q4 2015**

2.3 Changes in PDR Uses

As discussed above, the Mission (and the Eastern Neighborhoods more broadly), have experienced economic changes that have made many areas highly attractive to residential and office development. These types of uses are generally able to afford higher land costs, and therefore can outbid PDR businesses for parcels that are not specifically zoned for industrial use. Prior to the adoption of the Eastern Neighborhoods Area Plans, the primary industrial zoning designations – M-1, M-2, and C-M – permitted a broad range of uses, which led to the conversion of a significant amount of PDR space to other activities. Of the 2.9 million square feet in PDR space in the Mission in 2015, more than half was scattered throughout zoning districts not specifically geared towards industrial uses, such as neighborhood commercial (NC) zones. Roughly 770,000 (26%) were located in PDR protection districts (PDR-1 and PDR-2) and 20% were in the mixed use UMU district. By comparison, the split between PDR space in PDR protection, mixed use, and other districts in the Eastern Neighborhoods is 38%, 34%, and 29%, respectively. According to Co-Star data, asking lease rates for PDR space in the Eastern Neighborhoods are currently \$22 per square foot (NNN) and vacancy rates are 4.4%.⁴

Since the adoption of the Mission Area Plan, PDR space has continued to be converted to other uses in the neighborhood, as [Tables 2.1.2](#) and [2.2.1](#) illustrate. A detailed investigation of the conversion of PDR space in the Mission shows that such conversions have occurred largely outside of the zoning districts created specifically to protect PDR uses (in the case of the Mission, PDR-1 and PDR-2). The only project that recorded a loss of PDR space in a PDR protection zone during this period, 1550 Bryant, involved the legitimization of office conversion undertaken prior to adoption of the plan under an amnesty program that expired in 2013 (discussed in subsection 2.3.1, below). In addition to the project at 1880 Mission, detailed above, other completed projects in the Mission that have converted PDR space have done so in order to build new housing, either with a higher percentage of inclusionary units than required by the City's inclusionary housing ordinance or by paying in-lieu fees, as shown in [Table 2.3.2](#). These projects have all been built in either the transitional UMU district or in districts like NCT and RH-3, which were not intended as PDR protection areas under the Mission Area Plan. The Planning Department has also undertaken some legislative action to strengthen PDR zoning and enable to location, expansion, and operation of PDR businesses. In addition to some "clean

4 Data provided by the City of San Francisco's Real Estate Division.

TABLE 2.3.1

Square Footage of PDR Space by Zoning District Type, Mission and Eastern Neighborhoods, 2015

Zoning District Type	Number of Cases			
	Mission	%	Eastern Neighborhoods	%
PDR Protection (1)	767,087	26%	3,465,888	38%
Mixed Use (2)	582,510	20%	3,098,198	34%
Other (3)	1,546,741	53%	2,669,555	29%
TOTAL	2,896,338	100%	9,233,641	100%

1. Districts that primarily allow PDR activities and restrict most other uses. In Central Waterfront, Mission, and Showplace Square/Potrero Hill, these districts include PDR-1 and PDR-2. In East SoMa and West SoMa, they are the SLI and SALI districts, respectively.

2. Transitional districts that allow industrial uses mixed with non-PDR activities such as housing, office, and retail, often with additional requirements on affordability and PDR replacement. Includes UMU in Central Waterfront, Mission, and Showplace Square/Potrero Hill; MUG, MUO, and MUR in East SoMa; and WMUG and WMUO in Western SoMa.

3. Various districts designated for non-industrial uses like residential, neighborhood commercial, and the like.

Source: San Francisco Planning Department Land Use Database, March 2016

TABLE 2.3.2**Projects Converting PDR Space in Mission Area Plan Area, 2011–2015**

Project	Zoning	Net PDR	Net Office	Net Retail	Net Units	Affordable Units	Percent Affordable
1550 Bryant Street	PDR-1-G	(93,400)	108,400	0	0	0	N/A
1880 Mission Street	NCT/UMU	(63,512)	0	0	194	40	21%
2652 Harrison Street	UMU	(7,250)	0	0	20	Fee payment	N/A
2660 Harrison Street	UMU	(11,423)	0	11,423	3	Below threshold	N/A
3135 24th Street	NCT	(15,000)	0	1,360	9	Below threshold	N/A
1280 Hampshire Street	RH-3	(1,060)	0	0	3	Below threshold	N/A

Source: San Francisco Planning Department

Note: Only developments with ten or more units are subject to the City's inclusionary housing requirements.

up" language making it easier for PDR businesses to receive permits and share retail spaces, the Department also created a program to allow more office development in certain parcels as a way to subsidize more development of PDR space. Recognizing the financial difficulties of developing new industrial buildings in large "soft site" lots, this program gives developers the ability to construct office space in parcels zoned PDR-1 and PDR-2, located north of 20th Street. The parcels must be at least 20,000 square feet as long as existing buildings are not developed to more than 0.3 floor-to-area (FAR) ratio. At least 33% of the space in the new developments must be dedicated to PDR uses. To date, only one development at 100 Hooper Street in the Showplace Square/Potrero Hill Plan Area has taken advantage of this program.

PDR Protection Policies and Enforcement

Illegal conversions from Production, Distribution and Repair (PDR) uses have more recently become an issue in the Eastern Neighborhood Plan areas that the City has sought to resolve. In 2015, the Planning Department received about 44 complaints of alleged violation for illegal conversions of PDR space. Most of these cases (42) are in the Eastern Neighborhoods, 20 of which are in the Mission Area Plan Area. Of these cases, six were found to not be in violation of PDR protection rules, 11 are under or pending review, and three have been found to be in violation. The three cases are on Alabama Street between 16th and Mariposa Streets on parcels zoned PDR-1-G. Owners were issued notices of violation and office tenants were compelled to vacate the properties, as shown in [Appendix E](#).

TABLE 2.3.3**Enforcement Cases for Illegal PDR Conversions, Mission, 2015**

Case Type	Number of Cases		
	Mission	Eastern Neighborhoods	Citywide
Closed - Violation	3	6	7
Closed - No Violation	6	9	9
Under Review	1	4	4
Pending Review	10	23	24
TOTAL	20	42	44

Source: San Francisco Planning Department

Most of these complaints describe large warehouses converting into office uses. Many of these office tenants are hybrid uses where PDR also takes place, but may not be the principal use of the space. If an office use is confirmed to be in operation, Planning encourages the company to alter their business practice to fit within the PDR zoning categories or vacate the property. The table in [Appendix E](#) shows the enforcement cases that were closed and that were actually found to be in violation of the code. Generally, the complaints filed with the Planning Department are regarding the conversion of PDR uses to office space, not permitted within these zoning districts. However, some complaints that are filed are either not valid, meaning that the tenant is either a PDR complying business or the space was legally converted to office space, prior to the Eastern Neighborhoods rezoning. For these enforcement cases, there is no longer a path to legalization to office use; additionally, many of these office conversions are not recent, and they did not take advantage of the Eastern Neighborhoods Legitimization Program. The program was an amnesty program that established a limited-time opportunity whereby existing uses that have operated without the benefit of required permits may seek those permits. However, this program expired in 2013.

In investigating the alleged violations, the Planning Department discovered that the building permit histories often included interior tenant improvements without Planning Department review. These permits do not authorize a change of use to office. To prevent future unauthorized conversion of PDR space the Planning Department worked proactively with the Department of Building Inspection (DBI). Over the course of 2015, Planning worked with DBI during project intakes to better understand the routing criteria and how to ensure Planning review. Both departments' IT divisions worked together to create a flag in the Permit Tracking System (PTS) to alert project intake coordinators of potential illegal conversions. This is a pilot program that can be expanded at a later date to include other zoning districts if necessary. Planning and DBI continue to work together to monitor this process and plan to meet regularly to discuss additional steps to prevent future conversions.

Planning also works collaboratively with the Mayor's Office of Economic Workforce and Development (OEWD). When Planning receives inquiries or complaints related to either vacant spaces in PDR zones or possible unauthorized spaces, Planning informs the property owner about PDR complying uses and refers them to OEWD. OEWD currently has a list of PDR complying businesses that are looking to lease spaces within San Francisco. Additionally, a training session for real estate brokers was conducted in 2015. The purpose of the voluntary training was to help explain what PDR is and what resources Planning has available for them to utilize prior to leasing a property. The training also outlined the enforcement process, including the process for requesting a Letter of Determination. Future trainings will be held based on interest.

2.4 Employment

The Mission Area Plan Area added employment across all land use types tracked by the Planning Department between 2011 and 2015, following a trend that has taken place in San Francisco and the Bay Area. This growth in employment reflects a rebound in the regional economy following the "Great Recession" of the previous decade, but also the robust growth in high technology sectors and related industries in recent years.⁵ Altogether, employment in the Mission grew from roughly 18,000 jobs in 2010 to almost 24,000 with a related increase from 2,700 to 3,000 establishments, according to the California Employment and Development Department (EDD). The next subsections discuss job growth in the Mission by land use category.

2.4.1 Office Jobs

The largest increase in jobs in the Mission between 2010 and 2015 was in office occupations. According to EDD, the neighborhood experienced an almost 70% increase in office jobs in those 5 years. However, the number of office establishments only increased by about 25%, indicating a shift towards office firms with a

⁵ See annual San Francisco Planning Department Commerce & Industry Inventory, 2008 - 2015.

TABLE 2.4.1**Employment, Mission and San Francisco, Q2 2015**

Landuse	Mission				San Francisco			
	Establishments	%	Jobs	%	Establishments	%	Jobs	%
Cultural, Institutional, Educational	119	4%	17,454	45%	2,010	3%	73,182	11%
Medical	1,223	41%	2,409	6%	21,833	37%	60,214	9%
Office	511	17%	6,344	16%	15,628	27%	293,014	44%
PDR / Light Industrial	349	12%	3,723	10%	5,280	9%	88,135	13%
Retail	605	20%	8,802	23%	8,241	14%	130,550	20%
Visitor / Lodging	10	0%	41	0%	311	1%	16,688	2%
Other	187	6%	254	1%	4,961	9%	6,953	1%
Total	3,004	100%	39,027	100%	58,264	100%	668,736	100%

Source: California Employment Development Department

larger number of employees or occupying formerly vacant space. In 2015 the Mission held about 3% of all of the City's office jobs and 2% of its establishments (see [Chart 2.4.1](#)).

2.4.2 Retail Jobs

As discussed above, the Mission has also emerged as an important retail destination in San Francisco, with the restaurants, cafes, bars, and shops in the main commercial corridors (particularly Mission, Valencia, 16th, and 24th Streets) attracting visitors from throughout the City, region, and beyond. The number of retail jobs in the Mission increased by 24% between 2010 and 2015 to about 8,800 in more than 600 establishments. The neighborhood represents 7% of the city's retail jobs and establishments.

2.4.3 PDR Jobs

PDR continues to play a critical role in the City's economy, providing quality jobs to employees with a broad range of educational backgrounds, supporting local businesses up- and downstream (for example, many of the city's top restaurants source products from local PDR businesses), and infusing the region with innovative products. Though the trends in loss of PDR space have been widely documented, the City and the Mission both added

PDR jobs since 2010. The Mission experienced a 7% increase in PDR employment (to 3,700 jobs) between 2010 and 2015 and 9% increase in number of firms (to 350). Within the three-digit NAICS classifications that make up the Planning Department's definition of PDR, employment increased across several occupational categories, including "other manufacturing", "film and sound recording", and "printing and publishing" occupations and decreased in "construction", "apparel manufacturing" and "transportation and warehousing" occupations, as shown in Appendix F.

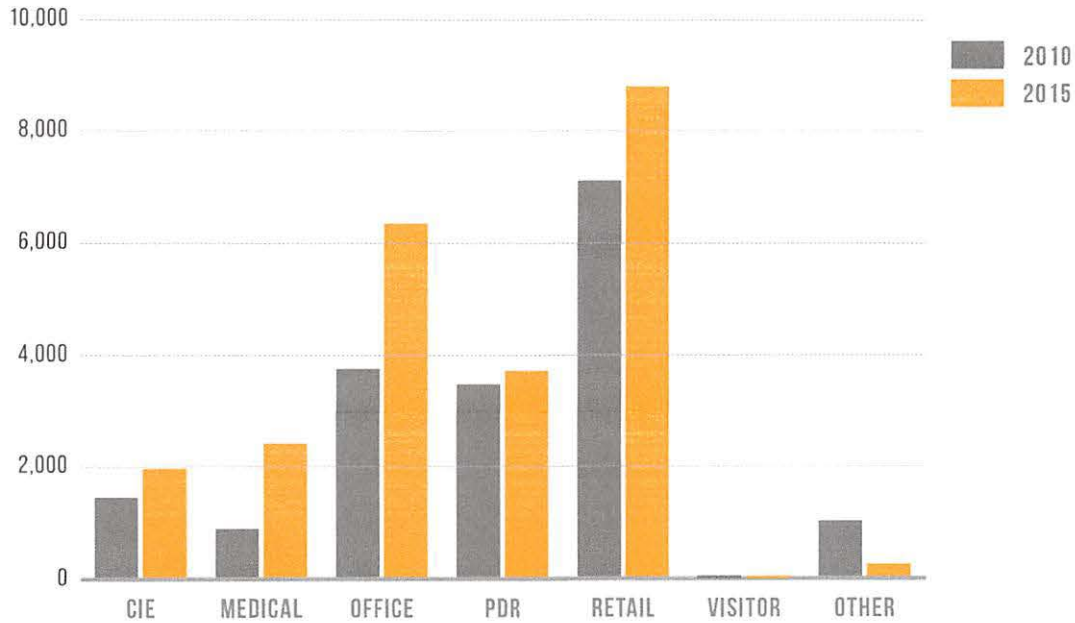
As with other occupations, these increases likely reflect a recovery from the recession as well as the emergence of "maker" businesses and production of customized and high-end consumer products, such as the firm shown in [Photo 2.4.1](#). The success of the Plan in curbing large-scale conversion of PDR space has likely played a key role in ensuring that these re-emergent industrial activities are able to locate within San Francisco. The Mission has roughly 4% of the PDR jobs and 7% of the establishments within the City.

2.4.4 Employment and Commercial Space Trends

Over the past five years, the Mission has added a substantial number of jobs, more than 30%

FIGURE 2.4.1

Jobs by Land Use, Mission, Q3 2010 and 2015

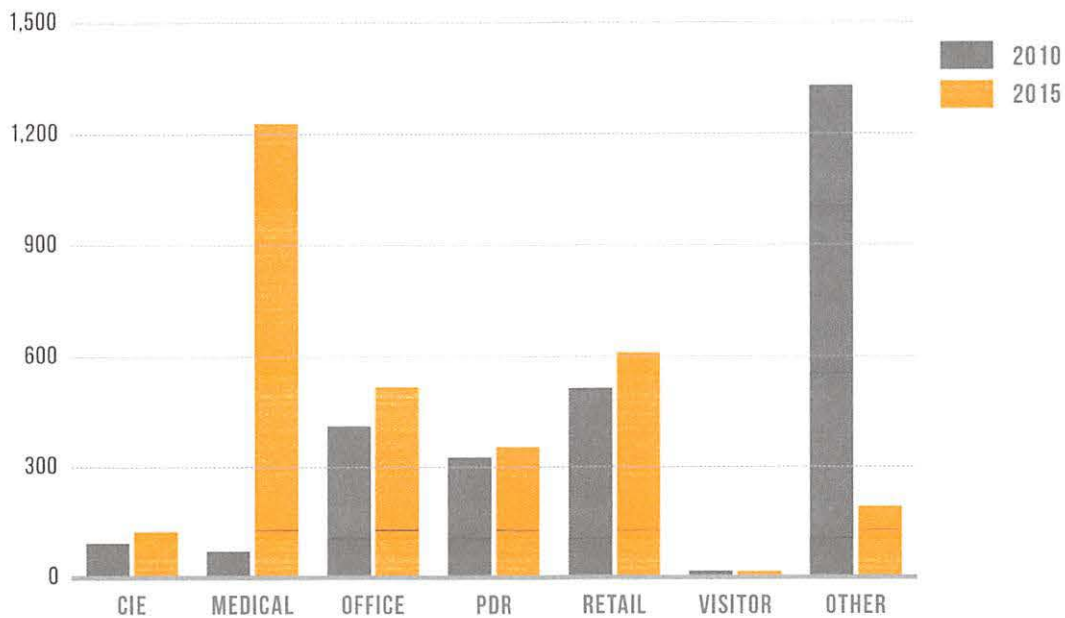


Source: California Employment Development Department

Note: Starting in 2013, the Bureau of Labor Statistics reclassified In-Home Supportive Services (roughly 20,000 jobs citywide) from the Private Household category (classified as "Other") to other classifications, most of which are captured in this report under "Medical".

FIGURE 2.4.2

Establishment by Land Use, Mission, Q3 2010 and 2015



Source: California Employment Development Department

Note: Starting in 2013, the Bureau of Labor Statistics reclassified In-Home Supportive Services (roughly 20,000 jobs citywide) from the Private Household category (classified as "Other") to other classifications, most of which are captured in this report under "Medical".

growth, even as its commercial space square footage increased by a small amount (4,000 square feet). In part, many of these new jobs are likely located in commercial space that was vacant at the end of the recession of the previous decade, leading to lower vacancy rates.⁶ Another trend that has been underway that may explain the gain in employment without a parallel increase in commercial space is an overall densification of employment (in other words, allowing more jobs to be accommodated within a given amount of space). With the increasing cost of land in locations close to city centers and accessible by transportation infrastructure (as is the case with the Eastern Neighborhoods), real estate researchers have tracked an overall densification of employment across several sectors throughout the country.⁷ This kind of densification can be caused by employees who work from home for some or all

days of the week (and therefore may share office space with colleagues) or firms that accommodate more employees within a given amount of space.

2.4.5 Sales and Property Taxes

Since the Eastern Neighborhood Area Plans were adopted, the City has also seen sharp increases in collections of sales and property taxes. In the Mission, sales tax collections increased every year from 2011 to 2014, going from \$4.5 million to \$6.2 million in five years, an increase of almost 40%. By comparison, sales tax collections citywide increased by 26% during this period. Property tax collection also increased substantially in the Eastern Neighborhoods. In the Mission, the city collected roughly \$38 million in property taxes in 2008, the year before the plan was adopted. By 2015, property taxes in the Mission increased by 56% to \$59 million, as shown on [Table 2.4.3](#).

6 Although data to show vacancy rates for the Mission Area Plan Area is not available, commercial real estate brokerage firms like Cushman & Wakefield show that vacancy rates for different types of land uses decreased substantially in San Francisco between 2011 and 2015 across different sectors. See Cushman & Wakefield San Francisco Office Snapshot Q4 2015 and Retail Snapshot Q4 2015.

7 See Gensler. 2013. *US Workplace Survey Key Findings*.

FIGURE 2.4.3

Dandelion Chocolate, 2600 16th Street



Photo by SF Planning, Pedro Peterson

3.1 Housing Inventory and New Housing Production

The Planning Department's latest housing inventory, using US Census and permit data, shows that the Mission has roughly 25,000 housing units as of the end of 2015; this represents 6.6% of the citywide total.⁹ Table 3.1.1 shows a net gain of approximately 564 units in the past five years in the Mission, compared with 861 net units added between 2006 and 2010. Of the new units produced, 76 were conversions from non-residential uses and the rest were completed from new construction.

During the first two years of the reporting period, 2011 and 2012, the construction sector was still recovering from the slow-down of the recession, and only 47 new units were built. Between 2013 and 2015, however, the Mission added 518 new units, or 173 units per year. This yearly average

is almost identical to the average between 2006 and 2010, when the Mission added 164 units per year. Table 3.1.2 shows the citywide figures for comparison. Nearly 6% 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. The vast majority of new units added during the 2011-2015 reporting period are located north of 16th Street and west of Mission Street. All of the new residential development in the souther portion of the Mission during this period has been in projects adding one or two net units. Additional details about these new development projects can be found in Appendix B.

9 2015 San Francisco Housing Inventory.

TABLE 3.1.1
New Housing Production, Mission, 2011–2015

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	–	14	(1)	(15)
2012	47	–	11	58
2013	242	1	16	257
2014	75	1	2	76
2015	140	–	48	188
TOTAL	504	16	76	564

Source: San Francisco Planning Department

Note: Includes all developments in the Plan Area during reporting period, including those that did not receive CEQA clearance under Eastern Neighborhoods EIR.

TABLE 3.1.2
New Housing Production, San Francisco, 2011–2015

Calendar Year	Units Completed from New Construction	Units Demolished	Units Gained or Lost from Alterations	Net Change in Number of Units
2011	348	84	5	269
2012	796	127	650	1,319
2013	2,330	429	59	1,960
2014	3,455	95	156	3,516
2015	2,472	25	507	2,954
TOTAL	9,401	760	1,377	10,018

Source: San Francisco Planning Department

New Housing Production Mission 2011-2015



3.2 Housing Development Pipeline

As discussed above in the Commercial Activity chapter, the pipeline should be analyzed along two different categories: projects that have submitted planning and building applications (under review) and projects that have received entitlements and are either awaiting or are under construction. The latter (particularly those under construction) are considered much more likely to add residential or commercial capacity to the city's building stock in the short-to-medium term, while under review projects may require clearance from environmental review, variances to planning code restrictions, and discretionary review. In general, the Planning Department estimates that projects that are currently under construction can take up to two years to be ready for occupancy, entitled projects can take between two and seven years, while projects under review can take as many as ten years, if they are indeed approved.

The pipeline for new housing development in the Mission as of the end of 2015 is 1,855 units, of

which 1,467 are under review. Roughly 400 units are entitled, of which half are currently under construction, as shown on [Table 3.2.1](#). The pipeline for the Mission accounts for 9% of the total number of projects in the City, though only 3% of the number of units, which suggests that new projects are of a smaller scale than housing developments in the pipeline for San Francisco as a whole.

The current housing pipeline is much more robust than it was at the end of 2010, shown in the previous Monitoring Report. In that year, only seven projects (with a total of nine units) were under construction, 25 projects with 422 units were entitled, and 53 projects with 585 units were under review. As of the end of 2015, twice as many projects were under review for more than three times the number of units, reflecting a much stronger market and willingness by developers to build new housing.

[Map 5](#) shows the location of these proposed housing projects by development status. By-and-large,

TABLE 3.2.1

Housing Development Pipeline, Mission, and San Francisco, Q4 2015

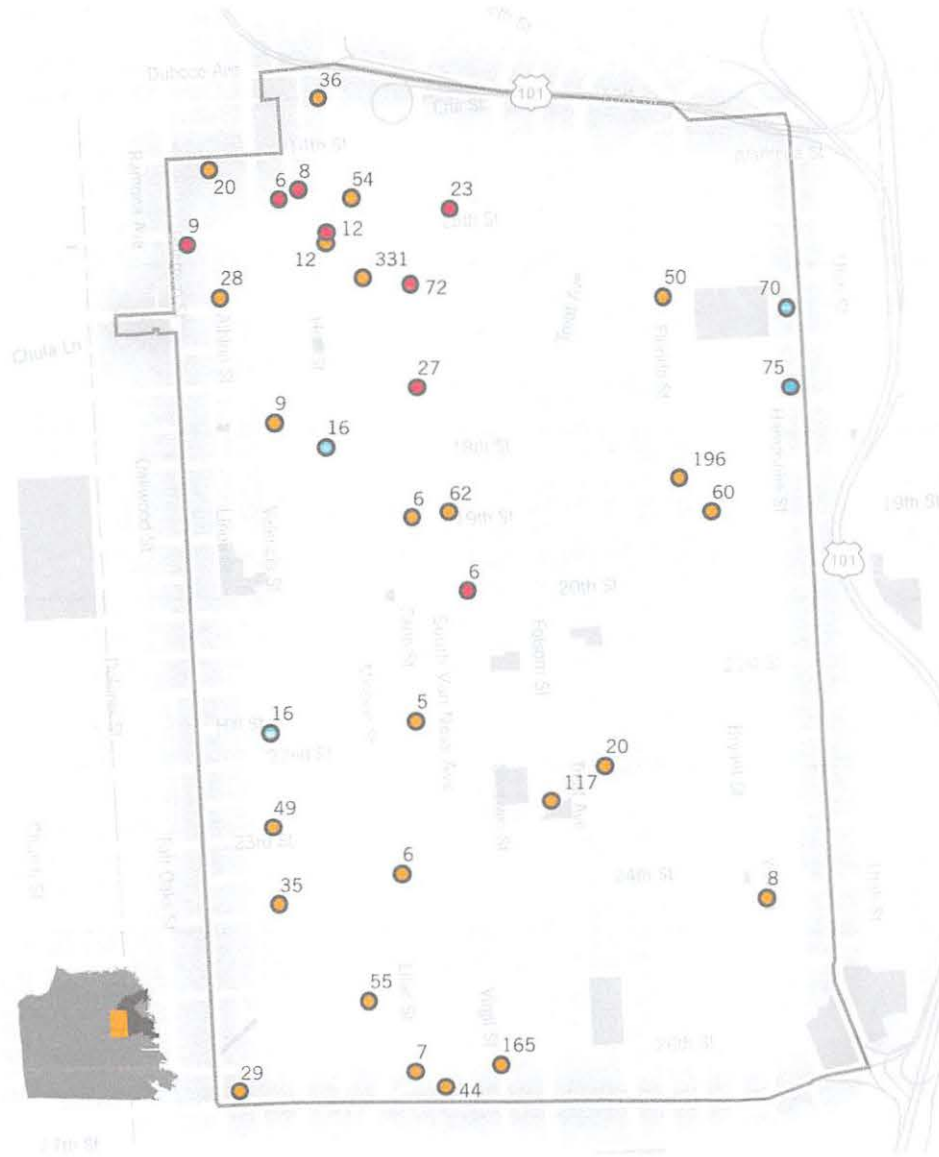
Development Status	Mission			San Francisco		
	No. of Units	No. of Affordable Units	No. of Projects	No. of Units	No. of Affordable Units	No. of Projects
Construction	200	22	17	8,816	979	232
Planning Entitled	188	18	29	31,546	6,141	353
Planning Approved	14	–	5	27,617	12	80
Building Permit Filed	16	–	5	1,529	73	36
Building Permit Approved/ Issued/ Reinstated	158	18	19	2,400	6,056	237
Under Review	1,467	43	65	21,752	1,797	708
Planning Filed	909	37	25	17,575	1,574	206
Building Permit Filed	558	6	40	4,177	223	502
Total	1,855	83	111	62,114	8,917	1,293

Source: San Francisco Planning Department

Note: Includes all residential developments in the pipeline as of December 31, 2015, including those that did not (or will not) receive CEQA clearance under Eastern Neighborhoods EIR.

MAP 5

Housing Development Pipeline by Development Status, Mission, Q4 2015



- Entitled
- Under Construction
- Under Review

Note: Only includes residential developments with 5 or more units.

projects that are entitled and under construction are located north of 20th Street. The southern portion of the Mission Area Plan Area has a number of proposed projects that are currently under review, although only one project is under construction, at 1050 Valencia Street. [Appendix C](#) provides a detailed list of these housing pipeline projects.

3.3 Affordable Housing in the Mission

San Francisco and the Mission Area Plan Area have a number of policies in place to facilitate the development of affordable housing. This section describes some of these policies and discusses affordable housing development in the Plan Area over the past five years.

3.3.1 Affordable Housing Efforts: Citywide, Eastern Neighborhoods, and Mission

The City of San Francisco has a number of programs to provide housing opportunities to families whose incomes prevent them from accessing market-rate housing. The San Francisco Housing Authority (SFHA) maintains dozens of properties throughout the City aimed at extremely low (30% of AMI), very low (50% of AMI) and low (80% of AMI) income households. Households living in SFHA-managed properties pay no more than 30% of their income on rent, and the average household earns roughly \$15,000. Four of these properties are located within the Eastern Neighborhoods boundaries: two in the Mission and two in Potrero Hill.

The City has also launched HOPE SF, a partnership between the SFHA, the Mayor's Office of Housing and Community Development (MOHCD), community organizations, real estate developers, and philanthropies to redevelop some of the more dilapidated public housing sites into vibrant mixed-income communities with a central goal of keeping existing residents in their neighborhoods. One of the HOPE SF projects, Potrero Terrace/Annex is located in the Eastern Neighborhoods (Showplace Square/Potrero Hill). MOHCD also maintains a number of funding programs to provide capital financing for affordable housing developments targeting households earning between 30

and 60% of AMI, low-income seniors, and other special needs groups. In most cases, MOHCD funding is leveraged to access outside sources of funding, such as Federal Low Income Housing Tax Credits, allocated by the State.

One of the most powerful tools to promote affordable housing development in San Francisco is the inclusionary housing program specified in Section 415 of the Planning Code. This program requires that developments of 10 or more units of market rate housing must restrict 12% of the units to families earning below 55% of AMI (for rental units) or 90% of AMI (for ownership units). Developers can opt to build the units "off-site" (in a different building), within a 1-mile radius from the original development, as long as units are sold to households earning less than 70% of AMI. In this case, the requirement is increased to 20% of the total number of units in the two projects. Proposition C, approved by San Francisco voters in June 2016, increases the minimum inclusionary housing requirement to 25% on projects larger than 25 units. The Board of Supervisors may change this amount periodically based on feasibility studies by the Controller's Office. The income and rent limits for housing units managed by the Mayor's Office of Housing are included in [Appendix G](#).

The Mayor, Board of Supervisors, Planning Department, and Mayor's Office of Housing have recently passed or introduced legislation to further expand the supply of affordable housing throughout the City. The Board recently adopted an ordinance to encourage accessory dwelling units (ADUs) throughout the City, expanding on previous legislation allowing such units in Supervisor Districts 3 and 8. These ordinances remove obstacles to the development of ADUs, including density limits and parking requirements, in order to incentivize a housing type that has been identified as a valuable option for middle-class households that do not require a lot of space.¹⁰

Another policy that has the potential to add thousands of units of affordable housing to the city's stock is the Affordable Housing Bonus

¹⁰ Wegmann, Jake, and Karen Chapple, "Hidden density in single-family neighborhoods: backyard cottages as an equitable smart growth strategy," *Journal of Urbanism: International Research on Placemaking and Urban Sustainability* 7.3 (2014): 307-329.

Program, which is currently under review by the City. The Board recently approved the portion of the program that allows developers to build up to three stories above existing height limits in 100% affordable projects. Another component of the program that is under consideration would allow developers in certain areas to build up to an additional two stories of market rate housing above what is allowed by their height limit district, in exchange for providing additional affordable housing, with a special focus on middle-income households. With the exception of 100% affordable projects, the local Bonus Program would not apply to parcels in the Eastern Neighborhoods, as most do not currently have density restrictions. The program is intended to expand housing development options outside of the Eastern Neighborhoods, where housing development has been limited in recent decades.

In addition to the Citywide programs described above, the Eastern Neighborhoods Area Plans also placed a high priority on the production and protection of affordable housing, and created policies to expand access to housing opportunities to low and moderate-income families. For example, market-rate housing developments in the Urban Mixed Use (UMU) district are required to restrict between 14.4 and 17.6% of their units to families at or below 55% of AMI for rental and 90% of AMI for ownership, depending on the amount of “upzoning” given to the property by the Plans. If these units are provided off-site, the requirement ranges from 23 to 27%. In the UMU and Mission NCT district, developers also have the option of dedicating land to the City that can be developed as 100% affordable projects.

Developers also have the option of paying a fee in lieu of developing the units themselves, which the City can use to finance the development of 100% affordable projects. Funds collected through these “in-lieu fees” are managed by the Mayor’s Office of Housing and Community Development and can be spent anywhere in the City. However, 75% of fees collected in the Mission NCT and East SoMa MUR districts are required to be spent within those districts themselves. The Plans also require bedroom mixes in its mixed use districts to encourage 2- and 3-bedroom units that are suit-

able to families, including the units sold or leased at below-market rates. Lastly, in order to reduce the costs and incentivize housing production, the Plans removed density controls and parking requirements in many of its zoning districts, particularly those well-served by public transit and pedestrian and bike infrastructure.

3.4 New Affordable Housing Production, 2011–2015

As discussed in this report’s introduction, expanding access to affordable housing opportunities was a high priority for the communities in the Eastern Neighborhoods during the planning process, and it has only gained more urgency in recent years. The Mission in particular has been a symbol of the pressures of exploding housing costs on neighborhood stability and character.

As [Table 3.4.1](#) shows, 56 income-restricted affordable units were built during the 2011-15 five-year monitoring period, compared to 446 developed over the previous five years (2006-2010). The main difference between the two periods is that no publicly subsidized developments were built in the Mission in the most recent five-year stretch, while two large, fully affordable projects were built in 2006 and 2009 (Valencia Gardens and 601 Alabama, respectively) with a total of 411 units.

The 56 units built between 2011 and 2015 make up 11% of the 504 newly constructed units built in the Mission (shown on [Table 3.1.1](#)), slightly lower than the inclusionary housing minimum of 12%. The percentage is lower than the minimum because seven projects (shown on [Table 3.4.3](#)) chose to pay a fee to the City in lieu of building the units on-site. These fees raised \$7.3 million for the City’s housing development program managed by MOHCD. New affordable units are estimated to cost roughly \$550,000 in construction costs (not including land), towards which MOHCD contributes about \$250,000, requiring the developer to raise the rest from Federal, State, and other sources. Therefore, it is estimated that the “in-lieu fees” collected in the Mission in this period, if successfully leveraged into additional external funding and used to build projects on

publicly controlled land, could yield an additional 30 units.¹¹ Moreover, projects with fewer than 10 units are exempt from the inclusionary housing requirement.

Out of the 56 inclusionary units, 40 were rental units targeted to low-income households (55% of AMI) at the 194-unit development at 1880 Mission Street. The rest were ownership units restricted to moderate-income households (90% AMI). An additional 20 secondary or “granny” units, which are not restricted by income, but are

generally considered “more affordable by design to moderate-income households were added in the Plan Area. [Appendix B](#) lists the affordable housing developments completed between 2011 and 2015.

The inclusionary housing production in the Mission accounts for 7% of the citywide production (853 units, as shown in table 3.4.2 between 2011 and 2015). Because no publicly subsidized developments were completed in this period, the Mission only built 2% of the city’s income-restricted units (2,497) during the period.

¹¹ The development costs of affordable housing units are rough estimates based on recent projects that have received assistance from MOHCD.

TABLE 3.4.1

Affordable Housing Production, Mission, 2011–2015

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	–	–	5	5
2012	–	2	2	4
2013	–	40	3	43
2014	–	8	3	11
2015	–	6	7	13
TOTAL	–	56	20	76

Source: San Francisco Planning Department and Mayor’s Office of Housing and Community Development

Note: Secondary units are considered “naturally affordable” and are not income restricted like units produced through the inclusionary housing program or through public subsidies.

TABLE 3.4.2

Affordable Housing Production, San Francisco, 2011–2015

Calendar Year	Public Subsidy	Inclusionary	Secondary Units	Total
2011	141	4	60	205
2012	377	98	38	513
2013	464	216	30	710
2014	449	249	57	755
2015	213	286	53	552
TOTAL	1,644	853	238	2,735

Source: San Francisco Planning Department and Mayor’s Office of Housing and Community Development

Note: Secondary units are considered “naturally affordable” and are not income restricted like units produced through the inclusionary housing program or through public subsidies.

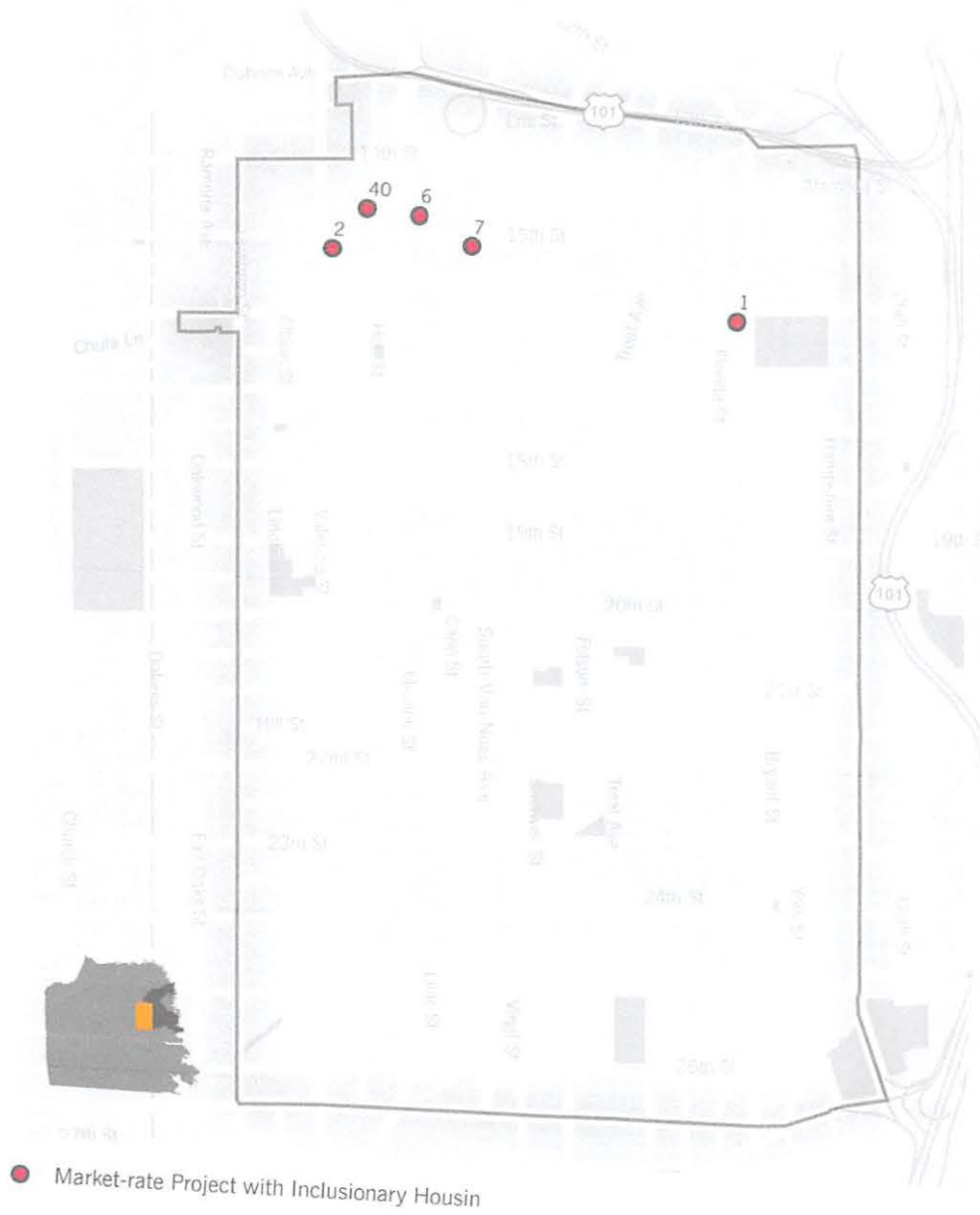
TABLE 3.4.3**Housing Developments Opting for Affordable Housing “In-lieu” Fee, Mission, 2011–2015**

ADDRESS	YEAR	TOTAL FEE AMOUNT
3500 19TH ST	2012	\$1,119,972
3418 26TH ST	2012	\$685,574
2652 HARRISON ST	2012	\$975,904
899 VALENCIA ST	2013	\$1,119,260
1050 VALENCIA ST	2013	\$756,939
3420 18TH ST	2015	\$1,001,589
1450 15TH ST	2015	\$1,654,354
GRAND TOTAL		\$7,313,592

Source: Department of Building Inspection

MAP 6

New Affordable Housing, Mission, 2011-2015



3.5 Housing Stock Preservation

A key component in promoting neighborhood affordability and stability is to preserve the existing stock of housing. New housing development in San Francisco is costly and preserving homes can prevent displacement of families and disruption in tight-knit communities such as the Mission. The *Mission Area Plan* supports the preservation of the area's existing housing stock and prohibits residential demolition unless this project ensures sufficient replacement of housing units. Restrictions on demolitions also help to preserve affordable and rent-controlled housing and historic resources.

A neighborhood's housing stock can also change without physical changes to the building structure. Conversions of rental housing to condominiums can turn housing that is rent controlled and potentially accessible to those of low to moderate income households to housing that can be occupied by a narrower set of residents, namely, those with access to down payment funds and enough earning power to purchase a home. Lastly, rental units can be "lost" to evictions of various types, from owners moving in to units formerly occupied by tenants to the use of the Ellis Act provisions in which landlords can claim to be going out of the rental business in order to force residents to vacate

their homes.

One important priority of the Plan's housing stock preservation efforts is to maintain the existing stock of single room occupancy (SRO) hotels, which often serve as a relatively affordable option for low income households. [Appendix H](#) includes a list of SRO properties and number of residential units.

The following subsections document the trends in these various types of changes to the housing stock in the Mission Area Plan Area and San Francisco between 2011 and 2015 and comparing the most recent five years with the preceding 5-year period.

3.5.1 Units lost to alteration or demolition

In this most recent reporting period, 30 units were demolished or lost through alteration in the Mission ([Table 3.5.1](#)) or less than 3% of units demolished citywide. In the previous reporting period, 15 units were lost to demolition or alteration. [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, 2011–2015

Calendar 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		
2011	–	7	–	–	7	14	21
2012	–	–	–	–	–	–	–
2013	–	–	–	–	–	1	1
2014	3	–	–	–	3	1	4
2015	4	–	–	–	4	–	4
TOTAL	7	7	–	–	14	16	30

Source: San Francisco Planning Department

TABLE 3.5.2**Units Lost, San Francisco, 2011–2015**

Calendar 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		
2011	39	22	1	3	65	84	149
2012	2	23	1	1	27	127	154
2013	70	38	2	–	110	427	537
2014	24	20	1	–	45	95	140
2015	100	12	1	3	116	25	141
TOTAL	235	115	6	7	363	758	1,121

Source: San Francisco Planning Department

3.5.2 Condo Conversions

Condo conversions increase San Francisco's homeownership rate, estimated to be at about 37% in 2014. However, condo conversions also mean a reduction in the City's rental stock. In 2014, an estimated 76% of households in the Mission were renters. According to the American Community Survey, there was no change in the owner/renter split in the Mission or in San Francisco between 2009 and 2014. Almost 8% of San Francisco's rental units are in the Mission as of 2014, the same figure as in 2009.¹²

¹² San Francisco Neighborhood Profiles, American Community Survey 2010-2014. San Francisco Planning Department 2016. According to the Census, there are roughly 19,000 renter-occupied units in the Mission. The neighborhood boundaries for the Mission in the Neighborhood Profiles do not match perfectly with the Plan Area boundaries, though they are very close. Therefore, these percentages should be read as approximations.

Table 3.5.3 shows that in the last five years, 284 units in 105 buildings in the Mission were converted to condominiums, compared to 307 units in 133 buildings between 2006 and 2010. In all, approximately 0.6% of all rental units in the Mission were converted to condominiums between 2011 and 2015. This represents 11% of all condo conversions citywide.

TABLE 3.5.3**Condo Conversion, Mission, 2011–2015**

Year	Mission		San Francisco		Mission as % of Citywide Total	
	No of Bldgs	No of Units	No of Bldgs	No of Units	No of Bldgs	No of Units
2011	23	55	200	472	12%	12%
2012	18	43	201	488	9%	9%
2013	17	42	147	369	12%	11%
2014	29	81	239	727	12%	11%
2015	18	63	149	500	12%	13%
Totals	105	284	936	2,556	11%	11%

Source: DPW Bureau of Street Use and Mapping

3.5.3 Evictions

Evictions by owners that choose to move in to their occupied rental units or use the Ellis Act provisions to withdraw their units from the rental market also cause changes to the housing stock. These evictions effectively remove units from the rental housing stock and are, in most cases, precursors to condo conversions.

Table 3.5.4 shows that owner move-ins led to evictions in 103 units (compared to 73 units between 2006 and 2010). The annual trend from 2011 and 2014 (between 13 and 22) was similar to the annual evictions for the previous 5-year reporting period, but these types of evictions surged to 35 in 2015. Similarly, Ellis Act withdrawals led to 113 evictions during the most recent reporting period (compared to 71 in the

previous period). Owner move-in evictions in the Mission accounted for 8% of the citywide total while the Plan Area accounted for 18% of Ellis Act evictions in San Francisco between 2011 and 2015.

During these five years, an estimated 1% of rental units in the Mission experienced owner move-in and Ellis Act evictions. However, this number may not capture buy-outs or evictions carried out illegally without noticing the San Francisco Rent Board. Other types of evictions, also tabulated in Table 3.5.4, 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 3.5.4

Evictions, Mission, 2011–2015

Year	Mission			San Francisco			Mission as % of Citywide Total		
	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other	Owner Move In	Ellis Act Withdrawal	Other
2011	13	4	64	123	54	1102	11%	7%	6%
2012	19	23	74	172	99	1343	11%	23%	6%
2013	22	51	95	275	229	1368	8%	22%	7%
2014	14	16	120	315	101	1550	4%	16%	8%
2015	35	19	100	425	142	1518	8%	13%	7%
Totals	103	113	453	1,310	625	6,881	8%	18%	7%

Source: San Francisco Rent Board

Note: Evictions classified under "Other" include "at fault" evictions such as breach of contract or failure to pay rent.

3.6 Jobs 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 of 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 2011-12 and 2015-16, commercial developments in the Mission Area Plan Area generated roughly \$900,000 to be used for affordable housing development by the city.

TABLE 3.6.1

Jobs Housing Linkage Fees Collected, Mission, FY 2011/12–2015/16

Fiscal Year	Revenue
2011–12	\$–
2012–13	\$893,542
2013–14	\$–
2014–15	\$6,205
2015–16	\$–
Total	\$899,747

*Department of Building Inspection as of 6/1/16

4. Accessibility and Transportation

The Mission Area Plan Area is characterized by a multitude of mobility options and its residents access employment and other destinations through a variety of transport modes. A much lower share of commuters in the Mission travel to work by car than the rest of San Francisco (29% to 44%, respectively), a comparison that is true for people who drive alone as well as those who carpool. As [Table 4.1.1](#) shows, the most widely used commute mode in the Mission is public transit, which is used by 41% of residents (compared to 33% citywide), and other alternative commute modes also play an important role, including biking at 9% (more than twice the citywide share), walking at 11%, and working at home at 8%. In order to maintain this characteristic and move towards lower dependency on private automobiles, the Mission Area Plan's objectives related to transportation all favor continued investments in public transit and improving pedestrian and bicycle infrastructure rather than facilitating auto ownership, circulation, and parking.

TABLE 4.1.1

Commute Mode Split, Mission and San Francisco

Transport Mode	Mission		San Francisco		Mission as % of San Francisco
	No of Commuters	%	No of Commuters	%	
Car	9,057	29%	199,470	44%	5%
Drove Alone	7,809	25%	165,151	36%	5%
Carpooled	1,248	4%	34,319	8%	4%
Transit	12,942	41%	150,222	33%	9%
Bike	2,852	9%	17,356	4%	16%
Walk	3,532	11%	46,810	10%	8%
Other	844	3%	10,579	2%	8%
Worked at Home	2,410	8%	32,233	7%	7%
Total	31,637	100%	456,670	100%	7%

Source: 2014 American Community Survey 5-year estimate

4.1 Eastern Neighborhoods TRIPS Program

The Eastern Neighborhoods Transportation Implementation Planning Study (EN TRIPS) Report assessed the overall transportation needs for the Eastern Neighborhoods and proposed a set of discreet projects that could best address these needs in the most efficient and cost beneficial manner. EN Trips identified three major projects for prioritization:

- (1) Complete streets treatment for a Howard Street / Folsom Street couplet running between 5nd and 11th Street
- (2) Complete streets and transit prioritization improvements for a 7th Street and 8th Street couplet running between Market and Harrison Street in East Soma
- (3) Complete streets and transit prioritization improvements for 16th Street (22-Fillmore) running between Church Street and 7th Street.

Other broader improvements were also discussed including street grid and connectivity improvements through the northeast Mission and Showplace Square, bicycle route improvements throughout particularly along 17th Street, and mid-block signalizations and crossings in South of Market.

4.2 Pedestrian and Bicycle Improvements

The *Mission Area 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 Mission District Streetscape Plan furthered the Mission Area Plan and EN Implementation Docu-

ment by identifying general district-wide strategies for improving streets and by providing conceptual designs for 28 discreet projects. The Plan looked to create identifiable plazas and gateways, improve alley and small streets, provide traffic calming in the predominately residential neighborhoods, re-envision the Districts throughways, and mixed-use (i.e. light industrial) streets; and further enliven the commercial corridors at key locations. Several of the Mission District Streetscape Plan projects have been implemented including, but not limited to, the Mission District Folsom Street road diet improvements, Bryant Street streetscaping, and the Bartlett Street Streetscape Improvement Project.

In January 2011, San Francisco’s *Better Streets Plan*, adopted by the Board of Supervisors in December 2010, went into effect. The plan contains design guidelines for pedestrian and streetscape improvements and describes streetscape requirements for new development. Major themes and ideas include distinctive, unified streetscape design, space for public life, enhanced pedestrian safety, universal design and accessibility, and creative use of parking lanes. 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.

In 2014, San Francisco adopted Vision Zero, a commitment to eliminating traffic-related fatalities by 2024. The City has identified capital projects to improve street safety, which will build on existing pedestrian, bicycle, and transit-rider safety programs. The first round will include 245 projects, including several in the Mission, shown on [Table 4.2.1](#). Pedestrian safety improvements such as new crosswalks and “daylighting” (increasing the visibility of pedestrian crossings) will be constructed along Mission Street between 18th and 23rd Streets. Additionally, a variety of multimodal improvements, such as daylighting and vehicle turn restriction, are being implemented at the intersection of Valencia Street and Duboce Avenue. A new traffic signal has also recently been installed at the intersection of 16th and Capp Streets.

Lastly, the southwest Bart plaza was reconstructed in 2014 to emphasize flexible open space over the previous cluttered configuration; elements include removed fencing, new paving, landscaping and street furniture.

TABLE 4.2.1.

Vision Zero Projects in Mission Area Plan Area

Project Name	Start Date (EST)	Completion Date (EST)	Current Phase	Total Budget (EST)
16th Street at Capp Street – New Traffic Signal	Winter 2013/2014	Fall 2016	Complete	\$350,000
Cesar Chavez SR2S Project	Spring 2014	Winter 2016/17	Design	\$385,000
Valencia St./Duboce Ave Multimodal Improvements	Winter 2014/2015	Summer 2015	Design	\$5,000,000
11th St./13th St./Bryant St. Bicycle and Pedestrian Spot Improvements	Winter 2014/2015	Fall 2015	Design	\$150,000
Potrero Ave., from Division to Cesar Chavez Streetscape Project	Winter 2014/2015	Winter 2017/18	Design	\$4,100,000
Mission Street, from 18th to 23rd (Pedestrian Safety Intersection Improvements)	Winter 2014/2015	Summer 2015	Design	\$86,000
Pedestrian Countdown Signal (3 Signals)	Spring 2015	Winter 2016/17	Design	\$417,000

Source: San Francisco Municipal Transportation Agency

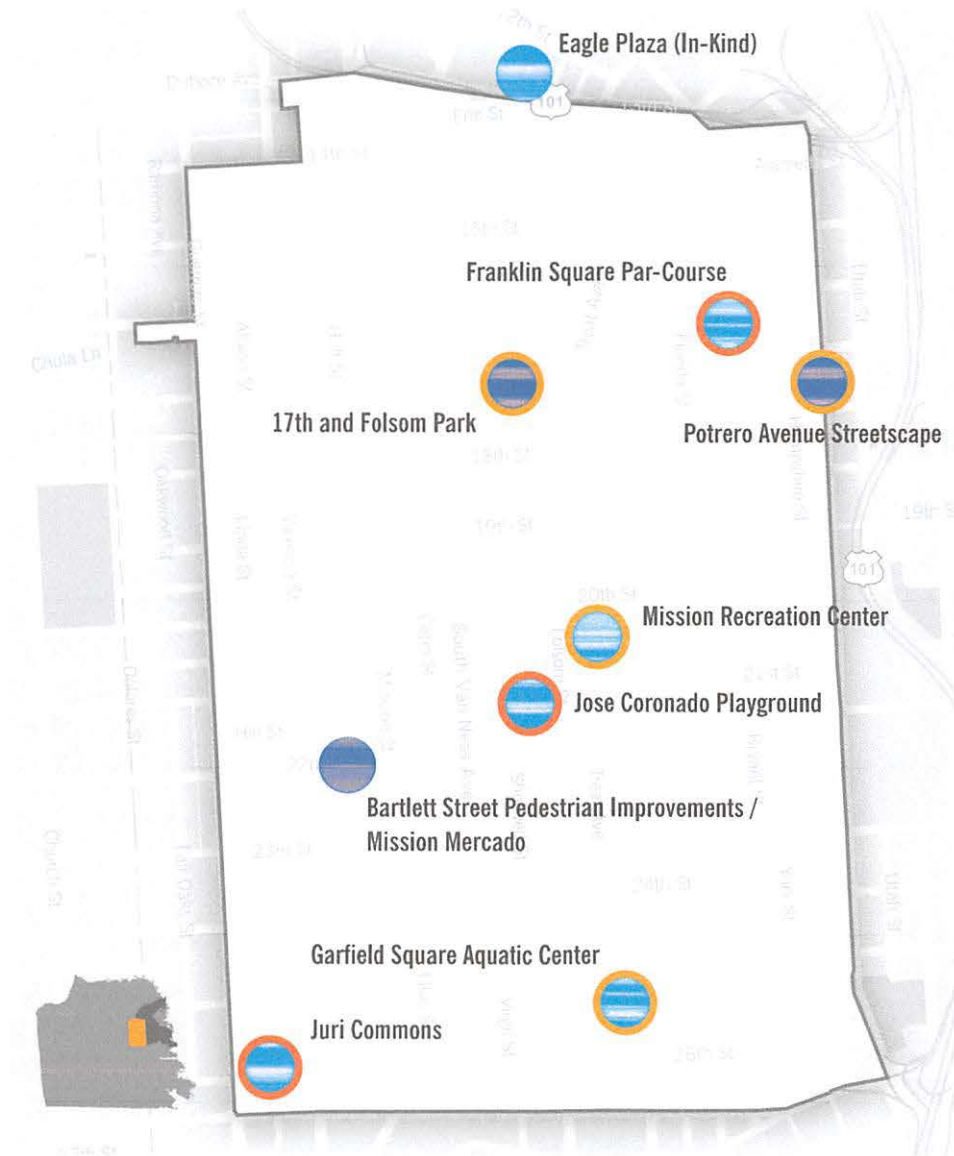
5. Community Improvements

The Eastern Neighborhoods Plan included Public Benefits a framework for delivering infrastructure and other public benefits. The public benefits framework was described in the Eastern Neighborhoods “Implementation Document”, which was provided to the public, the Planning Commission, and the Board of Supervisors at the time of the original Eastern Neighborhoods approvals. This Implementation Document described infrastructure and other public benefits needed to keep up with development, established key funding mechanisms for the infrastructure, and provided a broader strategy for funding and maintaining newly needed infrastructure. Below is a descrip-

tion of how the public benefit policies were originally derived and expected to be updated. [Map 7](#) shows the location of community improvements underway or completed in the Mission Area Plan Area between 2011 and 2015.

MAP 7

Community Improvements in the Mission, 2011–2015



Project Status



Complete



Construction /
Near Construction



Planned

Project Size



Major



Community

5.1 Need, Nexus and Feasibility

To determine how much additional infrastructure and services would be required to serve new development, the Planning Department conducted a needs assessment that looked at recreation and open space facilities and maintenance, schools, community facilities including child care, neighborhood serving businesses, and affordable housing.

A significant part of the Eastern Neighborhoods Plans was the establishment of the Eastern Neighborhoods Community Impact Fee and Fund. Nexus Studies were conducted as part of the original Eastern Neighborhoods effort, and then again as part of a Citywide Nexus and Levels-of-Service study described below. Both studies translated need created by development into an infrastructure cost per square foot of new development. This cost per square foot determines the maximum development impact fee that can be legally charged. After establishing the absolute maximum fee that can be charged legally, the City then tests what maximum fee can be charged without making development infeasible. In most instances, fees are ultimately established at lower than the legally justified amount determined by the nexus. Because fees are usually set lower than what could be legally justified, it is understood that impact fees cannot address all needs created by new development.

Need for transportation was studied separately under EN Trips and then later under the Transportation Sustainability Program. Each infrastructure or service need was analyzed by studying the General Plan, departmental databases, and facility plans, and with consultation of City agencies charged with providing the infrastructure or need. As part of a required periodic update, in 2015, the Planning Department published a Citywide Needs Assessment that created levels-of-service metrics for new parks and open space, rehabilitated parks and open space, child care, bicycle facilities, and pedestrian facilities ("San Francisco Infrastructure Level of Service Analysis").

Separate from the Citywide Nexus published in 2015, MTA and the Planning Department also

produced a Needs Assessment and Nexus Study to analyze the need for additional transit services, along with complete streets. This effort was to provide justification for instituting a new Transportation Sustainability Fee (TSF) to replace the existing Transit Development Impact Fee (TDIF). In the analysis, the derived need for transit from new development is described providing the same amount transit service (measured by transit service hours) relative to amount of demand (measured by number of auto plus transit trips).

Between the original Needs Assessment, and the Level-of-Service Analysis, and the TSF Study the City has established metrics that establish what is needed to maintain acceptable infrastructure and services in the Eastern Neighborhoods and throughout the City. These metrics of facilities and service needs are included in [Appendix J](#).

5.2 Recreation, Parks, and Open Space

The *Mission Area Plan* also calls for the provision of new recreation and park facilities and maintenance of existing resources. 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 parcel at 2080 Folsom Street (at 17th Street) owned by the San Francisco Public Utilities Commission was identified as a suitable site for a new park in an underserved area of the Mission. After a series of community meetings in 2010, three design alternatives were merged into one design. The new 0.8 acre park, shown in figure 5.2.1, will include a children's play area, demonstration garden, outdoor amphitheater and seating, among other amenities. The project is under construction and is expected to be completed by winter 2017.

FIGURE 5.2.1

Rendering of Park at 17th and Folsom Streets and Adjacent New Housing Development



Source: San Francisco Recreation & Parks.

Another facility planned for the Plan Area, still in conceptual phase, is the Mission Recreation Center. Located on a through block facing both Harrison Street and Treat Avenue between 20th and 21st Street, the facility includes an interior gymnasium and fitness center, along with an outdoor playground located in an interior courtyard. Recreation and Park staff is planning for a major renovation and reconfiguration of the facility that could include relocating the play equipment so that it is visible from the public right-of-way and adding additional courts to the building.

Lastly, Garfield Pool is scheduled to be rehabilitated through the 2012 Park Bond. Recreation and Park staff plan to further enhance the facility

to a higher capacity Aquatics Center, which, besides refurbishing the pool, would also include adding amenities such a multi-purpose room and a slide. Other possible improvements could include a redesign of the pool structure. Design for the pool rehabilitation is expected to be complete by late 2016 with construction bid award and the construction planned to begin in 2017.

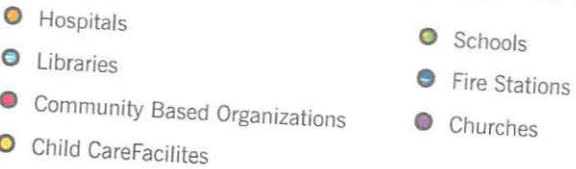
5.3 Community Facilities and Services

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. Section 5.3 describes efforts to increase and improve the supply of recreation and park space in the Mission. Section 6, below, discusses the process of implementation of the community benefits program, including the collection and management of the impact fees program.

Map 8 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.

Community Facilities in the Mission



5.4 Historic Preservation

A number of Planning Code amendments have been implemented in support of the Historic Preservation Policies within the Eastern Neighborhoods Plan Areas. These sections of the Planning Code provide for flexibility in permitted uses, thus encouraging the preservation and adaptive reuse of historic resources. The most effective incentive to date is the application of Section 803.9 of the Planning Code within the East and Western SoMa Plan Areas. Approximately 10 historic properties have agreed to on-going maintenance and rehabilitation plans in order to preserve these significant buildings.

5.4.1 Commercial Uses in Certain Mixed-Use Districts

Within Certain Mixed-Use Districts, the Planning Code principally or conditionally permits various commercial uses that otherwise are not permitted. The approval path for these commercial uses varies depending on the (1) zoning district, (2) historic status, and (3) proposed use. The table in [Appendix K](#) shows Planning Code Section 803.9. Depending on the proposed use, approval may be received from either the Zoning Administrator (ZA) or with Conditional Use Authorization from the Planning Commission. Depending on the zoning district, the historic status may either be: Article 10 Landmark (A10), Contributing Resources to Article 10 Landmark Districts (A10D), Article 11 Category I, II, III and IV (A11), Listed in or determined eligible for National Register (NR), or Listed in or determined eligible for California Register (CR).

For use of this Planning Code section, the Historic Preservation Commission must provide a recommendation on whether the proposed use would enhance the feasibility of preserving the historic property. Economic feasibility is not a factor in determining application of the code provision. The incentive acknowledges that older buildings generally require more upkeep due to their age, antiquated building systems, and require intervention to adapt to contemporary uses. The property owner commits to preserving and maintaining the building, restoring deteriorated or missing features,

providing educational opportunities for the public regarding the history of the building and the district, and the like. As a result the owner is granted flexibility in the use of the property.

Department staff, along with advice from the Historic Preservation Commission, considers the overall historic preservation public benefit in preserving the subject property. Whether the rehabilitation and maintenance plan will enhance the feasibility of preserving the building is determined on a case-by-case basis. Typically, the Historic Preservation Maintenance Plan (HPMP) from the Project Sponsor will outline a short- and long-term maintenance and repair program. These plans vary in content based on the character-defining features of the property and its overall condition. Maintenance and repair programs may include elements, like a window rehabilitation program, sign program, interpretative exhibit, among others.

5.5 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 L](#) 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 600 neighborhood serving businesses and establishments employing over 8,000 people. 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, the top 10 neighborhood serving establishments in the Mission include eating places (full- and limited-service restaurants, bakeries, etc.), schools, grocery stores, bars, and pharmacies. These businesses are typically along the Mission, Valencia, and 24th Street neighborhood commercial districts, as shown on [Map 9](#).

TABLE 5.5.1

Neighborhood Serving Establishments, Mission

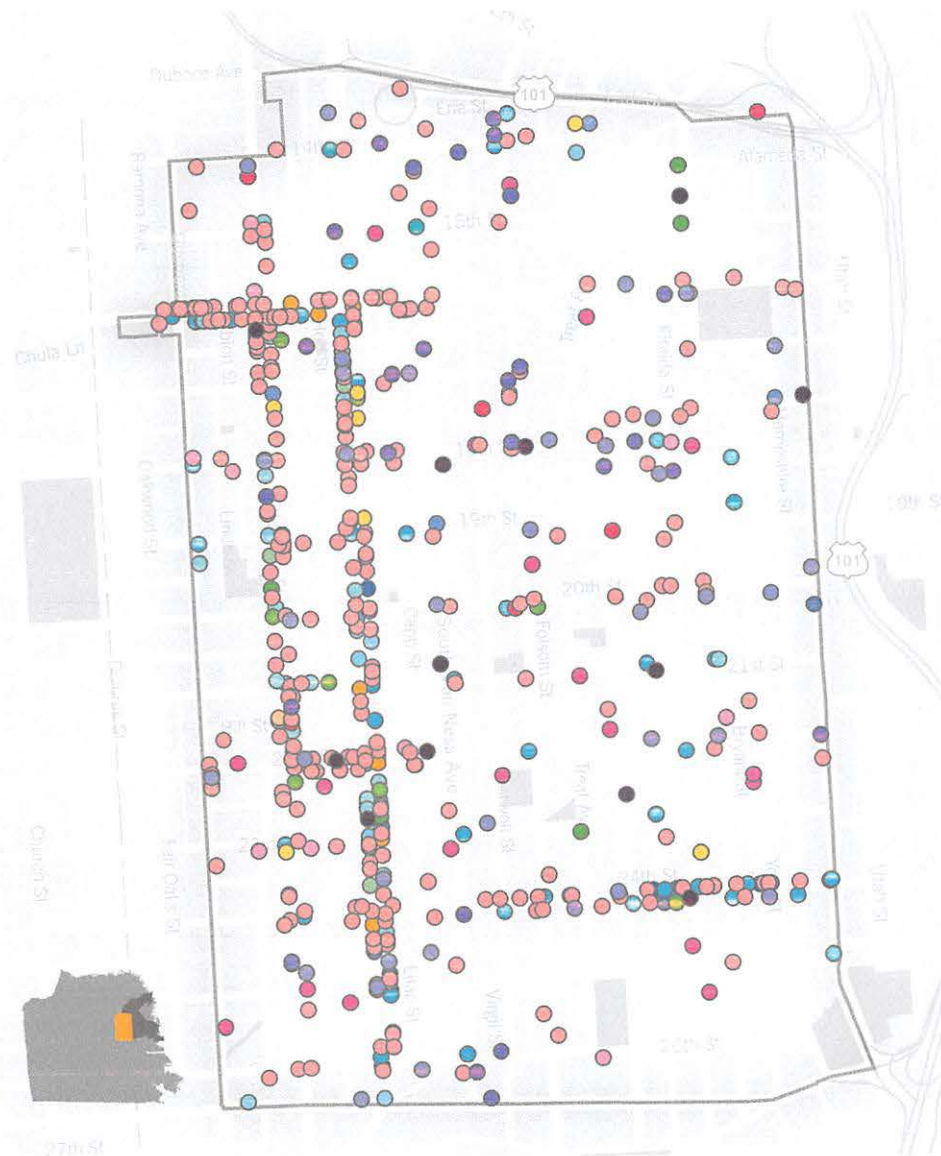
Type	Establishments	Employment
Full-Service Restaurants	155	2,581
Snack and Nonalcoholic Beverage Bars	31	908
Limited-Service Restaurants	62	884
Supermarkets and Other Grocery (except Convenience) Stores	36	521
Elementary and Secondary Schools	20	516
Drinking Places (Alcoholic Beverages)	36	388
Electronics Stores	13	246
Retail Bakeries	12	143
Commercial Banking	7	139
Pharmacies and Drug Stores	10	129
Sporting Goods Stores	7	125
Junior Colleges	2	110
Used Merchandise Stores	6	96
All Other Specialty Food Stores	3	87
Fitness and Recreational Sports Centers	5	85
Discount Department Stores	1	76
Civic and Social Organizations	9	64
Drycleaning and Laundry Services (except Coin-Operated)	7	61
General Automotive Repair	20	57
Pet Care (except Veterinary) Services	10	52
Women's Clothing Stores	9	50
Nail Salons	8	48
Office Supplies and Stationery Stores	2	48
Child Day Care Services	10	47
Shoe Stores	5	41
Savings Institutions	4	40
Book Stores	5	39
Men's Clothing Stores	6	38
All Other General Merchandise Stores	6	38
Religious Organizations	5	34
Family Clothing Stores	3	34
Beauty Salons	9	34
Pet and Pet Supplies Stores	3	32
Barber Shops	1	30
Gasoline Stations with Convenience Stores	3	28
Clothing Accessories Stores	5	26
Meat Markets	6	24
Beer, Wine, and Liquor Stores	6	20
Sewing, Needlework, and Piece Goods Stores	2	19
Fruit and Vegetable Markets	4	12

Type	Establishments	Employment
Cosmetics, Beauty Supplies, and Perfume Stores	3	12
Food (Health) Supplement Stores	1	9
Other Automotive Mechanical and Electrical Repair and Maintenance	3	9
Convenience Stores	4	8
Hobby, Toy, and Game Stores	1	8
Other Clothing Stores	3	8
Coin-Operated Laundries and Drycleaners	3	6
Cafeterias, Grill Buffets, and Buffets	1	5
Video Tape and Disc Rental	1	2
Other Personal and Household Goods Repair and Maintenance	2	2
Automotive Transmission Repair	1	1
Libraries and Archives	1	1
TOTAL	578	8,018

Source: California Employment Development Department

MAP 9

Neighborhood Serving Businesses in the Mission



- | | |
|---|--|
| ● 311 - Food Manufacturing | ● 522 - Credit Intermediation |
| ● 443 - Electronics and Appliance | ● 532 - Rental and Leasing Services |
| ● 445 - Food and Beverage | ● 611 - Educational Services |
| ● 446 - Health and Personal Care | ● 624 - Social Assistance |
| ● 447 - Gas Stations | ● 713 - Amusement, Gambling and Recreation |
| ● 448 - Clothing and Accessories | ● 722 - Food Services and Drinking Places |
| ● 451 - Sporting goods, Hobby, Musical Instrument and Books | ● 811 - Repair and Maintenance |
| ● 452 - General Merchandise | ● 812 - Personal and Laundry Services |
| ● 453 - Miscellaneous | ● 813 - Religious and Civic Organizations |
| ● 519 - Other Information | |

Note: Based on 3-digit NAICS code occupation

6. Implementation of Proposed Programming

Along with establishing fees, and providing a programmatic framework of projects, the EN approvals included amendments to the City's Administrative Code establishing a process to choose infrastructure projects for implementation on an ongoing basis.

6.1 Eastern Neighborhoods Citizens Advisory Committee

The Eastern Neighborhoods Citizens Advisory Committee (EN CAC) started meeting on a monthly basis in October 2009. The CAC is comprised of 19 members of the public appointed by the Board of Supervisors or the Mayor. The CAC focuses on implementation of the Eastern Neighborhoods Implementation Program and priority projects. Together with the IPIC, discussed below, the CAC determine how revenue from impact fees are spent. The CAC also plays a key role in reviewing and advising on the Five-Year Monitoring Reports.

The EN CAC has held monthly public meetings since October, 2009. For more information on the EN CAC, go to <http://encac.sfplanning.org>.

6.2 Eastern Neighborhoods Community Facilities and Infrastructure Fee and Fund

The Eastern Neighborhoods Community Facilities and Infrastructure Fee includes three tiers of fees that are based on the amount of additional development enabled by the 2009 Eastern Neighborhoods rezoning. In general, Tier 1 fees are charged in areas where new zoning provided less than 10 feet of additional height. Tier 2 fees are for those areas that included between 10 and 20 feet of additional height, and Tier 3 fees are for areas that included for 20 feet or more of additional height. Fees are adjusted every year based on inflation of construction costs.

Below is a chart of the original fees (2009) and the fees as they exist today.

TABLE 6.2.1

Eastern Neighborhoods Infrastructure Impact Fees per Square Foot, 2009 and 2016

	Original Fee		2016 Fee	
	Residential	"Non-Residential"	Residential	"Non-Residential"
Tier 1	\$8.00	\$6.00	\$10.19	\$7.65
Tier 2	\$12.00	\$10.00	\$15.29	\$12.74
Tier 3	\$16.00	\$14.00	\$20.39	\$17.84

Source: San Francisco Planning Department

The fees established above are proportionally divided into five funding categories as determined by the needs assessment, nexus studies, and feasibility studies, including housing, transportation/transit, complete streets, recreation and open space, and child care. In the Mission District NCT and MUR (Mixed-Use Residential) Districts, 75% of fees collected from residential development is set aside for affordable housing for the two respective Plan Areas. The first \$10,000,000 collected are targeted to affordable housing preservation and rehabilitation. To date, the City has collected more than \$48 million in impact fees, as shown on [Table 6.2.2](#).

TABLE 6.2.2**Eastern Neighborhoods Infrastructure Impact Fees
Collected to Date**

Category	Collected
HOUSING	\$4,740,000
TRANSPORTATION / TRANSIT	\$16,940,000
COMPLETE STREETS	\$6,730,000
RECREATION AND OPEN SPACE	\$17,520,000
CHILDCARE	\$2,420,000
Total	\$48,350,000

Source: San Francisco Planning Department

Note: Amount collected includes in-kind improvements.

Over the 2016–2020 period, the City is projected to collect \$145 million from the Eastern Neighborhoods impact fee program, as shown on [Table 6.2.3](#).

TABLE 6.2.3**Eastern Neighborhoods Infrastructure Impact Fees
Projected, 2016–2020**

Category	Collected
HOUSING	\$26,411,000
TRANSPORTATION / TRANSIT	\$30,302,000
COMPLETE STREETS	\$38,542,000
RECREATION AND OPEN SPACE	\$43,912,000
CHILDCARE	\$5,931,000
Total	\$145,098,000

As shown in [Table 5.2.1](#), approximately \$5.4 million have been collected from 58 projects in the Mission Area Plan Area to date. Overall, roughly \$48.4 million has been collected in all of the Eastern Neighborhoods, including Western SoMa.

TABLE 6.2.4**Eastern Neighborhoods Infrastructure Impact Fees
Collected, 2011–2015**

Area	Revenue	Projects
Mission	\$5,357,000	58
East SoMa	\$14,635,000	35
Western SoMa	\$6,940,000	15
Central Waterfront	\$10,034,000	19
Showplace/ Potrero	\$11,384,000	23
TOTAL	\$48,350,000	150

6.3 IPIC Process

The Infrastructure Plan Implementation Committee was established in Administrative Code Chapter 36, Section 36.3; the IPIC's purpose is to bring together City agencies to collectively implement the community improvement plans for specific areas of the City including the Eastern Neighborhood Plan Areas. The IPIC is instrumental in creating a yearly expenditure plan for impact fee revenue and in creating a bi-annual "mini" Capital Plan for the Eastern Neighborhoods. The annual Expenditure Plan is specific to projects that are funded by impact fees. The bi-annual Eastern Neighborhoods Capital Plan also includes infrastructure projects that are funded by other sources, and projects where funding has not been identified.

6.4 Eastern Neighborhood MOU

In 2009, the Planning Department entered into a Memorandum of Understanding with SF Public Works, SFMTA, Rec and Park, and MOHCD to assure commitment to implementing the EN Plans. A key component of the agreement was the establishment of a list of priority projects:

- » Folsom Street
- » 16th Street
- » Townsend Street
- » Pedestrian Crossing at Manalo Draves Park
- » 17th and Folsom Street Park
- » Showplace Square Open Space

6.5 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. CityBuild works in partnership with Planning Department and DBI to coordinate execution of First Source Affidavits and MOUs.

CityBuild is a program of the Office of Economic and Workforce Development and is the First Source Hiring Administrator. In accordance to Chapter 83: First Source Hiring Program, developers must submit a First Source Affidavit to the Planning Department prior to planning approval. In order to receive construction permit from DBI, developers must enter into a First Source Hiring MOU with CityBuild. Developers and contractors agree to work in good faith to employ 50% of its entry-level new hiring opportunities through the CityBuild First Source Hiring process.

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.

Since 2011 CityBuild has managed 442 placements in 72 First Source private projects in the three zip codes encompassing the Eastern Neighborhoods Plan Areas (94107, 94110, 94103), not including projects in Mission Bay, approved under the former Redevelopment Agency. They have also placed 771 residents from the three-zip code area in projects throughout the city.

In 2011, the City also implemented a first of its kind, the Local Hire Policy for Construction on publicly funded construction projects. This policy sets forth a mandatory hiring requirement of local residents per trade for construction work hours. This policy superseded the First Source Hiring Program on public construction contracts. Since 2011, a cumulative 37% of the overall 6.2 million work hours have been worked by local residents and 58% of 840,000 apprentice work hours performed by local residents.

7. Ongoing Planning Efforts

As this report has shown, market pressures and evictions affecting the neighborhood intensified in the Mission District over the six years that followed the adoption of the Eastern Neighborhoods Area Plans and the recovery from the Great Recession. This has necessitated a focused effort to help protect and alleviate the impact on those most affected by the affordability crisis. As a result, the Mission Action Plan 2020 (MAP2020) was launched in early 2015 to take a closer look at the pressures affecting the neighborhood and generate a set of solutions for implementation to help stabilize housing, arts, nonprofits, and businesses.

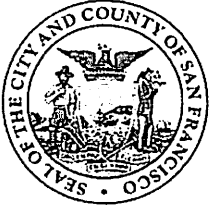
MAP2020 will also set targets and define solutions for neighborhood sustainability for 2020 and beyond. The solutions may encompass land use and zoning, financing, and identification of opportunity sites and programs; monitoring mechanisms will also be put into place. This first phase of MAP 2020 - solutions development - will be completed by end of Summer 2016. Implementation of certain measures is already underway, with additional implementation (writing legislation, launching new studies, ramping up programs, etc.) scheduled to commence this fiscal year (FY2016) now that a MAP2020 budget has been approved by the Mayor and the Board.

To date, the MAP 2020 collaboration includes a broad range of non-profit and advocacy groups as well as public agencies including the Dolores Street Community (DSCS), the Cultural Action Network (CAN), the Mission Economic Development Agency (MEDA), Calle 24, Pacific Felt Factory, members of the Plaza 16 coalition, the

Planning Department, the Mayor's Office of Housing and Community Development (MOHCD), the Office of Economic and Workforce Development (OEWD), the Health Services Agency (HSA), Department of Building Inspection (DBI), and the Fire Department. The Mayor's Office and District Supervisor Campos have also supported this effort.

These stakeholders are collaborating through working groups co-led by a both City and community leads. A robust community outreach and engagement process has incorporated focus groups and individual presentations to organizations and coalitions such as: tenants' rights organizations, SRO tenants, Mission Girls, PODER, United to Save the Mission, real estate developers, SPUR, San Francisco Housing Action Coalition (SFHAC), San Francisco Bay Area Renters Federation (SFBARF), and others, with the goal of informing and including relevant stakeholders affected by and/or responsible for potential solutions.

Topic-specific working groups have collectively drafted short, medium, and long term strategies, including tenant protections and housing access, housing preservation, housing production, economic development, community planning, SRO acquisition and/or master leasing, and homelessness. The Plan will be presented to the Planning Commission, for endorsement in early Fall 2016.



Mayor

Edwin M. Lee

San Francisco Planning

Board of Supervisors

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Adrienne Hyder, *Graphic Design/Cartography*

Paolo Ikezoe, *Planner*

Mathew Snyder, *Planner*

Michael Webster, *Cartography*

Citizens Advisory Committee of the Eastern Neighborhoods Plan

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Chris Block, Walker Bass, Chirag Bhakta, Joe Boss,

Don Bragg, Marcia Contreras, John Elberling,

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Fernando Marti, Dan Murphy, Kristian Ongoco,

Abbie Wertheim

Planning Commission

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Dennis Richards, *Vice President*

Michael Antonini

Rich Hillis

Christine D. Johnson

Kathrin Moore

Cindy Wu

Previous Members:

Alisa Shen, Arthur Reis, Maureen Sedonaen, Kate Sofis,

Cyndy Comerford, Julie Leadbetter

The Planning Department would also like to acknowledge the efforts of community organizations and the thousands of community members who have worked with us over the years to develop the Eastern Neighborhoods Community Plans.

For Information on the Eastern Neighborhoods Area Plans, visit:
<http://easternneighborhoods.sfplanning.org>

Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Thursday, November 10, 2016 12:02 PM
To: jscottweaver@aol.com; peter.schellinger@lennar.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); Lew, Lisa (BOS); Vu, Doug (CPC); Hue, Melinda (CPC); BOS Legislation, (BOS)
Subject: Appeal Response - Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Hearing on November 15, 2016
Categories: 161001

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from the Pelosi Law Group, representing the Project Sponsor, concerning the Community Plan Exemption Appeal for the proposed project at 1515 South Van Ness Avenue.

[Project Sponsor Appeal Response - Received November 10, 2016](#)

The appeal hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on November 15, 2016.

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

[Board of Supervisors File No. 161001](#)

John Carroll
Legislative Clerk
Board of Supervisors
San Francisco City Hall, Room 244
San Francisco, CA 94102
(415)554-4445 - Direct | (415)554-5163 - Fax
john.carroll@sfgov.org | bos.legislation@sfgov.org



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

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

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

Carroll, John (BOS)

From: Board of Supervisors, (BOS)
Sent: Thursday, November 10, 2016 9:51 AM
To: BOS-Supervisors; BOS Legislation, (BOS)
Subject: FW: 1515 S. Van Ness File No. 161001
Attachments: 1515 South Van Ness - CEQA Appeal - Letter from Project Sponsor.pdf

From: Beth Noah [mailto:beth@pelosilawgroup.com]
Sent: Thursday, November 10, 2016 9:47 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: 1515 S. Van Ness File No. 161001

Dear Sir or Madame:

Please add the attached document to the above-referenced matter.

Beth Noah
Legal Assistant
415-592-4521



November 10, 2016

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

Re: 1515 South Van Ness Avenue
File No. 161001 (CEQA Appeal)
Hearing Date: October 25, 2016

Dear President Breed and Supervisors,

I am writing on behalf of my client, Lennar Multifamily Communities (“LMC”) regarding the appeal of the Community Plan Exemption (“CPE”) issued under the California Environmental Quality Act (“CEQA”) for LMC’s proposed development at 1515 South Van Ness (“Project Site”).

On August 11, 2016, the Planning Commission unanimously (6-0) approved a Conditional Use authorization for the development of 157 residential units, including 39 affordable units (25%) and six below market trade shop units on the Project Site (the “Project”). On September 12, 2016, the Calle 24 Latino Cultural District Community Council (“Appellant”) filed an appeal of the determination to prepare a CPE under CEQA for the Project. Supplemental information in support of the appeal was filed by the Appellant on October 14, 2016.¹ **No appeal of the Conditional Use authorization was filed.**

The Planning Department has prepared a detailed response to, and analysis of, the Appellant’s Claims. Based on the evidence presented and substantial evidence in the record, Planning Department staff is recommending that the Board of Supervisor’s uphold the CPE determination and deny the appeal. For all the reasons stated below, we support staff’s recommendation and respectfully request that you deny the appeal, and uphold the decision of the Planning Commission.

PROJECT BACKGROUND

The Project Site is an irregularly shaped lot along South Van Ness Avenue just north of Cesar Chavez Street. A 31,680 square foot commercial building currently exists on the site and until December 2015 was occupied by McMillan Electric a local San Francisco contractor. McMillan Electric sold the Project Site to LMC and with the sale was not only able to relocate 1.1 miles down the road to a site zoned for production distribution and repair, but also hire 25 new employees with the use of the sale proceeds. A letter from McMillan Electric in support of the Project and outlining its benefits is attached as Exhibit A.

¹ Collectively this information is referred to herein as “Appellant’s Claims.”

The Project Site is located in the Mission Neighborhood Commercial Transit (NCT) zoning district and the Mission Area Plan, which was part of the 2009 Eastern Neighborhoods rezoning effort. The Project would demolish the existing structure on the Project Site and construct a 180,277 square foot residential code compliant mixed-use development with 157 dwelling units (25% or 39 below-market rate units), seventy-nine (79) parking spaces, 1,074 square feet of retail space located on the corner of South Van Ness Avenue and 26th Street, and six “Trade Shop” spaces that will be rented at below-market rates to local artists and artisans. The Project, which complies with Proposition C and is committed to using 100% union labor during construction, was unanimously approved by the Planning Commission on August 11, 2016.

COMMUNITY PLAN EXEMPTION DETERMINATION

Planning Department staff, based on substantial evidence in the record, issued a CPE for the Project on July 12, 2016. The CPE was issued following review and analysis of various technical studies (including studies by historic resource and transportation experts) prepared under the City’s direction to analyze whether the Project would have a peculiar or new significant or potentially significant environmental impact that was not identified in the 2008 Eastern Neighborhoods Program EIR (the “PEIR”). Based on that analysis and evidence, the Project, which is consistent with the development density established for the Project Site under the Eastern Neighborhoods Rezoning, qualified for a CPE.

The Planning Department in issuing the CPE (and the Planning Commission’s reliance upon it) complied with CEQA, and specifically CEQA Section 21083.3 and CEQA Guidelines Section 15183. These provisions of CEQA mandate the issuance of a CPE for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified and specifically provide that the City cannot require further environmental review unless necessary to examine whether there are project-specific impacts peculiar to the project or its site that were not disclosed as significant impacts in the prior Program EIR. Because the Project is consistent with the existing NCT zoning and the Mission Area Plan, and there are no impacts peculiar to the Project or Project site that were not disclosed in the PEIR, the City cannot require any further CEQA review and the Planning Department complied with CEQA in issuing the CPE.

The Appellant Claims that the CPE is inappropriate because the PEIR is out of date and fails to analyze the cumulative impacts of the Project on the Latino Cultural District. The Appellant, however, has provided no substantial evidence to support its claims and instead is basing them on unsubstantiated opinion.² The Appellant cites a series of cases supporting the assertion that a lay person’s testimony can support a “fair argument” that a project may have a significant impact.

² The courts have made clear that unsubstantiated opinion is not substantial evidence. “Substantial evidence includes facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts. [Citations.] It does not include ‘[a]rgument, speculation, unsubstantiated opinion or narrative, [or] evidence which is clearly inaccurate or erroneous. . . .’ [Citations.]” (emphasis added) (*North Coast Rivers Alliance v. Kawamura* (2015) 243 Cal.App.4th 647.) Moreover, “[c]omplaints, fears, and suspicions about a project’s potential environmental impact . . . do not constitute substantial evidence. [Citations.]” and “in the absence of a specific factual foundation in the record, dire predictions by nonexperts regarding the consequences of a project [also] do not constitute substantial evidence. [Citations.]” (1 Kostka & Zischke, Practice under the Cal. Environmental Quality Act (2d ed. 2015) § 6.42, pp. 6-47-6-48; *Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359, 1417.)

These cases, however, **are not on point**. They either involve decisions where the applicable standard of review is the “fair argument test”³ or cite **only** a portion of the findings of the decision thereby misleading the reader into thinking that the courts relied only a layperson’s opinion as substantial evidence.⁴ The Appellant has not presented a factual foundation to establish that the changes occurring in the Mission or the Eastern Neighborhoods are either peculiar to the Project or individually or cumulatively would exacerbate impacts identified by the PEIR.

Established case law makes clear that projects qualify for an exemption under Public Resources Code section 21083.3 and 14 Cal. Code Regs. Chapter 3 (“CEQA Guidelines”), section 15183), where **substantial evidence exists to support the decision that a project is exempt and that evidence exists in the record**.⁵ That evidence has been presented by the Planning Department in the preparation of the CPE and in the detailed response to the Appellant’s Claims. In contrast, the Appellant has not presented any technical studies that counter the analysis conducted as part of the CPE or any substantial evidence that creates the necessary link between the Project and any physical environmental impacts⁶

As we fully support and agree with the Planning Department, instead of restating their analysis, we incorporate their responses by reference. The following are a few additional points to consider in evaluating the merits of the Appellants Claims.

1. **The Claims Raised By The Appellant Are Not New**

On September 13, 2016, the Board of Supervisors considered almost the exact same claims raised by the Appellant during a hearing on an appeal of the CPE for the 2000 – 2070 Bryant Street project. At that hearing, **the Board unanimously rejected the claims raised**, finding that the Bryant Street project correctly relied upon the PEIR based on substantial evidence in the record to support a determination to prepare a CPE. Now, two months later, the Appellant once again raises almost identical issues without preparing any specific technical analyses to support their claims. Nothing has changed in the intervening months and the Appellant has not raised any new significant

³ *Keep Our Mountains Quiet v. County of Santa Clara* (2015) 236 CA4th 714, *Pocket Protectors v. City of Sacramento* (2004) 124 CA4th 903, *Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 CA3d 151 and *Rominger v. County of Colusa* (2014) 229 CA4th 690 all involved Negative or Mitigated Negative Declarations, which are subject to a standard of review that only requires a “fair argument” that a potential significant environmental impact may occur. This is different than the standard of review for a CPE, which requires that the lead agency’s decision be upheld if there is substantial evidence in the record to support the decision.

⁴ In *Banker’s Hill, Hillcrest, Park West Community Preservation Group v. City of San Diego* (2006) 139CA4th 249, the court found that “**although** local residents may testify to their *observations* regarding existing traffic conditions, ‘**in the absence of a specific factual foundation in the record, dire predictions by non-experts regarding the consequences of a project do not constitute substantial evidence**’... [and] we conclude that substantial evidence supports a finding that the Project will not have a significant effect on traffic relating to the offset intersection.” (citing *Gentry, supra*, 36 Cal.App.4th at p. 1417, italics added.) The **bolded** language is what was excluded from the quotation cited by the Appellants.

⁵ See *Wal-Mart Stores, Inc. v. City of Turlock* (2006) 138 CA4th 273, overruled on other grounds in *Hernandez v. City of Hanford* (2007) 41 C4th 279; *Gentry v. City of Murrieta* at 1406 n24; *Citizens for Responsible Equitable Ent’l Dev. V. City of San Diego Redeve. Agency* (2005) 134 CA4th 598, 610.

⁶ The technical reports included in the record as evidence note facts related to changing demographics and information regarding the new demographic, but fail to create a causal link between that demographic change and specific physical impacts to the environment.

claims or presented any new substantial evidence. While the Appellant references the Board's concerns regarding the Eastern Neighbors Plan in today's environment, it fails to present the type of evidence that would require any CEQA analysis beyond preparation of a CPE.⁷ The Appellant's claims relate to social and economic issues, which are **policy considerations**, not physical impacts on the environment and nothing in the evidence presented creates a causal link between the social and economic issues and a physical impact on the environment as required under *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 CA4th 1184. As a result, the Board's position regarding the validity of the PEIR, we believe, should be steadfast as it continues to be based on substantial evidence in the record as detailed by Planning Department staff in their response.

2. **An Update To The PEIR Is Not Warranted And Will Impact Many Other Project Including 100% Affordable Projects**

The PEIR remains current and legally adequate. None of the conditions that would require an amendment or update to the PEIR have occurred, including, but not limited to, changes to the underlying zoning. The zoning adopted by the Board of Supervisors under the Eastern Neighborhoods Planning effort has not been changed and is not proposed for amendment or revision, which is the key factor that helps determine whether a supplemental analysis is required. The Project itself also complies with the requirements of the Planning Code and applicable zoning and does not seek a Zoning Map or other amendment. For all these reasons alone an update to the PEIR is not warranted.

In addition, as previously detailed in a response prepared by the attorney for the 2000 – 2070 Bryant Street project, by making these claims the Appellant places in jeopardy the very projects they seek to encourage – 100% affordable projects. The following is a list of the **affordable projects** that would be impacted by the Appellants claims:

- 2060 Folsom Street, 136 units of affordable housing proposed by MEDA and CCDC. CPE issued on June 10, 2016 (Case No. 2015-014715ENV)
- 1950 Mission Street, 157 units of affordable housing proposed by Mission Housing Development Corporation and BRIDGE Housing. CPE pending (Case No. 2016001514ENV).
- 1296 Shotwell Street, 96 units of affordable senior housing proposed by MEDA and CCDC. CPE pending (Case No. 2015-018056ENV).
- 490 South Van Ness. CPE relying on Eastern Neighborhoods EIR for previously approved 84-unit market rate project issued in June 24, 2014 (Case No.

⁷ At the September 13, 2016, hearing on the CPE appeal of the 2000-2070 Bryant Street project, reference was made to the type and level of supplemental analysis required to establish a causal link between economic or social impacts and a physical effect on the environment. (http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=10&clip_id=26119 time 3:10 through 3:26 and beginning at time 4:18). Studies prepared by technical experts linking the Project or its cumulative impacts to specific environmental impacts such as air quality, traffic, noise, etc. are needed and mere reference to studies discussing the topics generally do not amount to substantial evidence.

2010.0043E); CPE for revised affordable project pending (Case No. 2015-010406ENV).

3. **Mission District Interim Controls Considered Displacement Impacts From The Project, But That Impact Is Not Generally A CEQA Issue**

The Appellants have asserted that the Project would cause significant economic and social change, including the displacement of residents and businesses, an issue that as noted in the Planning Department's response is not generally studied or required as part of CEQA analysis, **unless there is substantial evidence of related physical impacts on the environment, as discussed above.** The Appellant has presented no evidence of a physical impact from the economic and social change asserted and therefore, while an important policy consideration, it is not a CEQA issue. That does not mean, however, that these issues were not considered by the Planning Commission in **unanimously approving the Project.**

In January 2016, the Planning Commission adopted Mission District Interim Controls which require all projects in the Mission District to prepare an analysis of the project's potential socio-economic impact on the neighborhood and community. Mission Interim Control findings were prepared by the Project sponsor that provided information on the socio-economic characteristics of the neighborhood and the Project's potential impact on existing and future residents and businesses. A copy of those findings are attached as Exhibit B. The Appellant's claims regarding these issues may be outside the scope of CEQA, but they were analyzed and considered by the Planning Department and the Planning Commission as part of the Project's approval process.

4. **The Latino Cultural District Is Not A CEQA Resource Nor Would The Project Impact It**

As noted by the Planning Department in their response, the Latino Cultural District is not an historic resource under CEQA. The Latino Cultural District is an intangible cultural heritage asset that is not eligible for listing on a state, local or federal registry of historic properties and therefore does meet the definition of an "historic resource" under CEQA Guidelines Section 15064.5(a). The Latino Cultural District's eligibility as a historic district is not something that has been overlooked as the Planning Department studied the area as part of the 2011 South Mission Historic Resource Survey. That survey did not identify the boundaries of the Latino Cultural District as an historic district, and the Appellant has not presented any evidence as to why the Latino Cultural District should be considered an historic district under CEQA. The Planning Department's survey did identify several other potential historic districts, but none of those districts are near the Project site, and therefore cannot be impacted by the Project. Thus, the Appellants claims about the impact of the Latino Cultural District on the determination to prepare a CPE are without merit. The building on the Project Site was not even listed as a cultural asset or the use of it as a cultural asset theme to be protected. A review of the Latino Cultural District and the Project also indicates that the Project is not inconsistent with the intent and key components of the district.

Based on numerous discussions with the community facilitated by Planning Director John Rahaim, there are three key components of the Latino Cultural District. They are as follows: (1) protecting commercial spaces; (2) providing high quality jobs; and (3) affordable housing. The Project is consistent with each of these components.

First, the Project does not eliminate the type of commercial space envisioned for protection under the Latino Cultural District. The existing building to be demolished is a large space previously occupied by a San Francisco contractor that provides services throughout San Francisco and the Bay Area. It is not a commercial space that caters to the Mission District or a commercial space occupied by a small, local Latino business. While the existing commercial space does not meet the intent of the Latino Cultural District, the Project is creating that type of space by including six (6) new small trade shop retail spaces to be used and occupied local Mission artists, artisans and retailers. LMC has committed to providing the six (6) trade shop spaces at below market rents and will work with the community to fill them with neighborhood serving uses that fit within the context of the Latino Cultural District.

Second, the Project creates high quality jobs. It is the only development in the Mission that is committed to using 100% UNION labor. Its development also did not cause the loss of any local jobs and indirectly helped create 25 new jobs at McMillan Electric. As explained in the letter from McMillan Exhibit A, LMC's purchase of the site has allowed McMillan to not only relocate to a larger space, in a PDR zone, 1 mile from the site, but also to expand their business and hire 25 new employees.

Finally, the last component, affordable housing, has been met by LMC's commitment to provide 25% of the units on-site as affordable units. This is 10% more than what is required under the Trailing Legislation and makes the Project the ONLY one that meets the current requirements under Proposition C adopted by the voters in June. This combined with the 473 affordable units noted above result in more than 42% of the units to be built in the Mission and in and around the Latino Cultural District being set aside for affordable housing. This high percentage of affordable units meets the intent of the Latino Cultural District.⁸

* * * * *

In sum, the claims raised by the Appellant, as detailed in the Planning Department's response are without merit. The CPE issued by the Planning Department and relied upon by the Planning Commission in unanimously approving the Project was legally adequate, is supported by substantial evidence in the record and should be upheld. For all of these reasons, we respectfully request that you reject the appeal and uphold the CPE.

Very truly yours,


 Alexis M. Pelosi

⁸ This figure is based on Appellant's Claims that 666 new market-rate units will be constructed in and around the Latino Cultural District and the facts in the record that there are 473 new affordable housing units being proposed in independent housing developments. As this figure of 473 new affordable housing units does not take into consideration on-site inclusionary housing units in many Mission developments, the 42% affordable housing figure is likely below the actual number of affordable housing units to be developed.

Exhibit A



Electrical Contractor - Data Communications
Preventative Maintenance - Media Systems
Energy Efficiency Solutions - Security
Lic 268179-C19

Mr. Doug Vu
San Francisco Planning Department
1650 Mission Street, STE 400
San Francisco, CA 94103

April 4, 2016

Re: 1515 South Van Ness Avenue (Case No. 2014.1020)

Dear Mr. Vu,

McMillan Bros. Electric Inc. ("McMillan Electric") is a San Francisco based electrical contracting business with over fifty (50) years of history working and operating in San Francisco. In 1965, my Father, Patrick McMillan Sr., founded McMillan Electric and since that time our business has grown from 3 employees to over 285 employees. Today, we employ approximately 55 corporate management, accounting, project management, purchasing, support staff, etc. at our combined office, warehouse, storage and space at 1950 Cesar Chavez. Prior to moving to 1950 Cesar Chavez, McMillan Electric was located at 1515 South Van Ness Avenue, a property purchased by my family in 1981.

In 2014, as part of an overall growth strategy for the company, McMillan Electric decided to place 1515 South Van Ness Avenue on the market. Selling 1515 South Van Ness Avenue was part of our long-term strategic business plan. The sale of the property freed up capital that allowed us to relocate to a larger facility in an area of the City that was not only zoned long-term for commercial, industrial and warehouse uses, but also was more compatible for our operations. In addition to the investment made in the 1950 Cesar Chavez facility, the capital gained from the sale allowed us to further invest in the company, including the hiring 65 new employees. The decision to sell 1515 South Van Ness Avenue was 100% our decision and always a part of our long term vision.

The relocation of the business to 1950 Cesar Chavez in April/May 2015 was made primarily because of its proximity to the 1515 South Van Ness Avenue, which is located approximately 1.1 miles away. Since 1950 Cesar Chavez is located in a PDR-2 zone, we know that our business can continue to grow in the new facility and employees can gain comfort of the viability for our company for years to come. Additionally, the accessibility for our employees and service vehicles is more effective to our operation. We are very happy in our newly improved facility and location. Although 1515 South Van Ness and the Mission District will always hold a special place in the history of McMillan Electric, its location within a growing residential area, we believe, makes it a better residential site than a commercial site. Its size also allows it to be developed with a significant number of residential units, which is great because the Mission needs more housing. The development of properties similar to 1515 South Van Ness helps companies like ours continue to operate in a city that we've called home for over fifty (50) years by providing much needed housing opportunities for our employees.

In closing, we believe that LMC has proposed a wonderful new residential project with a beautiful new design on our former home at 1515 South Van Ness Avenue. We fully support their proposed development, which we believe will truly benefit the community. Without their purchase of our property, we would not be in our new home at 1950 Cesar Chavez and we would not have been able to grow our businesses. Our relocation to 1950 Cesar Chavez was the result of careful planning by us, McMillan Electric, and was not the result of any direct or indirect displacement. Please feel free to come visit our new first class facility. I have joked that this is the first time in my 37 year career that I have worked in a real office, which is not far from the truth.

Best regards,

A handwritten signature in black ink, appearing to read 'P. McMillan', with a long horizontal flourish extending to the right.

Patrick J McMillan
Chief Executive Officer
McMillan Bros. Electric Inc.
McMillan Security Systems
McMillan Data Communications
McMillan Audio Visual

Exhibit B

MISSION 2015 INTERIM CONTROLS ADDITIONAL FINDINGS

(1515 South Van Ness Ave. Case No. 2014.1020)

Large Projects: Any residential or mixed-use project that would include the net addition or new construction of more than 75,000 gross square feet or includes more than 75 dwelling units shall require Conditional Use authorization under Planning Code Section 303(c). An application for conditional use shall include the following information:

- 1. Demographic Changes:** Provide information about the socio-economic characteristics of the neighborhood and evaluate how the proposed project would affect existing and future residents, businesses and community-serving providers of the area.

Demographics: Information regarding demographics of the Mission neighborhood was obtained from the October 27, 2015 City and County of San Francisco, Board of Supervisor's Budget and Legislative Analyst's Office Policy Analysis Report, "Displacement in the Mission District" ("Mission District Displacement Report").

Table 1 is a summary of the Mission neighborhood demographics.¹

Table 1	
Demographics of Mission Neighborhood 2009-2013	
Total Population	38,287
Hispanic/Latino	18,372
Hispanic/Latino % Total	48%
# Households	14,454
Average Household Size	2.6
Households w/ Children	3,041
% Total	21%
# Households: Related Individuals	6,263
% Total	43%
# Households: Unrelated Individuals	8,191
% Total	57%
Owner-occupied Units	3,655
% Total	25%
Renter-occupied Units	10,789
% Total	75%

Demographic Trends: The Mission District Displacement Report included a discussion of the demographic and socio-economic and income changes that occurred in the Mission neighborhood from 2000 to 2009-2013. **Table 2**² below is a summary of demographic trends and **Table 3**³ is a summary of income changes during this same time period.

¹ Information in **Table 1** comes from the Mission District Displacement Report Exhibit 2 and Exhibit 9.

² Information in **Table 2** comes from Exhibit 2 and Exhibit 9 of the Mission District Displacement Report.

³ Information in **Table 3** comes from Exhibit 12 of the Mission District Displacement Report.

MISSION 2015 INTERIM CONTROLS ADDITIONAL FINDINGS
(1515 South Van Ness Ave. Case No. 2014.1020)

Table 2 Demographic Trends in Mission Neighborhood			
	2000	2009-2013	% Change
Total Population	42,266	38,281	-9%
Hispanic/Latino	25,180	18,372	-27%
Hispanic/Latino % Total	60%	48%	-12%
# Households	13,071	14,454	+11%
Average Household Size	3.2	2.6	-19%
Households w/ Children	4,088	3,041	-26%
% Total	31%	21%	-10%
# Households: Related Individuals	6,655	6,263	-6%
% Total	51%	43%	-8%
# Households: Unrelated Individuals	6,416	8,191	+28%
% Total	49%	57%	+8%
Owner-occupied Units	2,482	3,655	+48%
% Total	19%	25%	+6%
Renter-occupied Units	10,589	10,789	+2%
% Total	81%	75%	-6%

The Mission Displacement Report also indicates that if current trends continue, the Mission District's Hispanic/Latino population will decline from 48 percent of the total population to 31 percent by 2025.

Table 3 Income Trends in Mission Neighborhood			
Annual Household Income	2000	2009-2013	% Change
Less than \$35,000	3,682	4,592	+25%
\$35,000 – 99,999	5,798	5,060	-13%
\$100,000 – 149,999	1,972	2,100	+6%
More than \$150,000	1,633	2,702	+65%

The University of California Berkeley's Center for Community Innovation's July 2015 "case studies on Gentrification and Displacement in the San Francisco Bay Area" ("[Berkeley Mission District Case Study](#)") also included information regarding demographic changes and income trends in the Mission neighborhood. **Table 4⁴** below is a summary of the [Berkeley Mission District Case Study](#) demographic information.

⁴ Information in **Table 4** comes from the [Berkeley Mission District Case Study](#) Table 4.1, Figure 4.2, Figure 4.3

MISSION 2015 INTERIM CONTROLS ADDITIONAL FINDINGS

(1515 South Van Ness Ave. Case No. 2014.1020)

Table 4 <u>Berkeley Mission District Case Study Demographic Information</u>			
	2000	2013	% Change
Total Population	54,428	51,578	-5%
Hispanic/Latino	50%	38%	-12%
Family Households	41%	38%	-3%
Median Income	\$70,199	\$76,762	+8%

Project Information: The Project is approximately 175,000 gross square feet. It is comprised of 157 residential units, 1,115 square feet of retail space and 4,696 square feet of Trade Shop/Retail spaces divided into six spaces. It includes 82 parking spaces, three (3) car share spaces and 158 bicycle parking spaces. Approximately 41% of the units are two-bedrooms ranging in size from 783 square feet to 1,254 square feet and 59% of the units are studios, junior one-bedroom or one-bedroom units ranging in size from 396 square feet to 654 square feet. The Project is a multi-family, rental development.

The Project includes nineteen (19) on-site affordable housing units, a rental development, as set forth in Planning Code section 415, the affordable housing units will be affordable to individuals making 55% of Area Mean Income (AMI).

Discussion of Demographic Changes

Reviewing the demographic information provided and available, the overall population in the Mission has decreased by 5-9% from 2000 to 2013. The Hispanic/Latino population has decreased by 12-27%, the number of families has decreased 3-10%, the overall number of owner-occupied units has increased 6% and the number of renter-occupied units has decreased by 6% during this same time period.

Socio-economically, the Mission District Displacement Report indicates that from 2000 to 2009-2013, the number of households in the Mission neighborhood making less than \$35,000 increased by 25% and the number of households making more than \$100,000 increased by 71% and the number of households making \$35,000-\$99,999 decreased by 13 percent.

From 2010 to 2014, according to the May 29, 2015 City and County of San Francisco, Board of Supervisor's Budget and Legislative Analyst's Office Policy Analysis Report, "Housing Development in the Mission District" ("Housing Development in the Mission Report"), the Mission District gained approximately 627 housing units. Only 498 of those housing units resulted from new construction and the remaining 145 units resulted from alterations of existing units. Approximately 16 housing units were also demolished during this timeframe. Of the 627 new units, 60 units (or 10%) were affordable residential units (40 units for low income and 20 for moderate income). This is consistent with the findings of the Berkeley Mission District Case Study which found that "the Mission District has failed to see significant increases in its housing stock," identifying only 96 new housing units being built since 2010.⁵

⁵ Berkeley Mission District Case Study p. 29, Table 4.2.

MISSION 2015 INTERIM CONTROLS ADDITIONAL FINDINGS

(1515 South Van Ness Ave. Case No. 2014.1020)

In September 2015, John Rahaim, the Director of Planning, prepared a summary to the Board of Supervisors of the Housing Balance Report ("Housing Balance Report Summary"). According to that summary, from the 3rd quarter 2005 until the 2nd quarter 2015, only 1,707 net new housing units were built in the Mission neighborhood with 637 of the units built considered affordable housing units.⁶ As a result, 37.3% of the total new housing built in the Mission over the past 10 years has been affordable housing.⁷

According to the September 10, 2015, Office of the Controller – Office of Economic Analysis report entitled "Potential Effects of Limiting Market-Rate Housing in the Mission" ("Controller's Report"), the amount of housing built or in the pipeline in the Mission under the Eastern Neighborhoods Plan is "only a small fraction of the development capacity [envisioned]."⁸ According to the report, the "Eastern Neighborhoods planning process provided for 15,005 new housing units in the Mission, of which approximately 500 are either under construction or have been built since 2008, when the plan was passed."⁹ This means there are another 14,500 remaining units under the plan to be built in the Mission.

The Project is constructing 157 new residential units and 19 on-site affordable units. According to the Housing Development in Mission Report, which looked at new housing construction from 2009 to 2013, the Project would result in a 25% increase in new residential units in the Mission District and a 32% increase in the number of new affordable units. According to the Housing Balance Report Summary, which looked at new housing construction from 2005-2015, the Project would result in a 10% increase in new residential units and a 3% increase in affordable units. The Project would also only represent 1% of the total number of new housing units envisioned under the Eastern Neighborhood Plan. This new housing will help address the housing shortfall and housing pressure in the Mission neighborhood that the Berkeley Mission District Case Study and the Mission District Displacement Report both identified. Unfortunately, this is only a "drop in the bucket" of the total demand for new housing in the City or the Mission.

According to the Mission District Displacement Report, from 1980 to 2010 the City added an average of 2,011 housing units per year. The estimated annual demand during that period was 15,300 new housing units per year. This difference between the number of units demanded and the number of units supplied, resulted in a 13,289 unit per year shortfall and a total shortfall of 398,666 units from 1980 to 2010.¹⁰ The Housing Balance Report Summary found that from the third quarter 2005 to the second quarter of 2015, city-wide 22,605 new housing units were constructed.¹¹ **If 15,300 new housing units per year were required, the total shortfall in housing build during this period was 130,395 units or only 17% of the total amount of housing needed was built.**

Given the significant shortfall in housing units constructed, constructing any housing will be beneficial to meet housing demand. Whether that new housing will push out, price out or

⁶ Housing Balance Report Summary, Table 2.

⁷ Housing Balance Report Summary, Table 2.

⁸ Controller's Report, p. 10.

⁹ Controller's Report, p. 10.

¹⁰ Housing Balance Report As a result of the shortfall, the Legislative Analyst's Office estimates the City's housing need was 561% greater than the housing supply produced during that period. Mission District Displacement Report, pgs. 4 and 27.

¹¹ Housing Balance Report Summary, Table 1.

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force out existing residents and businesses in the Mission neighborhood was analyzed in the September 10, 2015, Controller's Report.¹² Looking only at the rise in income levels and the limited construction of new market-rate housing, the Controller's Report determined a link between market-rate housing construction and gentrification was unlikely. The data analyzed found no link between market-rate housing construction and "no statistical relationship between housing prices and evictions, in the Mission or in the city as a whole."¹³ Instead, it found that reducing market-rate housing construction does not slow the changes that are occurring in the Mission and would likely only place additional stress on housing affordability by further constraining housing supply.

This finding was further substantiated by a recently published study from the California Legislative Analyst Office dated February 9, 2016 titled "Perspectives on Helping Low Income Californians Afford Housing" ("California LAO Report") which found that when new construction is abundant in communities around the State, middle-income households looking to upgrade the quality of their housing often move from older, more affordable housing into new housing which in turn frees up the older housing for lower income households. The California LAO Report, looking at both Los Angeles and San Francisco, concluded that the more constrained the supply of new housing is, the greater the probability that an affordable unit will move out of the affordable housing stock to a middle income or even higher income household.

The Controller's Report also looked at population changes and frequency of movement. It found that "[r]ather than the construction of new and demolition of old housing, the population change in the Mission since the 1990s has largely occurred through changes in the occupancy of the existing housing stock."¹⁴ It found that approximately 5,000 new residents move to the Mission each year.¹⁵ Given that the overall population of the Mission has declined during that period, it indicates people are leaving the Mission as quickly as new residents are entering the Mission, but that the change is not linked to new housing construction. If the Mission has only been adding approximately 193 new housing units per year since 2000, the demand for new housing is significant.

As noted above, the Project includes 1,115 square feet of new Retail space and 4,696 square feet of Trade Shop/Retail uses in six (6) separate spaces. It is located on the former site of a commercial use, which as discussed in the finding below, relocated voluntarily. The non-residential spaces in the Project are specifically designed for local artists and artisans and include roll-up doors, separate entries and creative/flexible spaces similar to what currently exists in the Mission neighborhood. The intent is for these spaces to be occupied by neighborhood serving businesses and local artists or artisans. The estimated 200+ new residents of the Project are likely to shop at or frequent not only the new non-residential spaces in the Project but, the other surrounding local businesses increasing their economic base.

The Project will construct 138 new market-rate housing units and 19 affordable housing units. It will increase the housing supply by 25% over what was constructed from 2009 to 2013. It will also

¹² Controller's Report, pgs. 22-23.

¹³ Controller's Report, pg. 18.

¹⁴ Controller's Report, p. 7.

¹⁵ Controller's Report, p. 7.

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provide non-residential spaces for local artists and artisans. Based on the evidence included in the reports cited above, the Project will not impact the demographic changes occurring in the Mission.

2. Economic Pressure: Provide information about the additional housing supply provided by the project and evaluate how that may affect affordability of newly vacant units of housing (indirect displacement) and the rate of evictions (direct displacement) within the neighborhood.

The Project would provide 157 new residential units, including 19 on-site affordable units. Approximately 59% of the total Project units will be studios, junior one-bedroom or one-bedroom units and 41% of the units will be two-bedrooms. As noted in the Mission District Displacement Report, the annual demand for new housing in the City is 15,300 new housing units per year.¹⁶ The Project in constructing 157 new residential units would meet 1% of the City's estimated annual housing demand.

According to the Berkeley Mission District Case Study, the Mission is "host to a sizable stock of subsidized housing: nearly 2,000 units."¹⁷ The Controller's Report also found that from 2001 to 2013, of the 1,464 units constructed in the Mission, 51% of them were affordable units with 646 units developed in 100% affordable projects and 97 units developed in market-rate projects.¹⁸

Indirect Displacement

The Controller's Report defines "Indirect Displacement" as housing price inflation caused by the development of new housing nearby. The theory behind "Indirect Displacement" is that the construction of new market-rate housing can increase the overall price of adjacent existing housing. The Controller ran three separate pricing models with one model looking at the impact of proximity to market-rate housing built in the Mission in the previous year on home sale prices and the other two models looking at the impact of proximity of market-rate housing built in the Mission over a two (2) and three (3) year period. The results of the modeling found that new market-rate housing had a **negative** effect on nearby house prices. Specifically, the Controller's Report analyzed a property 250 feet from 75 units of new market-rate housing. The report found that construction of the new market-rate housing would result, at a maximum, in a 5.9% **lower** price for the existing property.¹⁹ As a result, the construction of new housing did not increase surrounding land prices or result in indirect displacement. This is also consistent with the Controller's Report's findings, as noted above, that there is not "statistical relationship between housing prices and evictions."²⁰

The California LAO Report also looked at displacement and found that as market-rate housing construction tends to slow the growth in prices and rents, it can make it easier for low-income households to afford their existing homes. This can help to lessen the displacement of low-income households. The California LAO analysis of low-income neighborhoods in the Bay Area actually

¹⁶ Mission District Displacement Report, pgs. 4 and 27.

¹⁷ Berkeley Mission District Case Study, p. 31.

¹⁸ Controller's Report, p. 7.

¹⁹ Controller's Report, p. 26.

²⁰ Controller's Report, p.18.

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suggested a link between increased construction of market-rate housing and reduced displacement.²¹

Direct Displacement

The Controller's Report defines "Direct Displacement" as the no-fault eviction of a household **in order to demolish its housing unit**, so that new market-rate housing may be constructed on the parcel. The Controller's Report found that since 1997, 3,835 eviction notices have been filed in the Mission neighborhood, but that only 2.6% of those notices have been for the demolition of a residential unit, or "Direct Displacement" as that term is defined.

The Rent Control Board maintains a database of evictions within the City. This database does not capture buy-outs and other "non-official" eviction proceedings. The March 23, 2015, Annual Report by the Rent Control Board to the Board of Supervisors found a total of 2,120 eviction notices were filed **in the City** from March 1, 2014 through February 28, 2015. This includes 145 notices for failure to pay rent. A breakdown of notices by neighborhood was not available.

The Berkeley Mission District Case Study found that between 2009 and 2013 there were 71 Ellis Act evictions in the Mission District and from 2008 to 2014 "165 or about 28% of the total share of buyouts."²² Buyouts are not required to be reported and may therefore be under reported. While Ellis Act evictions, buyout and other "Direct Displacement" is occurring in the Mission neighborhood, because the Project site has been used for commercial purposes for the last approximately 50 years, no "Direct Displacement" of residential units will occur.

3. Total Housing Production: Provide information about i) the maximum allowable dwelling unit density the site could accommodate and ii) the density of the proposed project, then iii) evaluate how effectively the proposed project would house future residents – add or change the net supply of housing for all income levels and types of tenure.

The Project is located in the Mission Neighborhood Commercial Transit District ("NCT") and is in the 55-X and 65-X Height and Bulk District. The Project site is approximately 36,000 square feet. Under the NCT zoning, the maximum allowable density on the Project site is dictated by the physical requirements of the Planning Code such as height, bulk, setback, open space, exposure, unit mix, and other requirements.

The Project site is over ½ of an acre. As a result, it qualifies for a Planned Unit Development ("PUD"). Under a PUD, the Project can seek certain exceptions from the requirements of the Planning Code. Assuming a modification from the setback, open space, exposure and unit mix requirement, the maximum allowable dwelling unit density the Project site could accommodate is 221 new dwelling units. This assumes that the Project is seeking an exception from the rear yard and exposure requirements of the Planning Code as well as the 40% 2-bedroom requirement. Under this maximum buildout scenario, the Project would construct 183 studios, 33 junior 1-bedroom units and 5 1-bedroom units. This figure does not take into consideration livability of the units.

²¹ California LAO Report, p. 9.

²² Berkeley Mission District Case Study, pgs. 33-34.

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The Project is proposing 157 new dwelling units, which is a reduction of 70 units from the maximum buildout scenario or 30% fewer overall units.

The Project includes 19 permanently affordable units. These housing units will be restricted for individuals and families making 55% of AMI in perpetuity pursuant to Planning Code Section 415.8. These new affordable housing units increase by 32% the number of affordable units in the Mission according to the Housing Development in the Mission Report.

The remaining 138 residential units will provide long-term housing for a mix of individuals and families. The 55 studio units will likely house one (1) person while the 38 junior 1-bedroom and 1-bedroom units may house a combination one (1) person or two (2) people. The 64 2-bedroom units are likely to house families and/or unrelated individuals living together (i.e., roommates). The tenure of residents cannot be determined, but the development is a rental product with regular turnover of units expected.

According to the Controller's Report, based on the 5-year census data collected from 2009 to 2013, "87% of Mission residents lived in the same house one year previously, and 13% moved from another location. More than half of the movers – 8% of the total in the Mission moved from somewhere else in San Francisco into the Mission."²³ This "population churn" is lower than the citywide average of 16 percent. As a result, the housing units being built will likely be occupied by Mission residents for more than one year.

The residential units being developed are affordable by design. They include smaller sized units ranging from 396 to 497 square feet for studios, 440 to 654 square feet for 1-bedrooms and 887 to 1254 square feet for 2-bedrooms. Assuming rents based on a price per square foot, the smaller size of the units combined with the limited building amenities offered creates a market rate rental development that is affordable by design.

4. Affordable Housing Production: Provide information about whether additional affordable housing could be provided on the site, through the availability of public financing or financial incentives, or through use of the State Density Bonus Law, Government Code Section 65915 or other applicable affordable housing incentive program to provide an economic incentive or financial support for additional affordable units on the site.

The Project site is located within the Mission Area of the Eastern Neighborhoods Community Plan. Because it is within a recently adopted comprehensive plan area, it is not eligible for the proposed Local Bonus Program. The Project is eligible for the State Density Bonus Law, but its use is feasible or practical.

The Project currently maximizes the physical development opportunities on the Project site. Requesting, increased height would require an amendment to the Zoning Map and is not financially practical or a viable alternative.

In August 2015, Seifel Consulting Inc. prepared a "Financial Analysis of San Francisco's Proposed Affordable Housing Bonus Program" ("Seifel Report"). That report analyzed key financial factors

²³ Controller's Report, p. 7.

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that were likely to influence the inclusion of additional affordable housing on project sites through either the proposed Local Bonus Program or the State Density Bonus Law. In reviewing the cases studied, the Seifel Report found a link between the ability to use of the State Density Bonus Law and land costs, hard construction costs, soft costs, construction financing, revenues and impact fees. Projects were more likely to utilize the State Density Bonus Law where a development benefitted from “economies of scale” or spreading development costs across more units. Unfortunately, simply adding more units to a development does not necessarily achieve “economies of scale” as adding more units increase certain costs while decreasing others. The Seifel Report found that the State Density Bonus Law “made sense” when “project sponsors have owned the property for a long time or developers are able to purchase sites at favorable terms” or in “higher priced areas where the increased number of market rate units at high price levels could more than offset the increased number of BMR units, or where development costs are significantly less than estimated.”²⁴ Here, the Project sponsor recently purchased the Project site, which means the land costs are market-rate, the types of units being developed are affordable by design which means they are not intended for higher prices or in a higher priced area and construction costs are at all all-time high. For all these reasons, including the site constraints, utilization of the State Density Bous Law is not feasible.

The Project will provide 19 on-site inclusionary housing units. It is, however, a market-rate development. Housing subsidy financing from the State and Federal government is very competitive and a market-rate development with affordable housing would not meet the minimum qualifications for such financial awards. Those subsidies are targeted toward 100% affordable projects. Similarly, the value of City affordable housing dollars is better leverage or maximized by supporting 100% affordable projects. As a result, the Project is highly unlikely to qualify for or receive any financial incentives to construct more affordable housing.

5. Housing Preservation: Provide information about existing housing on the project site in terms of occupancy types, relative affordability, adaptability rent-control and other tenant-features.

The Project site does not have any existing housing.

6. Tenant Displacement: Provide information about whether the Rent Board has recorded a history of evictions or buyouts on the property.

The Project site has been in commercial use since 1948. The Rent Board confirmed via telephone on January 27, 2016, that there is “[n]o record of any evictions at that address” (i.e., 1515 South Van Ness Avenue).

Additional Information for Displacement, Demolition or Conversion of Certain Uses:
If the project would displace, demolish or convert Assembly, Recreation, Arts & Entertainments, Light Manufacturing, Auto Repair, Trade Shops or Institutional uses in any zoning district in making its Conditional Use Authorization Application the application shall include the following analysis:

The Project site was occupied by McMillan Electric, a local electrical contractor, until April/May of

²⁴ Seifel Report, p. 7.

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2015. McMillan Electric used the property for back-office and warehouse storage.

(a) Relocation assistance in non-PDR zoning districts: In zoning districts other than PDR districts, provide information about the existing or last known Assembly, Recreation, Entertainment, PDR or Institutional tenants, for the last-known tenant the information required would be limited to uses that have been operating within three years prior to the entitlement date of the project, and disclose whether the tenant has relocated or relocation benefits have been or will be provided.

The Project site is located in the Mission-NCT zoning district, not a PDR district. McMillan Electric has been located on the Project site since the late 1980s. Prior to McMillan's use, the property was occupied by auto sales and service use and then a tire sales and service use. McMillan Electric is a local San Francisco electrical contracting company. Recognizing the increasing value of property and the need to capture that value to accomplish its expansion goals, McMillan Electric placed its property at 1515 South Van Ness Avenue on the market for sale. Lennar Multifamily Communities entered into a contract to purchase the Project site. Using a portion of the proceeds from the sale of the Project site, in April/May of 2015, McMillan Electric relocated to 1950 Cesar Chavez Street. 1950 Cesar Chavez Street is located approximately 1.1 miles from 1515 South Van Ness Avenue.

1950 Cesar Chavez Street is in the PDR-2 zoning district. McMillan Electric's use of the property is consistent with the PDR-2 zoning and is the type of use envisioned for this zone. McMillan Electric voluntarily relocated as part of its overall business plan and no relocation benefits were or will be provided.

(b) Businesses and Community Building Uses: If the existing Assembly, Recreation, Entertainment, PDR or Institutional tenants have not been relocated or offered relocation benefits then the applicant shall provide information regarding potential impacts to the community and benefits of the project as described below:

McMillan Electric is staying within the community. It has located approximately 1.1 miles from its previous location at 1515 South Van Ness Avenue. As a result, its relocation will not impact the community.

The Project will benefit the community by providing much needed housing, including 19 new on-site affordable housing units, and much needed new trade spaces.

(c) Jobs & Economic Profile: An analysis of the economic and fiscal impact of the proposed project. Towards this end, the application shall include an analysis of the loss of the existing use compared to the benefit of the proposed use, including an estimate, if known, of permanent job creation and/or job retention in the community of the proposed use compared to the existing use and associated wages and benefits for both;

As noted above, the previous use and employer is remaining in the community. **Its relocation to 1950 Cesar Chavez Street has allowed it to grow its business and hire an additional 25 employees.**

The Project development will employ a significant number of construction workers over the 24-

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month construction period. Once completed, the Project will create approximately three (3) full-time management and approximately three (3) to four (4) maintenance jobs on the Project site. The 1,115 square foot retail space is likely to generate between 3-5 full, and part-time, employees. In addition, the six (6) Trade Shop/Retail spaces along 26th Street are likely to result in a minimum of six (6) new local artists or artisans on the Project site.

The Project will result in a net increase in jobs and a positive economic and fiscal impact as it not only helped maintain and expand an existing business (McMillan Electric) in the neighborhood but will create short-term construction jobs and long-term Project management, leasing and maintenance employment opportunities.

(d) Available Space in the Mission. Discuss whether sufficient vacant space for the use type being demolished or removed exists in the neighborhood; and

The Project will demolish an existing approximately 31,680 square foot commercial building. Based on a January 28, 2016, search of LoopNet, an online commercial real estate platform that lists and tracks commercial real estate in the United States, there are approximately sixty (60) commercial office, warehouse or industrial properties/buildings between 15,000 and 40,000 square feet within a one (1) mile radius of 1515 South Van Ness Avenue. A table of the properties identified in that search is attached. Reducing the size of the building searched to 30,000 square feet, but still within a mile yielded 52 properties and expanding that same search to a 2-mile radius yielded 241 properties. Finally, looking only at buildings of this size and type within the Mission interim control area, there are approximately 45 such buildings. A table of the buildings of this size and type within the Mission Interim Control area is attached. LoopNet identified only two buildings of a similar type in the Mission Interim Control area that were currently available for lease or sale.²⁵

Based on a search of LoopNet the loss of the existing building will not impact the type of space available in the neighborhood.

(e) Affordability of Community-Building Uses. Provide an assessment of the affordability of community-building uses. Community-building uses shall include but not be limited to arts, nonprofit services and childcare uses. This assessment should discuss the nature of the community-building uses, the affordability of the uses and the amount of space provided for such uses on the existing site compared to similar uses associated with the proposed project, if any.

The existing building on the Project site is a commercial building. It does not include any space for community-building uses. The Project will include six (6) smaller Trade Shop/Retail uses along 26th Street. These smaller Trade Shop/Retail uses are intended for local artist and artisans. It will create new space within the community for these types of uses that does not currently exist.

(f) Non-Residential Displacement. Discuss existing businesses or non-profit organizations that will not be retained in the proposed project, or offered an opportunity to lease space in the proposed project, in terms of length of lease, number of employees, whether the use is minority owned and a non-restaurant or bar use, and if a business is retail whether that business is formula retail. Discuss whether a commercial tenant has

²⁵ Vacant space may exist and may simply not be captured by the LoopNet database.

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been displaced through rent increases or lack of lease renewal in the last 12 months.

As noted above, the existing business on the Project site, McMillan Electric voluntarily relocated to 1950 Cesar Chavez Street a property in the PDR-2 zone. No other tenant has occupied the site. Development of the Project will not result in the displacement of any existing business.

Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Monday, November 07, 2016 4:47 PM
To: BOS Legislation, (BOS); jscottweaver@aol.com; peter.schellinger@lennar.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); Lew, Lisa (BOS); Vu, Doug (CPC); Hue, Melinda (CPC)
Subject: Appeal Response: Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on November 15, 2016
Categories: 161001

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from the Planning Department, concerning the Community Plan Exemption Appeal for the proposed project at 1515 South Van Ness Avenue.

[Planning Letter - November 7, 2016](#)

The appeal hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on November 15, 2016.

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

[Board of Supervisors File No. 161001](#)

Thank you,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org



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

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**SAN FRANCISCO
PLANNING DEPARTMENT**

RECEIVED
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SAN FRANCISCO

MEMO

2016 NOV -7 AM 11:33

Notice of Transmittal

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

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**Planning Department Response to the
Appeal of Community Plan Exemption for
1515 South Van Ness Avenue Project**

DATE: November 7, 2016

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
Chris Kern, Senior Environmental Planner – (415) 575-9037
Melinda Hue, Environmental Coordinator – (415) 575-9041

RE: File No. 161001, Planning Department Case No. 2014.1020ENV – Appeal of the Community Plan Exemption for the 1515 South Van Ness Avenue Project. Block/Lot: 6571/008, 001, and 001A

HEARING DATE: November 15, 2016

The Planning Department is submitting a response to the October 14, 2016 appeal letter submitted as part of the Appeal of the Community Plan Exemption for 1515 South Van Ness Avenue. Attached is:

- One (1) hard copy of the Appeal Response
- One (1) cd which includes:
 - an electronic file of the appeal response (Response to 1515 SVN Appeal_110716.pdf)
 - an electronic file of the appeal (Appeal Ltr 101416.pdf)

These files are being provided to the Clerk of the Board for distribution to the appellants, project sponsor, and Board of Supervisors by the Clerk of the Board.



SAN FRANCISCO PLANNING DEPARTMENT

Appeal of Community Plan Exemption 1515 South Van Ness Avenue Project

1650 Mission St.
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DATE: November 7, 2016

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
Chris Kern, Senior Environmental Planner – (415) 575-9037
Melinda Hue, Environmental Coordinator – (415) 575-9041

RE: File No. 161001, Planning Department Case No. 2014.1020ENV – Appeal of the Community Plan Exemption for the 1515 South Van Ness Project. Block/Lot: 6571/008, 001, and 001A

PROJECT SPONSOR: Peter Schellinger, LMC San Francisco Holdings, LLC – (415) 975-4982

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council – (415) 317-0832

HEARING DATE: November 15, 2016

ATTACHMENTS: A – October 14, 2016 appeal letter from J. Scott Weaver

INTRODUCTION

This memorandum and the attached document is a response to the second letter submitted October 14, 2016, following the September 12, 2016 letter of appeal to the Board of Supervisors (the Board) regarding the Planning Department's (the "Department") issuance of a Community Plan Exemption (CPE) under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report* ("Eastern

Neighborhoods PEIR or PEIR")¹ in compliance with the California Environmental Quality Act ("CEQA") for the 1515 South Van Ness Avenue Project (the "Project").

On September 12, 2016, an appeal of the CPE determination was filed by J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council (the Appellant). On October 17, 2016, a response to the September 12, 2016 appeal Letter was provided by the Planning Department. On October 14, 2016, a second letter was filed by the Appellant. The Appellant's October 14 letter (Attachment A to this appeal response) includes a previous letter that Mr. Weaver submitted to Planning Staff (June 3, 2016), which was also previously included as an attachment to the Appellant's September 12 appeal letter (pages 484 through 486), and a variety of studies and reports in support of the appeal. These attachments are included as "Appeal Ltr 101416.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001.²

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The Appellant's October 14 letter restates three issues previously raised in the September 12, 2016 appeal Letter. As discussed below, the Planning Department addressed these issues in the October 17, 2016 appeal response.

Concern A: "The CEQA findings did not take into account the direct, indirect, and cumulative impacts that the proposed project and the other "market rate" projects would have on the businesses, residents, and non-profits in the LCD" (page 2 of October 14, 2016 appeal letter)

Response A: This contention is presented as Concern 1 and addressed in Response 1 in the October 17, 2016 appeal response (October 17 appeal response).

Project-level Environmental Review. As discussed in detail on page 9 of the October 17 appeal response, in accordance with CEQA Guidelines Section 15183, a project-level environmental review was undertaken as documented in the CPE Checklist to determine if the 1515 South Van Ness project would result in additional impacts specific to the project or the project site, and if the further environmental review is required. Impacts to the environment that might result with the Project were analyzed in the CPE Checklist and, consistent with CEQA Guidelines Section 15130, the CPE Checklist also includes analysis of the proposed project's potential cumulative impacts. The CPE Checklist determined that the proposed project would not have significant impacts that were not previously identified in the Eastern Neighborhoods PEIR and identified five Mitigation Measures from the Eastern Neighborhoods PEIR to

¹ The Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

² <https://sfgov.legistar.com/View.ashx?M=F&ID=4730514&GUID=544CE225-9B30-4C73-9770-41A00EB5DB1D>

be applied to the Project to avoid impacts previously identified in the PEIR with regard to archeological resources, noise, and hazardous materials.

Calle 24 Latino Cultural District. As discussed in detail starting on page 21 of the October 17 appeal response under “Calle 24 Latino Cultural District”, the CPE Checklist determined that the Project would not result in significant impacts on historic architectural resources. The purpose of the Calle 24 Latino Cultural District (Calle 24 LCD) is to recognize, promote, and preserve cultural assets of the LCD. However, the Calle 24 LCD does not qualify as a historic district eligible for listing on the California Register of Historic Resources and, as such, is not a historic resource as defined by CEQA. Unlike historic districts that are locally designated or listed on the National or State registers, the LCD was not established through a formal survey by a consultant or Planning Department staff member meeting the Secretary of the Interior’s Professional Standards. The Calle 24 LCD Report does not include a statement of significance addressing eligibility for listing on either the California or National Registers, nor was the LCD adopted as a historic district by the Historic Preservation Commission. While there may be properties within the LCD that may qualify as historic resources, either individually or as part of smaller potential historic districts, under CEQA the Calle 24 LCD is not a historic district under CEQA. The Appellant does not provide any basis to support a determination that the project site is located within a CEQA historic district, that the property is a contributor to a CEQA historic district, or that the Project would have a significant impact on a CEQA historic resource. Pages 21 to 23 of the October 17 appeal response provides a detailed discussion regarding the Calle 24 LCD.

Housing Prices, Changing Economic Conditions and Displacement. As discussed in detail starting on page 16 of the October 17 appeal response under “Housing Prices, Changing Economic Conditions and Displacement”, while studies included with the appeal relating to gentrification and displacement in the Mission District present a discussion of whether or not displacement is occurring, the appeal does not establish a link between displacement and either the 1515 South Van Ness Avenue Project or the Eastern Neighborhoods Rezoning and Area Plans, nor does the appeal demonstrate that gentrification or displacement have resulted in new or substantially more significant impacts on the physical environment than were disclosed in the Eastern Neighborhoods PEIR. Pursuant to CEQA Guidelines 15131 and 15064(e), economic and social effects such as gentrification and displacement are only considered under CEQA where these effects would cause substantial adverse physical impacts on the environment (see pages 16 to 19 of the October 17 appeal response). Only where economic or social effects have resulted in adverse physical changes in the environment, such as “blight” or “urban decay” have courts upheld environmental analysis that consider such effects. But without such a connection to an adverse physical change, consideration of social or economic impacts “shall not be considered a significant effect” per CEQA Guidelines 15382.

CEQA Findings. In regards to the CEQA findings themselves, this is presented in Concern 3 and addressed in Response 3 in the October 17 appeal response. As stated in the October 17, 2016 appeal response, the Appellant’s contention regarding CEQA findings is not a valid ground for an appeal of the CPE. Page 27 of the October 17 appeal response provides a detailed discussion regarding CEQA findings.

Concern B: “The Community Plan Exemption reliance on the PEIR was improper because 1) The PEIR contemplated production of no more than 2,054 units with an approved preferred project of 1,696 units for the Mission Area. As of February, 2016 there were 2,451 units either completed or under environmental review. And 2) Substantial new information renders the PEIR out of date. These changes cumulatively impact areas of land use, consistency with area plans and policies, recreation and open space, traffic and circulation, transit and transportation.” (page 2 of October 14, 2016 appeal letter)

“The Planning Department and Planning Commission have engaged in a pattern and practice of approving projects relying on an out-of-date Plan EIR and without regard to the direct and indirect cumulative impacts that these projects have on the environment.” (page 2 of October 14, 2016 appeal letter)

Response B: This is presented in Concern 1 and addressed in Response 1 in the October 17 appeal response.

Eastern Neighborhoods PEIR. The Appellant’s claims regarding growth projections reiterate issues raised in the September 12 appeal letter and are addressed in the Department’s October 17 appeal response. As discussed in detail starting on page 7 of the October 17 appeal response under “Eastern Neighborhoods PEIR and Project CPE” section, CEQA Guidelines Section 15162(c) establishes that once a project, in this case the Eastern Neighborhoods Rezoning and Area Plans, is approved:

“[T]he lead agency’s role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any.” [Emphasis added.]

Thus, even if the Appellant’s unsubstantiated claims that the build-out of development consistent with the adopted rezoning and area plans somehow constituted new information or changed circumstances resulting in new or more severe impacts on the physical environment than previously disclosed (i.e., the conditions described in subdivision (a) of CEQA Guidelines section 15162), the Eastern Neighborhoods PEIR would remain valid under CEQA. Simply stated, unless and until the Eastern Neighborhoods Rezoning and Area Plans themselves are amended or revised, the reopening of the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA. CEQA Section 21083.3 and CEQA Guidelines Section 15183 mandate that projects, like the 1515 South Van Ness Avenue project, that are consistent with the development density established under existing zoning, community plans, or general plan policies for which an EIR was certified, shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site.

Impacts to the environment that might result with implementation of the Project were analyzed in the Eastern Neighborhoods PEIR and the CPE Checklist according to the project’s potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and substantial evidence

in the form of topic-specific analyses. Consistent with CEQA Guidelines Section 15130, the CPE Checklist also includes analysis of the proposed project's potential cumulative impacts for each environmental topic. The CPE Checklist determined that the proposed project would not have a significant impact that was not previously identified in the Eastern Neighborhoods PEIR and identified five Mitigation Measures from the Eastern Neighborhoods PEIR to be applied to the Project to avoid impacts previously identified in the PEIR with regard to archeological resources, noise, and hazardous materials.

Pages 6 to 23 of the October 17 appeal response provides a detailed discussion regarding concerns regarding the Eastern Neighborhoods PEIR.

Population and Housing. As discussed in detail starting on page 11 of the October 17 appeal response under "Population and Housing", nowhere in the Eastern Neighborhoods PEIR is it stated or implied that the projections were intended as a cap or limit to growth within the areas that would be subject to the Eastern Neighborhoods Plans. The growth projections were used as analytical tool in the PEIR to contextualize the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.) and analyzed impacts based on this total development amount. The Eastern Neighborhoods PEIR impact analyses were not based on any anticipated pace or phasing of growth. Although the number of foreseeable dwelling units in the Mission Plan Area may exceed the range of residential development anticipated by the Eastern Neighborhoods PEIR by approximately 350 dwelling units (should all proposed projects be approved and constructed), the total amount of foreseeable non-residential space is well below the maximum evaluated in the Eastern Neighborhoods PEIR, as is the overall population increase. Therefore, while more residential development may occur than projected, it also appears that less non-residential development will occur, and that the population increase assumed in the PEIR will not been exceeded. Pages 11 to 14 of the October 17 appeal response provides a detailed discussion regarding population and housing.

Community Benefits. In regards to the community benefits, this is presented in Concern 2 and addressed in Response 2 in the October 17 appeal response. Concerns regarding community benefits are not valid grounds for an appeal of the CPE because they do not demonstrate that the Project would result in significant effects which are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR. The Eastern Neighborhoods PEIR did not rely on the implementation of community benefits in the determination of the impacts resulting from the Eastern Neighborhoods Area Plans. See Page 24 to 27 of the October 17 appeal response.

CONCLUSION:

The Appellant's October 14 letter restates three issues previously raised in the September 12, 2016 appeal Letter which the Planning Department addressed these issues in the October 17, 2016 appeal response.

ATTACHMENT A

J. Scott Weaver

Appeal Letter

October 14, 2016

West Bay Law
Law Office of J. Scott Weaver

October 14, 2016

President London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr Carlton B Goodlett Pl #244
San Francisco, CA 94102

Re: 1515 South Van Ness Avenue Project. 2014.1020CUA

Dear Supervisor Breed,

Please accept this submission on behalf of the Calle 24 Latino Cultural District Council with respect to the proposed project at 1515 South Van Ness Avenue.

I. Factual Background

The proposed project is a five to six story building at the corner of South Van Ness Avenue and 26th Street, and within the boundaries of the Calle 24 Latino Cultural District. It replaces the 35,000 square feet of PDR use with a project consisting of approximately 4,167 square feet of trade shops, 1,074 square feet of retail and 157 housing units of various sizes. Originally 88% of those units were to be "market rate". Shortly before the hearing the project sponsor proposed 75% market rate, 15% affordable to those earning 55% AMI and 10% affordable to those earning 100% AMI.

- A. On October 23, 2015 Appellant Calle 24 Latino Cultural District Council ("Council") wrote to the Planning Department requesting that any environmental analysis of the proposed project at 1515 South Van Ness Avenue ("proposed project") include an evaluation of the cumulative impacts of the proposed project along with other market rate projects affecting the Calle 24 Latino Cultural District (LCD), and to fashion mitigations for any negative impacts. The letter also noted that substantial new information rendered the Eastern Neighborhoods Plan EIR ("PEIR") out of date. (See Exhibits, Pages 484 - 486)
- B. On June 3, 2016 Appellant Council wrote to the Planning Department objecting to a Draft Certificate of Exemption prepared by the Planning Department, reiterating the need for an analysis of the impacts on the LCD, stating the basis for such an analysis, and requesting that adequate mitigations be put in place. The letter provided specific areas of inquiry that would assist in this evaluation. The letter also reiterated the substantial new information rendered the PEIR out of date and no longer a basis for issuing a Certificate of Exemption. (Exhibits, Pages 590-596, 588-89)

- C. On July 12, 2016 the Planning Department issued a Certificate of Exemption from Environmental Review. (Exhibits, Pages 577-587)
- D. On August 3, 2016 Appellant Council wrote Planning Commissioners expressing its concerns regarding the proposed project, including the failure of the Department to evaluate cumulative impacts of increased gentrification on the LCD and that the PEIR was no longer a viable basis for issuing a Certification of Exemption. (Exhibits, Pages 46-57)
- E. On August 3, 2016 Supervisor David Campos wrote to the Planning Commission requesting that impacts of the projects affecting the LCD be evaluated and adequate mitigations be put in place prior to the approval of any project. (Exhibits, Page 597, 598)
- F. On August 11, 2016, the Planning Commission approved the proposed project, including approval of the Community Plan Exemption (Exhibits, Pages 2-40).
- G. Appellant timely filed this appeal on September 12, 2016.

II. Reasons for Appeal

- A. The CEQA findings did not take into account the direct, indirect, and cumulative impacts that the proposed project and other “market rate” projects would have on the businesses, residents, and non-profits in the LCD.
- B. The Community Plan Exemption reliance on the PEIR was improper because 1) The PEIR contemplated production of no more than 2,054 units with an approved preferred project of 1,696 units for the Mission Area. As of February, 2016 there were 2,451 units either completed or under environmental review. and 2) Substantial new information renders the PEIR out of date. These changes cumulatively impact areas of land use, consistency with area plans and policies, recreation and open space, traffic and circulation, transit and transportation
- C. The Planning Department and Planning Commission have engaged in a pattern and practice of approving projects relying on an out-of-date Plan EIR and without regard to the direct and indirect cumulative impacts that these projects have on the environment.

III. The CEQA Findings Did Not Take into Account the Cumulative Impacts of the Proposed Project on the Calle 24 Latino Cultural District.

A. Background of the LCD and Existing Threats.

The businesses and nonprofits in the LCD have been recognized by resolution of the Board of Supervisors as an important cultural, historical and commercial resource for the City. (Resolution Creating LCD is attached as Exhibit 1) The Ordinance creating the LCD noted that “The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco.” The District was established “to stabilize the displacement of Latino Businesses, and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco’s residents and tourists, . . .” and that its contribution will provide “cultural visibility, vibrancy, and economic opportunity for Latinos in the City and County of San Francisco.” (See Exhibits Pages 170-178)

The Calle 24 Latino Cultural District Community Council (“the Council”), a nonprofit consisting of community stakeholders in the LCD, has stated as its mission: “To preserve, enhance, and advocate for Latino cultural continuity, vitality, and community in San Francisco’s touchstone Latino Cultural District and the greater Mission community”. (Exhibits Page 183) With funding from the Mayor’s Office of Economic and Workforce Development and technical support from the Gato Group, the Council engaged in an extensive planning process that included numerous stakeholder interviews, four focus groups, a study session with expert consultants, and four community meetings. At the conclusion, the Council prepared a report on its community planning process. (Exhibits Page 186, 187) Among the Council’s initiatives are the creation of a Special Use District and a Cultural Benefits Campaign district. These initiatives are currently in process.

The report noted that “there were major concerns among all stakeholders about the **lack of affordable housing** and about the gentrification and recent eviction and displacement of long-time residents. A related theme was the **rapid transformation** underway with some saying they wanted to prevent another ‘Valencia’ (referring to the way Valencia lost much of its Latino culture in the 1990s and 2000s)”. (Emphasis original) (Exhibits Page 191)

Unfortunately, we are beginning to see the Valenciazation of the LCD. Small mom and pop businesses are being replaced by upscale corporate-owned businesses. Non-profits such as the 40-year-old Galaria de la Raza, on month-to-month tenancies are extremely vulnerable. They are also seeing a diminution of their customer base due to gentrification and the resulting displacement.

While it is true that “gentrification” is already occurring in the area, with little market rate development, the sudden influx of over 650 households earning 200% AMI will pour gasoline on the fire. (See “cumulative impacts” below)

Development has already demonstrated the potential physical impacts of continued market rate development. For instance, at a proposed project on 24th and York, the owner plans to build 12 condo townhomes which will cover a mural that has been on there over 30 years and is part of the Precita eyes mural tours. The famous Carlos Santana mural on 22nd and South Van Ness was completely covered when the lot in front built housing. In Balmy Alley new owners of a property wanted to remodel and add a second unit which faced balmy ally, covering a 40 year-old mural.

More disturbing has been complaints by newcomers against neighboring Latino owned businesses from the owner and residents of the Vida on Mission Street. A group of new residents on Harrison St. calling themselves "the gang of five" said they would sue to stop Carnival. During Sunday Streets on 24th a group of neighbors did not want the low riders on Harrison Street, saying that they were intimidated by them. Additionally, neighbors have complained about "Mexican" music on 24th Street. Without sufficient mitigation and community benefits, problems such as these will only get worse with the influx of hundreds more "gentrifiers", all to the detriment of the residents, businesses, and nonprofits that the City said it wanted to protect when it created the LCD. As we have seen on Valencia Street we can foresee gentrifiers requesting the police to move Latino youths, and adults, off "their" street corners.

B. Cumulative Impacts Must Be Examined.

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

The impacts of the proposed project cannot be examined in isolation. The proposed project is not constructed inside a bubble. Both the project and its residents interact with the immediate community in multiple ways. Similarly, the environmental impacts of this project cannot be examined apart from other proposed projects currently in the pipeline. Including this project, there are approximately 666 luxury units currently in the pipeline that are located in or near the LCD. They are: 2675 Folsom Street (98 "market rate" units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 2918 Mission St. (38), 1298 Valencia St. (35), and 2600 Mission (20). Two blocks from the LCD is 2000-2070 Bryant Street (191 units), for a total of 662.(Exhibits, Page 58)

C. Cumulative Impacts of the Proposed Project and Other Market Rate Projects on the LCD are Subject to CEQA Review.

CEQA defines “environment” as “the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance.” 14 CCR Sec. 15131(a). See e.g. *Eureka Citizens for Responsible Government v City of Eureka* (2007) 147 Cal.App.4th 357, 363). The cumulative impacts of the proposed project on the LCD are subject to CEQA because (1) They have a potential adverse impact on the businesses and nonprofits in the LCD and therefore may impact the physical environment, and (2) LCD is “historic” as defined in the Public Resources Code and the CCR. These impacts to land use were not examined in the PEIR because the LCD did not exist at the time the PEIR was prepared.

1) The Market Rate Projects Have a Potential Adverse Impact on the Physical Environment.

As previously stated, the City has placed great importance on the long term viability of the LCD, by its creation, investment in the study by the Council (Exhibits, Pages 170-187), its inclusion in the MAP 2020 program, and by creation of a Legacy Business program along with other assistance to small businesses. Further, two of the primary objectives of the Mission Area Plan are to preserve the diversity of the Mission, and to “preserve and enhance the unique character of the Mission District Commercial Areas”. (Exhibits Page 500). It is a resource worth preserving.

The proposed project itself will result in the influx of approximately 141 households earning 200% AMI. In the pipeline are projects proposing more than 500 more households in or near the LCD. It is no leap of faith to anticipate that the proposed project will result in higher rents on properties within the LCD especially for businesses and non-profits which do not have rent control protections. High wage earners have much more disposable income than most residents of the area. According to 2009-2013 census estimates, the median income for residents in the census tract on which the proposed project site is situated was \$51,510 (or 50% Median Income for a family of four). In addition to having significantly more disposable incomes and ability to purchase higher priced goods and services, these newcomers are more likely to have different consumer preferences, affecting both price and the nature of the goods and services provided by businesses in the 24th Street corridor. We might ask “how can the City provide economic opportunities for Latinos if its policies price Latinos out of the market?” We only need look at Valencia Street to see how the influx of higher wage earners with only modest market rate development can impact a commercial corridor, substituting for mom and pop businesses with high end restaurants and clothing stores. Envisioning a similar result along 24th Street is a far cry from “speculative,” it is reasonably foreseeable.

Significant effect on the environment" is defined as "a substantial, or potentially substantial, *adverse change in any of the physical conditions within the area affected by the project* including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant." (Guidelines, § 15382, italics added.)

The Court's decision in *Bakersfield Citizens for Local Control v City of Bakersfield* (2004) 124 Cal.App. 4th 1184 is highly instructive on this issue and analogous to the matter currently before the Board. In *Bakersfield*, the city refused to consider the impacts of two proposed shopping centers on downtown businesses and the potential to cause urban decay. The Court held that the businesses were part of the physical environment for which an EIR was required. Noting that under Guidelines 15131(a) "(I)f forecasted economic or social effects of a proposed project directly or indirectly will lead to adverse physical changes in the environment, then CEQA requires disclosure and analysis of these resulting physical impacts. (Citations) subdivision (e) of Guidelines section 15064 provides that when economic or social effects of a project cause a physical change, this is to be regarded as a significant effect in the same manner as any other physical change resulting from the project."

Noting that this concept is not limited to the issue of urban decay, the Court referenced *El Dorado Union High School Dist. v City of Placerville* (1983) 144 Cal. App.3d, 123, 131, where the city was required to evaluate whether a proposed apartment house development would necessitate the need to construct a new high school. In *Christward Ministry v. Superior Court* (1986) 184 Cal.App.3d 180, 197, the Court required a study as to whether the physical impacts associated with a new waste management facility under CEQA would disturb worship in an environmental retreat center.

Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciazation of the LCD. Here, mom and pop Latino owned and operated concerns are at risk being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment that defies the City's designation of the district, the MAP 2020 process, and which the City has, at least by its words, sought to avoid.

The Council's repeated requests for evaluation of impacts and development of mitigation measures is supported by a recent report by The Institute for Government Studies. It concluded that: 1) on a regional level, creation of market rate housing will relieve displacement pressures, 2) the creation of affordable housing will have double the impact of relieving such pressures, and 3) "on a block

group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at a regional scale, likely due to the mismatch between demand and supply. (Exhibits, page 341) The report further concluded that further analysis was needed “to clarify the complex relationship between development, affordability, and displacement at the local scale, . . . (and) also investing in the preservation of housing affordability and stabilizing vulnerable communities.”

2) The Calle 24 Latino Cultural District Council has Made a Fair Argument that the Department Should Have Evaluated Cumulative Impacts on the LCD.

Finally, the Board should be mindful of the burdens of both the City and Appellant to provide “substantial evidence” to support their position. “[A]rgument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.” (Pub. Res. Code § 21082.2(c); Guidelines, § 15384.)

The Court in *Stanislaus Audubon Society v. County of Stanislaus* (1995) 33 Cal.App.4th 144, 151, stressed the “low threshold” vis-à-vis the presence of a fair argument, noting that a lead agency should not give an “unreasonable definition” to the term substantial evidence, “equating it with overwhelming or overpowering evidence. CEQA does not impose such a monumental burden” on those seeking to raise a fair argument of impacts. Whether the administrative record contains a fair argument sufficient to trigger preparation of an EIR is a question of law, not a question of fact. Under this unique test “deference to the agency’s determination is not appropriate and its decision not to require an EIR can be upheld only when there is no credible evidence to the contrary.”

In *Keep Our Mountains Quiet v. County of Santa Clara* (2015) 236 Cal.App.4th 714 lay testimony held sufficient to support fair argument. “Relevant personal observations of area residents on nontechnical subjects may qualify as substantial evidence.” *Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 928. “For example, an adjacent property owner may testify to traffic conditions based upon personal knowledge.” (*Citizens Assn. for Sensible Development of Bishop Area v. County of Inyo* (1985) 172 Cal.App.3d 151, 173.) Because substantial evidence includes “reasonable assumptions predicated upon facts” (Guidelines, § 15384, 17 subd. (b)) and “reasonable inferences” (id., subd. (a)) from the facts, factual testimony about existing environmental conditions can form the basis for substantial evidence.⁹ (Guidelines, § 15384; *Banker’s Hill, Hillcrest, Park West Community Preservation Group v. City of San Diego* (2006) 139 Cal.App.4th 249, 274 (*Banker’s Hill*) [“local residents may testify to their observations regarding existing traffic conditions”]. “The question is not whether [citizen testimony] constitutes proof that [particular effects] will occur,” but whether it (or

reasonable inferences from it) “constitutes substantial, credible evidence that supports a fair argument that . . . [the project] may have a significant impact on the environment.” Emphasis supplied) *Rominger v. County of Colusa* (2014) 229 Cal.App.4th 690, 721

Here, the Department has provided no evidence to support its position. The PEIR does not mention the LCD (because the LCD did not exist at the time the PEIR was prepared) and the Department refused to consider the impacts when so requested.

By contrast Appellant Council has provided substantial evidence to support a fair argument that the cumulative direct and indirect impacts of this and other projects at or near the LCD could, directly or indirectly adversely affect the LCD – which is part of the physical environment. The Council has presented the resolution creating the geographic area constituting the LCD (Exhibits Page 170 - 178) the report concerning the threats to the LCD (Exhibits, Pages 179-205); the extent of market rate development proposed in or near the LCD (Exhibits, Page 58), letters describing the connection between “market rate” development and threats to LCD businesses and nonprofits. (Exhibits, Pages 592-593) the Budget Analyst report describing income levels in the Mission (Exhibits 441), and census information regarding income levels for residents living in or adjacent to the proposed site and within the LCD (<http://www.census.gov/censusexplorer/censusexplorer.html> - showing household AMI for the subject census tract at \$60,479 and across the street from the site, a household income at \$51,510)

Accordingly, the City failed to meet its informational obligations under CEQA. The Certification of Exemption from Environmental Review is therefore defective and cannot be relied on for approval of the proposed project. Before we can proceed with this and other projects, we need to understand their impacts on the LCD and potential mitigation measures that will lessen those impacts.

2. The LCD is an Historic Resource.

Notwithstanding the potential physical impacts described above, and in addition to those impacts LCD qualifies as an Historic Resource and the impacts on this resource must also be evaluated under CEQA against the CRHR criteria prior to making a finding as to a proposed project’s impacts to historical resources. A project that may cause a substantial adverse change in the significance of an historical resource is a project that may have a significant effect on the environment. (Pub. Res. Code § 21084.1; Guidelines §15064.5).

A historical resource is defined as any object, building, structure, site, area, place, record, or manuscript that: a) Is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, or cultural annals of California; and b) Meets any of the following criteria: (1) Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage; (2) Is associated with the lives of persons important in our past; (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or (4) Has yielded, or may be likely to yield, information important in prehistory or history (14 CCR 15064.5(a)(3)). These businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City whose "richness of culture, history and entrepreneurship is unrivaled in San Francisco."

The near and long term preservation and enhancement of the LCD is a stated goal of the City. This, of necessity, includes the physical presence of its residents, businesses, and non-profits, which we submit are endangered by the extensive market rate development slated for the area.

IV. The Community Plan Exemption Reliance on the PEIR was Improper Because: 1) The PEIR Contemplated Production of no More than 2,054 Units with an Approved Preferred Project of 1,696 Units for the Mission Area: as of February, 2016 there were 2,451 Units Either Completed or Under Environmental Review; and 2) Other Substantial New Information Renders the PEIR Out of Date. These Changes Cumulatively Impact Areas of Land Use, Consistency with Area Plans and Policies, Recreation and Open Space, Traffic and Circulation, Transit and Transportation

The Department should not have issued a Certificate of Exemption under the Eastern Neighborhoods Plan EIR (PEIR) instead of a project EIR. The use of the PEIR in this way presupposes that it is sufficiently current to address all areas required under CEQA. The Mission Plan had as its goals *inter alia* to produce a substantial amount of affordable housing, preserve diversity and vitality of the Mission, preserve and enhance the distinct character of the Mission's distinct commercial areas, and preserve and enhance existing PDR businesses. (Exhibits, Page 500) The PEIR assumed these goals and presumably believed that they would be realized under the ENP. Now, eight years later, it has become painfully apparent that the Plan is falling short of its goals and that its implementation is out of balance with changing circumstances in the neighborhood. Of the 1855 units entitled or under review as of between 2011 and 12/31/15, only 12% were affordable. An additional 504 units were built during this period, however the monitoring report does not state how many were affordable. (Exhibits, Mission Monitoring Report – Pages 643, 645),

Likewise the Eastern Neighborhoods Plan Community Advisory Council had noted that many of the ENP outcomes have been skewed in the wrong direction. (Exhibits Pages, 599-609)

On September 13, this Board of Supervisors, when considering the project at 2000 to 2070 Bryant Street, expressed serious concerns about the efficacy of the Eastern Neighborhoods Plan in today's environment. (See http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=10&clip_id=26119 beginning at 3:16).

At least part of the reason for the disconnect between the goals and the outcomes is that there have been numerous changes on the ground that have direct, indirect and cumulative impacts on the environment. These changes impact on the physical environment in terms of the physical character of the Mission, notably the character of commercial areas and the presence of PDR businesses, as well as recreation and open space, transportation infrastructure, and traffic and circulation. When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). The situation on the ground has changed substantially since the PEIR was prepared in 2008 in the following ways.

- **An Unanticipated Rapid Pace of Development.** the PEIR was prepared in the midst of the "great recession" and did not project the steep increases in housing prices that we have witnessed during the past eight years. This has been especially exacerbated by the increase in high paying jobs that have come to the City. This has resulted in a construction explosion. As a result, the cumulative total of units built, approved, and under review in the pipeline (2,451 as of February 23, 2016), now exceeds the highest number of units contemplated in the Plan EIR for the Mission (2,056). The PEIR projected this production to take place over a much longer period of time - 2008 to 2025. Development has therefore accelerated at a pace higher than that anticipated in the PEIR. (Exhibits, Page 58) Because of the unexpectedly rapid pace of development, community benefits, including improvements to the Mission's traffic, transportation, open space, and recreation infrastructures have been unable to keep pace (ENCAC Response to Monitoring Report (603-608) - The report also noted that transportation impacts hurt businesses (at page 607). The PEIR clearly did not anticipate this pace of development.
- **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** As previously stated, only 12% of the units under construction, entitled, or under review are affordable units. This is worse than the deplorable City-wide totals. There, the number of market rate units have exceeded the RHNA

Allocations while the number of units affordable to low and moderate income San Franciscans is well below the 60% RHNA allocation. (Exhibits, Page 67, 68). (see also Housing Balance Report at Page 69 *et. seq.* Again, the PEIR could not have anticipated such poor performance in terms of affordability. This will have substantial traffic and transportation (see below) impacts as well as impacts on types of businesses in our neighborhoods (as previously discussed).

- **Disappearance of Redevelopment Money.** In 2012, Redevelopment Agencies throughout the State were dismantled and with that about \$1 billion per year for affordable housing. Now Cities have to struggle to meet affordable housing needs.
- **State of Advanced Gentrification in the Mission.** The glut of high income earners in the Mission has created an “advanced gentrification” that was not anticipated at the time of the PEIR. <http://missionlocal.org/2015/09/sf-mission-gentrification-advanced/> With this gentrification, small Latino “mom and pop” businesses and non-profits have been replaced with high end restaurants, clothing and accessory stores, and other businesses that cater to high earners. Additional high income earners who will occupy the proposed market rate units will further exacerbate these problems. (*Case Studies on Gentrification and Displacement in the San Francisco Bay Area* (Begins at Page 298.) The San Francisco Analyst has reported that the Mission has lost 27% of its Latinos and 26% of its families with children since 2000. One would hope that if the 2008 EIR was able to envision this advanced state that it would have advocated for more protective measures.
- **Gentrification Has Caused Unanticipated Increases in Traffic and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted, and will result, in a substantial increase in the rate of automobile ownership in the Mission. Between 2000 to 2013, the number of households with automobiles increased from 37% to 64% - or 9,172 automobiles in 2000 to 16,435 in 2013. At the same time AMI increased from \$50,676 to \$75,269. (Exhibits, Pages 241, 242) It is now well recognized that high earners are twice as likely to own an automobile than their low income counterparts – even in transit rich areas such as the Mission. (Exhibits, Pages 225, *et. seq.*) The displacement of Mission residents has resulted in, and will result in, long reverse commutes to places of employment, children’s schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR. A recent report by the Eviction Defense Collaborative following up on a sampling of 566 displaced clients found that nearly 39% were forced to move moved outside San Francisco. (Exhibits, Page 614)

- **Tech Shuttle Gentrification and Displacement Impacts.** The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such, we have high-earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no-fault evictions. (Exhibits, Page 616)
<http://www.antievictionmappingproject.net/techbusevictions.html>
- **MTA Traffic Changes Will Directly Impact the Proposed Project.** The recent traffic changes along Mission Street by the SFMTA forces mandatory right turns onto Cesar Chavez from Mission, and prohibits through traffic on Mission, which has added increased traffic on the surrounding residential streets. Much of the right turn traffic will then turn left at South Van Ness to This project will add 140 more households and significantly increase the traffic on Mission Street.
- **Luxury Housing Has Exacerbated the Demand for Affordable Housing.** A 2007 Nexus Study, commissioned by the Planning Department, (Exhibits, Page 108) concluded that the production of 100 market rate rental units generates a demand of 19.44 lower income households through goods and services demanded by the market rate tenants. [These conclusions were made in 2007, well before housing prices began their steep upward trajectory. Today, new “market rate” two bedroom apartments rented in the Mission begin at about \$6,000 per month – requiring an annual household income of \$240,000.] At the time, the PEIR anticipated a 15% inclusionary rate. The current Nexus study waiting to be released is expected to show a demand of 28 affordable units for every 100 built. With a 12% inclusionary rate, there is a need for 16 additional affordable units per hundred market rate units produced. (28 minus 12 = 16) This was not anticipated in the PEIR.

These changed circumstances render the current PEIR obsolete. A Community Plan Exemption is therefore not appropriate for this project and should not have been issued, due to new conditions that were not contemplated in the 2008 EN EIR, and the overbuilding of market rate units in the Mission, which have exceeded the unit count contemplated in the EN EIR.

V. The Department has Engaged in a Pattern and Practice of Allowing Community Plan Exemptions Despite the Fact that it is No Longer an Accurate Informational Tool to Evaluate the Environmental Impacts of a Project.

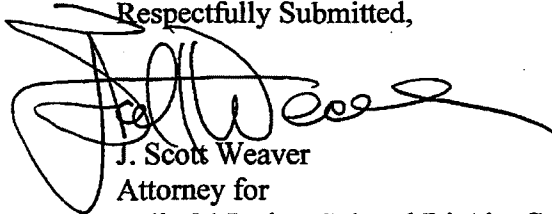
The improper grant of a Community Plan Exemption is part of a pattern and practice used by the City to approve residential development projects. The facts stated above demonstrate that this practice is improper as applied to proposed projects within both the Mission Area Plan and

the LCD. This is in violation of the mandates of CEQA and applicable state and local land use policies and regulations.

Employment of the community plan exemption routinely relies on an out of date Plan EIR that fails to account and/or provide adequate mitigation for significant direct, indirect, and cumulative environmental impacts. The City's policy to approve projects based upon a community plan exemption rather than conduct project level review forms a pattern of actions and/or is embedded in routine practices that are implemented despite the public's request to implement corrective measures and are a detriment to the environment. See *Californians For Native Salmon etc. v. Department of Forestry* (1990) 221 Cal.App.3d 1419, 1426-1430.

As such, the Board of Supervisors Should instruct the Department to refrain from using Community Plan Exemptions for projects within the boundaries of the mission Area Plan, including the LCD.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'J. Scott Weaver', is written over a horizontal line.

J. Scott Weaver
Attorney for
Calle 24 Latino Cultural District Council

JSW:sme

Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Monday, October 17, 2016 1:37 PM
To: jscottweaver@aol.com; peter.schellinger@lennar.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); Lew, Lisa (BOS); Vu, Doug (CPC); Hue, Melinda (CPC); BOS Legislation, (BOS)
Subject: Appeal Response: Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016
Categories: 161001

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from the Planning Department, concerning the Community Plan Exemption Appeal for the proposed project at 1515 South Van Ness Avenue.

[Planning Response - October 17, 2016](#)

The appeal hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on October 25, 2016.

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

[Board of Supervisors File No. 161001](#)

Thank you,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office

1 Dr. Carlton B. Goodlett Place, Room 244

San Francisco, CA 94102

(415) 554-7712 | Fax: (415) 554-5163

brent.jalipa@sfgov.org | www.sfbos.org



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

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

Carroll, John (BOS)

From: Hue, Melinda (CPC)
Sent: Monday, October 17, 2016 12:20 PM
To: BOS Legislation, (BOS)
Cc: Kern, Chris (CPC); Gibson, Lisa (CPC); Rodgers, AnMarie (CPC); Tam, Tina (CPC); Sucre, Richard (CPC)
Subject: Community Plan Exemption Appeal - 1515 South Van Ness Avenue
Attachments: Response to 1515 SVN Appeal_10172016.pdf
Categories: 161001

Clerk of the Board:

The Planning Department submitted a response to the Appeal of the Community Plan Exemption for 1515 South Van Ness Avenue to the Clerk of the Board at City Hall at 11:45 am today. The materials provided include:

- One (1) hard copy of the Appeal Response
- One (1) cd which includes:
 - an electronic file of the appeal response (Response to 1515 SVN Appeal_10172016.pdf)
 - an electronic file of the appeal (Appeal Ltr 091216.pdf)

Attached to this email is the electronic file of the appeal response (Response to 1515 SVN Appeal_10172016.pdf) that was included on the cd.

We received notification that the Appellant submitted another letter on 10/14. We are preparing a response to that letter and as I understand it, if we submit this to the Clerk by Thursday 10/20 at 3pm, the Clerk would distribute this to the appellants, project sponsor, and Board of Supervisors?

Please let me know if you have any questions.

Thanks!

Best,

Melinda

**Melinda Hue, AICP, LEED AP
Environmental Planner**

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Appeal of Community Plan Exemption 1515 South Van Ness Avenue Project

DATE: October 17, 2016

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
Chris Kern, Senior Environmental Planner – (415) 575-9037
Melinda Hue, Environmental Coordinator – (415) 575-9041

RE: File No. 161001, Planning Department Case No. 2014.1020ENV – Appeal of the Community Plan Exemption for the 1515 South Van Ness Avenue Project. Block/Lot: 6571/008, 001, and 001A

PROJECT SPONSOR: Peter Schellinger, LMC San Francisco Holdings, LLC – (415) 975-4982

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council – (415) 317-0832

HEARING DATE: October 25, 2016

ATTACHMENTS: A – September 12, 2016 appeal letter from J. Scott Weaver
B – Planning Commission Motion 19727 (Adoption)
C – Eastern Neighborhoods Capital Projects

INTRODUCTION

This memorandum and the attached documents are a response to the letter of appeal to the Board of Supervisors (the Board) regarding the Planning Department's (the "Department") issuance of a Community Plan Exemption (CPE) under the *Eastern Neighborhoods Rezoning and Area Plan Final*

Environmental Impact Report (“Eastern Neighborhoods PEIR or PEIR”)¹ in compliance with the California Environmental Quality Act (“CEQA”) for the 1515 South Van Ness Avenue Project (the “Project”).

The Department, pursuant to CEQA, the CEQA Guidelines, 14 Cal. Code of Reg. Sections 15000 *et seq.*, and Chapter 31 of the San Francisco Administrative Code, determined that the Project is consistent with the development density established by zoning, community plan, and general plan policies in the Eastern Neighborhoods Rezoning and Area Plans (the “Eastern Neighborhoods Area Plans”) for the project site, for which a Programmatic EIR was certified, and issued the CPE for the Project on July 12, 2016. The Department determined that the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the Project is therefore exempt from further environmental review beyond what was conducted in the CPE Checklist under CEQA in accordance with CEQA Section 21083.3 and CEQA Guidelines Section 15183.

The decision before the Board is whether to uphold the Planning Department’s determination that the Project is exempt from further environmental review (beyond what was conducted in the CPE Checklist) pursuant to CEQA Section 21083.3 and CEQA Guidelines Section 15183 and deny the appeal, or to overturn the Department’s CPE determination for the Project and return the CPE to the Department for additional environmental review.

PROJECT DESCRIPTION

The project site is located on the northern portion of a block bordered by South Van Ness Avenue, 26th Street, Shotwell Street, and Cesar Chavez Street in San Francisco’s Mission neighborhood. The project site currently includes a two-story, 34-foot-tall, 31,680-square-foot, production, distribution, repair (PDR) building (constructed in 1948) with a surface parking lot. The building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include the demolition of the existing building and the construction of a five- to six-story, 55- to 65-foot-tall (up to 75 feet tall with roof-top equipment), approximately 180,300-square-foot mixed-use building.

The proposed building would consist of 157 residential dwelling units and approximately 1,080 square feet of retail uses. The proposed project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). Usable open space would be provided in a courtyard, roof terrace and private patios. The proposed

¹ The Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

project would include a basement parking garage that would be accessed via an existing curb cut on Shotwell Street. The garage would include 79 parking spaces, two carshare spaces, and 150 Class I bicycle spaces. The proposed project would include eight Class II bicycle spaces provided on the sidewalks in front of the building entrances on South Van Ness Avenue and on 26th Street.

Proposed streetscape improvements would include planting of 23 street trees, installation of corner bulb-outs on the southeast corner of South Van Ness Avenue and 26th Street and on the southwest corner of Shotwell Street and 26th Street, and the removal of a curb cut on South Van Ness Avenue. A new 40-foot-long on-street loading space is also proposed on 26th Street to accommodate larger delivery vehicles. Two service vehicle parking spaces would be located in the garage to accommodate smaller delivery vehicles.

Construction of the proposed project is expected to last 23 months. Construction of the proposed project would require excavation of up to approximately six feet and the removal of about 4,800 cubic yards of soil.

SITE DESCRIPTION

The project site is approximately 35,714 square feet (sf) in size (about 0.8 acre) and consists of three lots bounded by 26th Street to the north, Shotwell Street to the east, South Van Ness Avenue to the west, and existing one- to two-story buildings to the south. The project site currently includes a two-story, 34-foot-tall, 31,680-square-foot, production, distribution, repair (PDR) building (constructed in 1948) with a surface parking lot. The building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco.

The uses immediately south of the project site include auto repair and supply shops located within single-story buildings. A project is currently proposed at 1296 Shotwell Street, directly southeast of the project site, involving the demolition of the existing building and construction of a nine-story building with 96 senior affordable housing residential units. Uses further south, across Cesar Chavez Street, include two- to four-story residential uses.

The areas to the west of the project site, across South Van Ness Avenue, include auto-related uses (gas station, auto repair), ground-floor retail and residential uses. Buildings range from one to three stories. A project is currently proposed at 3314 Cesar Chavez Street, west of the project site, involving the demolition of the existing building and the construction of a six-story building with 52 residential units and 1,740 square feet of commercial space.

The areas north of the project site, across 26th Street, include auto repair and residential uses. Buildings range from one to three stories as well. The areas east of the project site, across Shotwell Street, include a four-story residential development. The project site is within the Calle 24 Latino Cultural District (LCD), which was established by Board of Supervisors Resolution, File No. 140421 in May 2014. The project site is located within a half-mile of the 24th Street BART Station and Muni bus lines 14-Mission, 49-Van Ness/Mission, 12-Folsom/Pacific, and 27-Bryant.

ENVIRONMENTAL REVIEW PROCESS

The environmental evaluation application (Case No. 2014.1020ENV) for the Project was filed by the sponsor, Peter Schellinger of LMC San Francisco Holdings, LLC, on December 3, 2014. On July 12, 2016, the Department issued a CPE Certificate and Checklist, based on the following determinations:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

The Project was considered by the Planning Commission on August 11, 2016. On that date, the Planning Commission adopted the CPE with approval of the Project under Planning Code Sections 121.1 and 304 (Planned Unit Development), which constituted the Approval Action under Chapter 31 of the Administrative Code.

A Conditional Use Authorization was also approved under Planning Code Section 303 under the Mission 2016 Interim Zoning Controls. In accordance with the Mission 2016 Interim Zoning Controls, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR, the project sponsor prepared such additional analysis, which the Planning Commission reviewed and considered before approving the Conditional Use Authorization.² Prior to the Planning Commission hearing, the Project Sponsor revised the Project to increase the project's on-site affordable housing to 25 percent (resulting in 39 on-site affordable units). The Project was approved with the conditions that the Project Sponsor work with the Planning Department on the building design (Condition 7) and incorporate trade shop and other Code

² Mission 2015 Interim Controls Additional Findings for 1515 South Van Ness Ave. Case No. 2014.1020CUA, submitted to Doug Vu, San Francisco Planning Department.

compliant uses consistent with the Latino Cultural District (Condition 8). (See Attachment B to this Appeal Response - Planning Commission Motion No. 19727)

On September 12, 2016, an appeal of the CPE determination was filed by J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council (Appellant). The four page appeal letter from the Appellant is included as Attachment A to this appeal response. The Appellant's letter also included 591 pages of materials that are provided with the appeal letter which are included as "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001.

CEQA GUIDELINES

Community Plan Exemptions

CEQA Section 21083.3 and CEQA Guidelines Section 15183 mandate that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, shall not require additional environmental review except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR. Guidelines Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR; or d) are previously identified significant effects which, as a result of substantial information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Guidelines Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, has been addressed as a significant effect in the prior EIR, or can be substantially mitigated by the imposition of uniformly applied development policies or standards, then an additional EIR need not be prepared for that project solely on the basis of that impact.

Significant Environmental Effects

In determining the significance of environmental effects caused by a project, CEQA Guidelines Section 15064(f) states that the decision as to whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15064(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: “The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption.”

San Francisco Administrative Code Section 31.16(b)(6) provides that in reviewing an appeal of a CEQA decision, the Board of Supervisors “shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts, evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions.”

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The four-page appeal letter from the Appellant (Attachment A to this appeal response) incorporated previous letters from the Appellant that were submitted to the Planning Commission (August 3, 2016) and to Planning Staff (June 3, 2016 and October 23, 2015), and a variety of studies and reports in support of the appeal. These three letters are attached as Exhibit D to the Appellant’s appeal letter and may be found on pages 46 through 56, 484 through 486, and 588 through 589 of the pdf file named “Appeal Ltr 091216.pdf” on the cd disk or online as part of Board of Supervisors File No. 161001³. The extensive additional materials attached to the Appellant’s appeal letter are also included on “Appeal Ltr 091216.pdf” on the cd disk or online as part of Board of Supervisors File No. 161001. The four-page appeal letter contains seven bulleted items expressing the general basis for the appeal. These seven general concerns are listed in order below as Concerns 1 through 4 (the second, fourth, and fifth bulleted item is included under the discussion for Concern 1).

Concern 1: The Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR’s analyses and determinations can no longer be relied upon to support the claimed exemption in the areas of, inter alia, direct, indirect, and cumulative impacts to: land use, consistency with area plans and policies, recreation and open space, traffic and circulation, transit and transportation, health and safety, and impacts relative to the Calle 24 Latino Cultural District.

Response 1: The appeal does not identify new substantial information that was not known at the time the Eastern Neighborhoods PEIR was certified establishing that the Project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR or in more severe adverse impacts than discussed in the PEIR. Therefore, under CEQA Guidelines Section 15183, an additional EIR shall not be

³ <https://sfgov.legistar.com/View.ashx?M=F&ID=4683206&GUID=55290F2D-1FD9-4195-8879-B039110E778C>

prepared for the project. Additionally, absent a change in the Eastern Neighborhoods Rezoning and Area Plans, reopening the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA.

The Appellant alleges that the Department's determination to issue a CPE for the Project is invalid because substantial changes have occurred with respect to the circumstances under which the Eastern Neighborhoods Area Plans were approved due to the involvement of new significant environmental effects and a substantial increase in the severity of previously identified significant effects in the Eastern Neighborhoods PEIR. Bullet four of the Appellant's appeal letter states:

"Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report."

In order to provide context for the response to this concern, a brief review of the Eastern Neighborhoods PEIR and discussion of CEQA's requirements for when a certified EIR must be revised is provided, before addressing the appeal's concerns with significant new environmental effects and increased severity of significant effects that were previously identified in the Eastern Neighborhoods PEIR.

Eastern Neighborhoods PEIR and the Project CPE

Eastern Neighborhoods PEIR

As discussed on pages 3 and 4 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines Section 15168, a program EIR:

... is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the Lead Agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork.

Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

The Eastern Neighborhoods PEIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a “No Project” alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR.

As discussed on page 5 of the CPE Checklist, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. Mitigation measures were identified that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines Sec 15162(c) establishes that once a project, in this case the Eastern Neighborhoods Rezoning and Area Plans, is approved:

“[T]he lead agency’s role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any.” [Emphasis added.]

Thus, even if the Appellant’s unsubstantiated claims that the build-out of development consistent with the adopted rezoning and area plans somehow constituted new information or changed circumstances resulting in new or more severe impacts on the physical environment than previously disclosed (i.e., the conditions described in subdivision (a) of CEQA Guidelines section 15162), the Eastern Neighborhoods PEIR would remain valid under CEQA. Simply stated, unless and until the Eastern Neighborhoods Rezoning and Area Plans themselves are amended or revised, the reopening of the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA.

Project CPE

As discussed above, under the Community Plan Exemptions section, CEQA Guidelines Section 15183 limits future environmental review for projects consistent with the development density established by

the Eastern Neighborhoods Rezoning and Area Plans, and lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR. Per CEQA Guidelines Section 15183, “this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.” That is, lead agencies are not to reanalyze impacts that are attributable to the project site being developed consistent with the Eastern Neighborhoods Rezoning and Area Plans.

In accordance with CEQA Guidelines Section 15183, a project-level environmental review was undertaken as documented in the CPE Checklist to determine if the 1515 South Van Ness project would result in additional impacts specific to the development proposal, the project site, and if the proposed development would be within the development projections and the 20-year timeframe that the Eastern Neighborhoods PEIR analyzes, so as to assess whether further environmental review is required.

The CPE Checklist fully described the proposed project (consistent with CEQA Guidelines Section 15124), its environmental setting (consistent with CEQA Guidelines Section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines Section 15126). Consistent with CEQA Guidelines Section 15183, the CPE Checklist evaluated whether the proposed project would result in significant impacts that: (1) are peculiar to the project or project site; (2) were not identified as significant project-level, cumulative, or off-site effects in the Eastern Neighborhoods PEIR; or (3) are previously identified significant effects, which as a result of substantial new information that was not known at the time that the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR.

Impacts to the environment that might result with implementation of the Project were analyzed in the CPE Checklist according to the project’s potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and substantial evidence in the form of topic-specific analyses. Consistent with CEQA Guidelines Section 15130, the CPE Checklist also includes analysis of the proposed project’s potential cumulative impacts for each environmental topic. The CPE Checklist prepared for the Project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific studies related to historical resources, transportation, noise, and wind were prepared for the Project to determine if it would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

The CPE Checklist determined that the proposed project would not have a significant impact that was not previously identified in the Eastern Neighborhoods PEIR for all CEQA Guidelines Appendix G environmental topics. The CPE Checklist identified (and updated as needed to conform with current Planning Department practices) five Mitigation Measures from the Eastern Neighborhoods PEIR to be applied to the Project to avoid impacts previously identified in the PEIR with regard to archeological resources, noise, and hazardous materials. Additionally, per CEQA Guidelines 15183, “(a)n effect of a

project on the environment shall not be considered peculiar to the project or the parcel...if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects.”

As discussed on page 8 of the CPE Checklist, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include, but are not limited to:

- State statute regarding Aesthetics, Parking Impacts, effective January 2014, and state statute and Planning Commission resolution regarding automobile delay, and vehicle miles traveled, (VMT) effective March 2016 (see CPE checklist page 10);
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 2016;
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka “Muni Forward”) adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, the Transportation Sustainability Program process, and state statute and Planning Commission resolution regarding automobile delay, and vehicle miles traveled (VMT) effective March 2016 (see CPE Checklist section “Transportation and Circulation” starting on page 18);
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment effective June 2015 (see Checklist section “Noise”);
- San Francisco ordinances establishing Construction Dust Control, effective July 2008 (see CPE Checklist section “Air Quality” starting on page 32) and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014;
- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see CPE Checklist section “Recreation” starting on page 38);
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see CPE Checklist section “Utilities and Service Systems” starting on page 40);
- Article 22A of the Health Code amendments addressing soil and groundwater contamination, effective August 2013 (see CPE Checklist section “Hazardous Materials” starting on page 45); and
- San Francisco’s “Strategies to Address Greenhouse Gas Emissions”, a greenhouse gas (GHG) emissions reduction strategy prepared November 2010 (See CPE Checklist section “Greenhouse Gas Emissions” starting on page 34).

In summary, project-level environmental review was conducted, as documented in the CPE Checklist, in accordance with CEQA Guidelines 15183, which limits any further environmental review for projects, like 1515 South Van Ness Avenue, that are consistent with the development density established by existing

zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR. The environmental analysis in the CPE Checklist concluded that, with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR. Therefore, per CEQA Guidelines Section 15183, no further environmental review may be required, and a Community Plan Exemption was issued based on the environmental analysis in the CPE Checklist.

Per CEQA Guidelines Section 15183, if an impact is not peculiar to the parcel or to the project, has been addressed as a significant effect in the prior EIR *or* can be substantially mitigated by the imposition of uniformly applied development policies or standards, then an additional EIR **shall not** be prepared for the project solely on the basis of that impact.

Concern 1 alleges that substantial changes with respect to the circumstances under which the Eastern Neighborhoods Area Plans has been undertaken have occurred, including growth that has exceeded that which was considered in the Eastern Neighborhoods PEIR, the pace of that growth, impacts associated with displacement of existing residents and businesses, and the establishment of the Calle 24 Latino Cultural District. Concern 1 also alleges that there have been substantial increases in the severity of previously identified significant effects including (as noted above), in relation to traffic and transit, parking, air quality, loss of PDR space, hazardous materials, and cultural resources. These concerns are responded to as follows:

Population and Housing

In its assertion that the Eastern Neighborhoods PEIR no longer fully discloses the cumulative impacts of Eastern Neighborhood projects, the Appellant states on page 2 of his Appeal Letter (Attachment A):

“The PEIR’s projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., ‘past, present, and reasonably foreseeable probable future projects.’(Guidelines, § 15355)”

The Appeal Letter incorporates by reference a letter submitted by the Appellant to the Planning Commission on August 3, 2016, which states:

“The cumulative housing production in the Mission (built and in the pipeline) now exceeds projections under any of the three scenarios envisioned when the Eastern Neighborhoods Plan [was] created. According to Planning Department Data projects containing 2,451 housing units have either been completed or are under environmental review as of 2/23/16. Option A of the PEIR envisioned 782 units, Option B 1,118 units and

Option C 2[,]054 units, with a Preferred Project at 1[,]696 units.” (page 51 in file “Appeal Ltr 091216.pdf” on the cd disk or online as part of Board of Supervisors File No. 161001)

“The proposed project at 1515 South Van Ness Avenue consists of approximately 159 units, of which 19, [are below] “market rate”. These units will cater to residents earning 200% AMI, as compared to the 50% AMI of the residents of the immediate area. There are numerous other market rate projects currently in the pipeline within the LCD that will likewise impact the neighborhood. They are: 2675 Folsom Street (98 “market rate” units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 2918 Mission St. (38), 1298 Valencia St. (35), 2600 Mission (20). Two blocks from the LCD is 2000-2070 Bryant Street (195 units), giving a total of 666 “market rate” units in the immediate area. Proper assessment of the proposed project therefore requires examination of the cumulative impacts of the above listed projects.” (page 46 in file “Appeal Ltr 091216.pdf” on the cd disk or online as part of Board of Supervisors File No. 161001)

The status of development and population growth under in the Eastern Neighborhoods Plans and the Mission Plan Area as of February 23, 2016 is discussed under “Changes in the Physical Environment” on pages 8 and 10 of the CPE Checklist. The discussion begins by noting that the Eastern Neighborhoods PEIR projected that implementation of the Eastern Neighborhoods Plans could result in an increase of approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) through the year 2025, resulting in a total population increase of approximately 23,900 to 33,000 people.

Nowhere in the Eastern Neighborhoods PEIR is it stated or implied that the projections were intended as a cap or limit to growth within the areas that would be subject to the Eastern Neighborhoods Plans. The growth projections were based upon the best estimates available at the time the Eastern Neighborhoods PEIR was prepared. Regardless, and as discussed below, growth under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR. As of February 23, 2016, projects containing 9,749 dwelling units and 2,807,952 square feet of non-residential space (excluding PDR loss) have completed environmental review or are currently undergoing environmental review within the Eastern Neighborhoods plan areas, corresponding to an overall population increase of approximately 23,760 to 25,330 persons. Of the 9,749 dwelling units that are under review or have completed environmental review, building permits have been pulled for 4,829 dwelling units,⁴ or approximately 50 percent of those units (information is not

⁴ This number includes all units approved under CEQA for projects anticipated by the Eastern Neighborhoods PEIR (including CPEs and other types of CEQA documents). Once a project has been approved under CEQA, the building permit process must still

available regarding building permits for non-residential square footage). Thus, the number of units approved, let alone constructed, is well below the PEIR projection. The discussion in the CPE Checklist notes that the Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in an increase of 800 to 2,100 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss), corresponding to an overall population increase of approximately 4,720 to 12,210 persons. As of February 23, 2016, projects containing 2,451 dwelling units and 355,842 square feet of non-residential space (excluding PDR loss), including the 1515 South Van Ness Avenue project, had been completed, approved or are proposed to complete environmental review within the Mission Plan Area, corresponding to an overall population increase of 8,765 to 10,650 persons. Of the 2,451 dwelling units that are under review or have completed environmental review, building permits have been pulled for 1,340 dwelling units, or approximately 55 percent of those units, well below the PEIR projection.

The growth projections were used as analytical tool in the PEIR to contextualize the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.) and analyzed impacts based on this total development amount. Although the number of foreseeable dwelling units in the Mission plan area may exceed the range of residential development anticipated by the Eastern Neighborhoods PEIR by approximately 350 dwelling units (should all proposed projects be approved and constructed), the total amount of foreseeable non-residential space is well below the maximum evaluated in the Eastern Neighborhoods PEIR, as is the overall population increase. Therefore, while more residential development has occurred, less non-residential development has occurred, and the total development amount and estimated population increase assumed in the PEIR has not been exceeded.

The CPE Checklist on page 10 correctly concluded:

“In summary, projects proposed within the Eastern Neighborhoods Plan Areas have not exceeded the overall population growth that was projected in the Eastern Neighborhoods PEIR; therefore, foreseeable growth within the plan areas do not present substantial new information that was not known at the time of the PEIR and would not result in new significant environmental impacts or substantially more severe adverse impacts than discussed in the PEIR.”

As pointed out on page 10 of the CPE Checklist, the Eastern Neighborhoods PEIR utilized growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment;

be completed. When used in the context of a building permit, the term “pulled” encompasses the different levels of review a permit undergoes from when it is filed (application accepted) to complete (project has been constructed). According to Current Planning staff, projects that are under construction can take up to two years before they are completed and ready for occupancy.

Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water.

However, the CPE checklist prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site. The project- and site-specific analysis contained in the CPE checklist is based on updated growth projections and related modelling to evaluate project-level and cumulative impacts on traffic and transportation, air quality, and greenhouse gases.

For example, as discussed on page 19 of the CPE Checklist, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Checklist conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using a run of the San Francisco County Transportation Authority's (Transportation Authority) San Francisco Activity Model Process (SF-CHAMP) and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on page 33 of the CPE Checklist, the Project's air quality impacts were screened using screening criteria established by the Bay Area Air Quality District in 2011 and screened using the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative PM2.5 concentration and cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on page 35 of the CPE Checklist, the Project's greenhouse gas emissions impacts were evaluated against consistency with San Francisco's GHG Reduction Strategy, a strategy that has resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan

Loss of PDR

The Appeal incorporates by reference a letter submitted by the Appellant to Planning Staff on October 23, 2015, which includes a reference to the "excessive conversion of PDR uses" not anticipated by the Eastern Neighborhoods PEIR (page 486 in file "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001).

"Accordingly, there is significant new information that was not anticipated at the time the Programmatic EIR was prepared. This includes, but is not limited to: ...5) The excessive conversion of PDR."

The loss of PDR space resulting from implementation of the Eastern Neighborhoods Plans was found to be a significant and unavoidable impact in the Eastern Neighborhoods PEIR. The Eastern Neighborhoods

PEIR analyzed a range of potential rezoning options and considered the effects of losing between approximately 520,000 to 4,930,000 square feet of PDR space in the Plan Area through the 2025 (compared to an estimated loss of approximately 4,620,000 square feet of PDR space in the Plan Area under the No Project alternative). As of February 23, 2016, projects resulting in the removal of 1,715,001 and 273,073 net square feet of PDR space within the Eastern Neighborhoods and Mission Plan areas, respectively, have completed or are proposed to complete environmental review. Therefore, the potential loss of PDR space from development completed and proposed since adoption of the Eastern Neighborhoods Plan is well within the range assumed in the PEIR of 520,000 to 4,930,000 square feet.

Moreover, neither the Eastern Neighborhoods Area Plans nor the Eastern Neighborhoods PEIR caps the conversion of PDR at 4,930,000 square feet. The loss of 520,000 to 4,930,000 square feet of PDR loss assumed in the PEIR is a projection that the Planning Department used to evaluate whether adoption of the Plan would have a significant impact on land use. The validity of the PEIR does not depend on actual build out under the adopted plan precisely tracking with the growth projections underlying the analysis. For the purposes of CEQA, it is sufficient that the PEIR disclosed that adoption of the plan would have a significant and unavoidable cumulative impact on land use due to the loss of PDR space. The loss of PDR space was the central issue of the Eastern Neighborhoods PEIR and adoption of the Eastern Neighborhoods Area Plans. It was the subject of substantial public comment and review, and of lengthy public hearings before the Planning Commission and the Board of Supervisors. Even if PDR loss exceeded the projections used to evaluate land use impacts in the PEIR, which is not the case, it would not follow that major revisions to the Eastern Neighborhoods PEIR would be required in order to inform the public and decision-makers about the impacts of the Eastern Neighborhoods Area Plans on land use due to the loss of PDR.

As discussed on page 12 of the CPE Checklist, development of the proposed project would result in the net loss of approximately 31,680 square feet of PDR building space. The Project site was zoned NC-3 (Moderate-Scale Neighborhood Commercial District) prior to the rezoning of Eastern Neighborhoods, which did not encourage PDR uses and was rezoned to Mission Street NCT (Neighborhood Commercial Transit), which does not allow PDR uses. Moreover, the PDR business that vacated the Project site in December 2015, McMillan Electric a local electrical contractor, has relocated to a new location at 1950 Cesar Chavez Street in San Francisco, which means the existing PDR business remains in operation within San Francisco, and in close proximity to its prior location. The Project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). As determined on page 13 of the CPE Checklist, the conversion of the existing PDR use to a mixed-use residential use would not contribute to the significant and unavoidable cumulative land use impact identified in the Eastern Neighborhoods PEIR.

Housing Prices, Changing Economic Conditions and Displacement

The Appellant asserts that the high cost of housing and consequent displacement of residents and businesses represent substantial changes to the circumstances considered in the Eastern Neighborhoods PEIR. In his August 3, 2016, letter to the Planning Commission (Appeal Letter Exhibit D), the Appellant states: (see page 49 in file "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001)

"Unfortunately, circumstances have rendered the 2008 PEIR out of date and it cannot be a reliable measure of environmental impacts of market rate development in the Mission. It is well recognized that the Mission has already experienced extensive displacement of its residents, so much so, that it is now in an advanced stage [of] gentrification."

In his August 3, 2015 letter, the Appellant also provides a bullet list of seven items as evidence of changing demographics and economic conditions in the Eastern Neighborhoods and Mission Plan areas purported to represent changed circumstances not considered by the Eastern Neighborhoods PEIR. The Appellant states on page 3 of his Appeal letter (Attachment A):

"...Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle buses have not been considered."

A number of studies and reports are attached to the Appellant's letter relating to gentrification and displacement in the Mission District⁵ and to issues such as the health effects of gentrification,⁶ the effects

⁵ For example, "Displacement in the Mission District," City and County of San Francisco Board of Supervisors, Budget and Legislative Analyst, October 27, 2015 (pages 439 through 482 or Mr. Weaver's letter on cd disk); "Analysis of Small Business Displacement," City and County of San Francisco Board of Supervisors, Budget and Legislative Analyst, October 10, 2014 (pages 206 through 224); "Case Study on Gentrification and Displacement Pressures in the Mission District of San Francisco, CA," Center for Community Innovation, University of California, Berkeley, June 2015 (pages 298 through 340); and "Housing Production, filtering and Displacement: Untangling the Relationships," Institute of Governmental Studies, University of California, Berkeley, May 2016 (pages 341 through 352).

⁶ For example, "The Public Health Costs of Traffic Congestion," Harvard School of Public Health, 2010 (pages 279 through 297 of Mr. Weaver's letter on the cd disk).

of long-distance commuting,⁷ and an examination as to whether wealthier individuals own more cars and drive more.⁸

While the studies relating to gentrification and displacement in the Mission District present a discussion of whether or not displacement is occurring, it presents no information tying the cause of displacement to the 1515 South Van Ness Avenue Project or to the Eastern Neighborhoods Rezoning and Area Plans, nor do they demonstrate that displacement has resulted in new or substantially more severe significant impacts on the physical environment than were disclosed in the Eastern Neighborhoods PEIR.

Citing CEQA Guidelines Section 15064(e) the Appellant argues: "Should the project proceed, it will cause significant economic and social changes in the immediate area that will result in physical changes, not the least of which is displacement of residents and business which will affect air quality, traffic and transportation as negative impacts on the Cultural District (See CEQA guidelines, 15604(e))."

Pursuant to CEQA Guidelines Sections 15131 and 15064(e), economic and social impacts are separate from environmental impacts and generally not studied in environmental analyses unless there is substantial evidence of related physical impacts on the environment. Section 15064(e) states in part:

Economic and social changes resulting from a project shall not be treated as significant effects on the environment. Economic or social changes may be used, however, to determine that a physical change shall be regarded as a significant effect on the environment. Where a physical change is caused by economic or social effects of a project, the physical change may be regarded as a significant effect in the same manner as any other physical change resulting from the project.

Substantial evidence is not provided in the Appeal as to how and in what way displacement results in a physical impact on the Project's environmental setting. Nor is substantial evidence provided to support the assertion that the development of new housing units pursuant to the Eastern Neighborhoods or Mission Area Plans are causing displacement. In particular, the Appellant does not establish a causal link between gentrification and displacement and the Project, or to a significant environmental impact that would result with implementation of the Project that was not previously considered in the Eastern Neighborhoods PEIR. Regardless, the Appellant alleges that impacts upon air quality, greenhouse gases, traffic and transportation will result. The Project's potential impacts with regard to each of these topics are analyzed in the CPE Checklist on the basis of information and data prepared by qualified consultants

⁷ For example, "*Transit Oriented Development and Affordable Housing*," Association of Bay Area Governments, No Date (pages 243 through 278 of Mr. Weaver's letter on the cd disk).

⁸ "*Why Creating and Preserving Affordable Homes Near Transit is a Highly Effective Climate Protection Strategy*," California Housing Partnership Corporation, No Date (pages 226 through 240 of Mr. Weaver's letter on the cd disk).

and the Appellant provides no substantial evidence to support his claim. Mitigation measures from the Eastern Neighborhoods PEIR and uniformly applied development standards and policies have been imposed on the project as determined appropriate.

In regards to the Appellant's comment that displaced businesses merit consideration under CEQA, the CPE Checklist provides a complete analysis of the effects of removing the existing structures at the project site, including potential impacts with regards to hazardous materials, loss of historic resources, and construction traffic and noise, and air quality. The CPE imposes mitigation measures from the Eastern Neighborhoods PEIR as appropriate for control of hazardous materials during and after demolition and construction noise.

Finally, Section IV.D of the Eastern Neighborhoods PEIR provides an analysis of potential impacts related to population, housing, business activity and employment according to whether the rezoning options would:

- Induce substantial growth or concentration of population,
- Displace a large number of people (involving either housing or employment), or
- Create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply.

As discussed above, the Eastern Neighborhoods PEIR notes that economic or social effects of a project are not treated as significant effects on the environment unless social or economic changes brought about by a project result in substantial adverse physical changes. The Eastern Neighborhoods PEIR evaluates the potential of the proposed rezoning options to displace existing residents and businesses (see pages 243 through 249 of the PEIR). On page 249, the Eastern Neighborhoods PEIR concludes that "the increase in population that would be expected to occur as a secondary effect of the proposed rezoning and adoption of the proposed area plans would not, in itself result in adverse physical effects, and would serve to advance some key City policy objectives..." With regard to residential displacement, the Eastern Neighborhoods PEIR states on page 250 that:

"none of the proposed project options would directly result in displacement of residents...each of the proposed rezoning options would result in less displacement as a result of housing demand than otherwise expected under the No-Project scenario, because the addition of more new housing in the Eastern neighborhoods would provide some relief for housing market pressures without directly affecting existing residents."

With regards to the displacement of businesses, the Eastern Neighborhoods PEIR similarly concludes on page 250 that

"none of the proposed project options would directly result in displacement of businesses or employment. However, all of the proposed rezoning options would reduce

the land supply otherwise available under existing zoning and No-Project conditions for PDR uses, contributing to eventual displacement of some existing PDR business activity and employment.”

Thus, the Eastern Neighborhoods PEIR disclosed potential impacts with regards to residential and business displacement with the rezoning options but determined they would be less-than-significant in terms of the three criteria noted above.

Traffic

In his October 23, 2015 letter to the Planning Department, incorporated in Exhibit D in the Appeal Letter, the Appellant states: (see page 486 in file “Appeal Ltr 091216.pdf” on the cd disk or online as part of Board of Supervisors File No. 161001)

“Traffic and parking are also a significant issue. The project site is one half block away from Cesar Chavez Street, a major thoroughfare used by commuters going to or from Highways 101, 280 and Bayshore Boulevard. South Van Ness Avenue is also a major thoroughfare for those traveling in a northerly or southerly direction. The addition of 160 new households will significantly increase traffic along these corridors, and exacerbate parking in the neighborhood. The Department should also consider alternative measures for mitigation of these impacts.”

Additionally, as discussed above, the Appellant notes several “transportation scenarios” not anticipated by the Eastern Neighborhoods PEIR, including “increased traffic due to reverse commutes and shuttle buses” and “upper income residents” who allegedly “are twice as likely to own a car and half as likely to use public transit.” No substantial evidence was presented in support of these allegations.

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the San Francisco County Transportation Authority (SFCTA) countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

“[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed

Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario.”

As pointed out on page 19 of the CPE Certificate for the Project, significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for transportation and circulation (specifically, traffic and transit).⁹ The Appellant provides no evidence that traffic conditions in the area of the Project today represent “changed circumstances” necessitating further environmental review beyond what was conducted in the CPE Checklist, nor does he identify specific significant transportation and circulation impacts that would result from the Project that were not already analyzed in the PEIR.

As stated on page 23 of the CPE Checklist, the Project’s potential impacts with respect to transportation and circulation were analyzed and presented in a comprehensive Transportation Impact Study (see footnote 26 on page 23). As discussed on page 19 of the CPE Checklist, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Checklist conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using a SF-CHAMP model run and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

The potential transportation and circulation impacts of the Project are evaluated under Topic 4 of the CPE Checklist (pages 18 through 29). As discussed on page 10-11 and 19 of the CPE Checklist, the City (with the Planning Commission’s adoption of resolution 19579 on March 3, 2016) no longer considers automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, to be a significant impact on the environment under CEQA. Consistent with resolution 19579, the CPE Checklist provides an analysis of the Project’s anticipated project-specific and cumulative contribution to Vehicle Miles Travelled (VMT) and induced automobile travel. In both instances, the analysis determined that the Project would not result in a significant project-specific or cumulative impact. Similarly and as also discussed on page 10 of the CPE Checklist (under Aesthetics and Parking), the Project qualifies as an infill project: it is in a transit priority area, it is on an infill site, and it is a mixed-use residential project. Consistent with CEQA Section 21099, aesthetics and parking are not considered as significant environmental effects for such infill projects.

⁹ In other words, the Eastern Neighborhoods PEIR did anticipate significant and unavoidable impacts related to traffic congestion and transit (see pages S-17 through S-22).

The Transportation and Circulation section provides a comprehensive analysis of the Project's anticipated trip generation and its potential effects on transit, pedestrians, bicyclists, loading, and construction traffic. The analysis is based upon the Transportation Impact Study (TIS) prepared for the proposed project (as stated above) and the analysis and conclusions presented in the Eastern Neighborhoods PEIR. On the basis of the substantial evidence provided by the TIS and an analysis of the Project's potential transportation and circulation effects in relation to the Eastern Neighborhoods PEIR, the CPE Checklist concluded (on page 29) that the Project "would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to transportation and circulation and would not contribute considerably to cumulative transportation and circulation impacts that were identified in the Eastern Neighborhoods PEIR."

the Appellant's contention that the environmental analysis in the CPE Checklist is flawed because the Eastern Neighborhoods PEIR did not consider traffic and transportation effects resulting from displacement is not based upon substantial evidence; the various reports and studies included with the Appellant's letter do not provide specific technical analysis connecting displacement in the Mission District with observable traffic and transportation effects (noting again that traffic congestion is no longer considered an impact under CEQA).

Calle 24 Latino Cultural District

The Appellant states on page 2 of his Appeal Letter (Attachment A):

"The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was not designated at the time the PEIR was prepared.

Pages 15 through 17 of the CPE checklist provide a comprehensive analysis of the Project's potential impacts with respect to Historic Architectural Resources. The analysis is based on the Historic Resources Evaluation (HRE) prepared by Bridget Maley, a qualified historic resource consultant and additional research conducted by Planning Department Preservation staff (See footnotes 13 and 14 on page 15 of the CPE Checklist). Substantial evidence provided by the HRE and Preservation Team Review forms an analysis of the Project's potential historic architectural resources effects in relation to the Eastern Neighborhoods PEIR. Based on that evidence, the CPE Checklist correctly concluded (on page 17) that the Project "would not result in significant impacts on historic architectural resources that were not identified in the Eastern Neighborhoods PEIR."

As discussed on page 16-17 of the CPE Checklist, the Project is located within the Calle 24 Latino Cultural District. The Calle 24 Latino Cultural District Report on the Community Planning Process Report (Calle 24 LCD Report) (incorporated in Exhibit D in the Appeal Letter, page 179 in file "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001) defines a cultural district as a region and community linked together by similar cultural or heritage assets, and offering a visitor experiences that showcase those resources. The Calle 24 LCD Report in Appendix L identifies a number

of cultural assets and art within the LCD. The list of these cultural assets fall under the following themes: (1) Cultural Events; (2) Arts and Culture - Installations and Public Art, Organizations and Venues, and Retail; (3) Religion; Services and Non-Profits; (4) Food and Culinary Arts; and (5) Parks.

The purpose of the Calle 24 LCD is to recognize, promote, and preserve cultural assets of the LCD. However, the Calle 24 LCD is not a historic district and, as such, is not a historic resource as defined by CEQA. Unlike historic districts that are locally designated or listed on the National or State registers, the LCD was not established through a formal survey by a consultant or Planning Department staff member meeting the Secretary of the Interior's Professional Standards. The LCD Report does not include a statement of significance addressing eligibility for listing on either the California or National Registers, nor was the LCD adopted as a historic district by the Historic Preservation Commission. While there may be properties within the LCD that may qualify as historic resources, either individually or as part of smaller potential historic districts, under CEQA the Calle 24 LCD is not a historic district under CEQA.

The South Mission Historic Resource Survey (adopted in 2011) surveyed the area within the LCD and did identify several smaller potential historic districts within the LCD boundaries that include the national register-eligible Shotwell Street Victoriana and the following California register-eligible historic districts: South Mission Avenues and Alleys; East Mission Florida-to-Hampshire Streets; Horner's Addition East; Gottlieb Knopf Block; Von Schroeder-Welsh Block; 23rd Street Shops and Row-Houses; Alabama Street Pioneers; Hampshire Street False-Fronts; Juri Street; Olsen's Queen Anne Cottages; O'Donnell-Fowler Homes; and Orange Alley Stables and Lofts. The project site is not located within or near any of those national register-eligible or California register-eligible historic districts and as such, will not cause an impact to these historic districts.

As discussed on page 17 of the CPE Checklist, the existing building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The existing building and its use are not listed as cultural assets in the Calle 24 LCD Report nor do the uses fall under any of the cultural asset themes presented in the Calle 24 LCD Report. Therefore, even if displacement of a cultural asset would result in a significant impact on the environment under CEQA, the proposed project would not displace a cultural asset.

In its August 3, 2016 letter to the Planning Commission (see page 50 of file "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001), the Appellant states:

"Notably with respect to this proposed project, the PEIR did not, nor could it have considered the impact of a project on the LCD because the LCD did not exist at the time. Where, as here, the offsite or cumulative impacts were not discussed in the prior PEIR, the exemption provided by Section 15183 does not apply. (See 15183(j))"

First, because the LCD is not a historic resource, as noted above, the creation of the LCD has no impact on the PEIR analysis and is not new information. Second, CEQA Guidelines Section 15183 limits the Project's

environmental review, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. CEQA Guidelines Section 15183(j) states that:

Section 15183 does not affect any requirement to analyze potentially significant offsite or cumulative impacts if these impacts were not adequately discussed in the prior EIR. If a significant offsite or cumulative impact was adequately discussed in the prior EIR, then this section may be used as a basis for excluding further analysis of that offsite or cumulative impact.

The environmental analysis in the CPE Checklist was undertaken in accordance with Section 15183, including subsection 15183(j) as cited by the Appellant. The CPE Checklist includes project-specific environmental review, as summarized above, and determines that the project would not result in significant historic architectural resources impacts that: (1) are peculiar to the project or parcel; (2) were not analyzed as significant effects in the Eastern Neighborhoods PEIR; (3) are off-site or cumulative impacts that weren't addressed in the Eastern Neighborhoods PEIR; or (4) are substantially more severe significant impacts than discussed in the Eastern Neighborhoods PEIR. Therefore, per CEQA Guidelines 15183, a Community Plan Exemption was issued and further environmental review shall not be required for the project.

Substantial evidence is not provided in the Appeal to show that the LCD is a historical resource under CEQA, and how and in what way the Project would result in a significant offsite historic architectural resources impact. Nor is substantial evidence provided to support that the Project would result in a significant cumulative impact not discussed in the Eastern Neighborhoods PEIR. The Project's potential impacts with regard to these impacts are analyzed in the CPE Checklist on the basis of information and data prepared by qualified consultants and the Appellant provides no substantial evidence to support his claim.

Conclusion

On page 3 of the Appeal Letter, the Appellant states: "The City is engaging in a pattern and practice of approving residential projects in the Mission based on a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review." This is incorrect. The Planning Department properly relies upon CEQA Guidelines Section 15183 to determine if additional environmental review is required for projects that are consistent with the development density established under existing zoning, community plans, or general plan policies, including the Eastern Neighborhoods Plan, for which an EIR was certified. In accordance with this provision of the CEQA Guidelines, additional environmental review **shall not** be required for such projects except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The project-level environmental review in the CPE Checklist determined that the Project would not result in significant effects which are peculiar to the project or its site that were not previously disclosed in the Eastern Neighborhoods PEIR.

The Appellant does not provide substantial evidence to support the contention that the Project would result in significant effects which are peculiar to the project or its site and that were not previously disclosed in the Eastern Neighborhoods PEIR. The Eastern Neighborhoods PEIR did consider the effects of displacement of residents and businesses as a result of the rezoning options considered and found those impacts to be less-than-significant. Contrary to the Appellant's assertion, growth in the Eastern Neighborhoods and Mission Plan areas (as measured by dwelling units and population) do not represent a new significant environmental effect or increased severity of an environmental effect analyzed in the Eastern Neighborhoods PEIR, such that a project-specific EIR would need to be prepared.

Concern 2: The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.

Response 2: The Appellant's contentions concerning community benefits are not valid grounds for an appeal of the CPE because they do not demonstrate that the Project would result in significant effects which are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR.

As stated above, CEQA Section 21083.3 and CEQA Guidelines Section 15183 mandate that projects that are consistent with the development density established under existing zoning, community plans, or general plan policies for which an EIR was certified shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. The Appellant's contentions concerning the funding and implementation of community benefits do not demonstrate that the project would result in significant effects which are peculiar to the project or its site that were not disclosed in the Eastern Neighborhoods PEIR. Therefore, these contentions do not form a valid ground for an appeal of the determination that the project qualifies for a CPE. For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and Statement of Overriding Consideration for the adoption of the Eastern Neighborhoods Area Plans is provided.

The Appellant does not specify which community benefits "have not been fully funded, implemented or are underperforming..." or which findings and determinations for the Project "rely on the claimed benefits to override impacts outlined in the PEIR." Regardless, as the following discussion indicates, community benefits are being provided under the Eastern Neighborhoods Plan through an established process.

The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a Public Benefits Program detailing a framework for delivering infrastructure and other public benefits as described in an

Implementation Document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.¹⁰
The Public Benefits Program consists of:

- 1) an Improvements Program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;
- 2) a Funding Strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the Improvements Plan, and matches these sources to estimated costs; and
- 3) a section on Program Administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, Planning Code Section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee) fees are collected for “Transit”, “Complete Streets”, “Recreation and Open Space”, “Child Care”, and in some portions of the Mission District and the South of Market Area, “Affordable Housing”. Other benefits were to be funded by fees accrued with development and through other sources of funding. The Public Benefits Program was not intended to be a static list of projects; rather, it was designed to be modified by a Citizens Advisory Committee as needs were identified through time.

The current list of public benefit projects are is provided as Attachment C to this Appeal Response. The Appellant’s assertion that “the claimed benefits to override impacts outlined in the PEIR are not supported,” stating that benefits have not been have not been fully funded, implemented, or are underperforming, is incorrect. The Attachment C list shows that of the 66 capital projects that currently comprise the Public Benefits Program, 10 are complete, 16 are under construction, six are fully funded and awaiting construction, and the remaining 34 are in various stages of planning.

In terms of the process for implementing the Public Benefits Program, new development within the Eastern Neighborhoods Plan area, including the Project, are required to pay development impact fees upon issuance of the “first construction document” (either a project’s building permit or the first addendum to a project’s site permit), which are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan area. Additional funding mechanisms for infrastructure improvements are identified through the City’s 10-year Capital Plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects, until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements

¹⁰ San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing*, Case No. 2004.0160EMTUZ. April 17, 2008. Accessed August 22, 2016 at: <http://sf-planning.org/sites/default/files/FileCenter/Documents/1507VOL3 - Implementation.pdf>

within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee (CAC) and the City's Interagency Plan Implementation Committee (IPIC). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Capital Planning Program are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration. As stated in the January 2015 Planning Department's Interagency Plan Implementation Committee Annual Report,¹¹ the Planning Department forecasts that pipeline projects, including the proposed project, would contribute approximately \$79.6 million in impact fee revenue within the Eastern Neighborhoods Plan area between 2016 and 2020.

Infrastructure projects that are currently underway are also listed in the Planning Department's Interagency Plan Implementation Committee Annual Report. These include various streetscape, roadway, park, and childcare facility improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of this will shall be allocated according to Table 411A.6A in the Ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are intended to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. The CPE Checklist provides further information regarding improvements within the Eastern Neighborhoods Plan Area. In regards to transit, as discussed on page 24 of the CPE Checklist, Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the Project, each is in some stage of implementation (see discussion on page 24 of the CPE Checklist). In regards to recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources is discussed on page 39 of the CPE Checklist.

Thus, based on the evidence provided, the public benefits included in the Public Benefits Program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development. The Appellant's assertion that the provision of community benefits is so deficient as to render the environmental determinations in the Eastern Neighborhoods PEIR invalid is not supported by substantial evidence. As described above, the CPE does provide an up-to-date description of the provision of transportation and recreation community

¹¹ City and County of San Francisco, Interagency Plan Implementation Committee Annual Report, website: http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/2011_IPIC%20Report_FINAL.pdf, January 2015.

benefits. For these and other impact analyses, the CPE properly concludes that the Project would not result in a significant impact not previously identified in the Eastern Neighborhoods PEIR.

Concern 3: The CEQA findings are inadequate and incomplete, fail to adequately describe the Project's components and are not supported by substantial evidence.

Response 3: The CEQA findings adopted by the Planning Commission on August 11, 2016 as part of the Commission's approval of the Conditional Use Authorization and Planned Unit Development for the Project are not subject to appeal under San Francisco Administrative Code Section 31.16(e)(3).

Per San Francisco Administrative Code Section 31.16(e)(3), the grounds for appeal of a CEQA exemption determination are limited to whether the project conforms to the requirements of CEQA for an exemption. The CEQA findings are a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the Community Plan Exemption. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any findings be made for an exemption determination, including a Community Plan Exemption. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines Section 15091.

Concern 4: The Project is inconsistent with the General Plan and the Mission Area Plan.

Response 4: The Project is consistent with the development density established under the Eastern Neighborhoods Area Plan, and would not result in significant impacts on the physical environment due to conflicts with the General Plan or the Mission Area Plan that are peculiar to the project or the project site.

On page 3 of the Appeal Letter (Attachment A), the Appellant states "The Proposed Project is inconsistent with the General Plan and the Mission Area Plan." In the Appellant's August 3, 2016 letter to the Planning Commission (see page 53-54 in file "Appeal Ltr 091216.pdf" on the cd disk or online as part of Board of Supervisors File No. 161001), he states:

"In evaluating the desirability of the proposed project, the Commission should evaluate it in light of its inconsistency with the objectives of the Eastern Neighborhoods and Mission Plans. The EIR for the Eastern Neighborhoods Plan reflected the Eastern Neighborhood objectives as follows:

- *Reflect Local Values:* To develop a rezoning proposal that reflects the land use needs and priorities of each neighborhoods' stakeholders and that meets citywide goals for residential and industrial land use.
- *Increase Housing:* To identify appropriate locations for housing in the City's industrially zoned land to meet a citywide need for more housing, and affordable housing in particular. (emphasis supplied)

- *Maintain Some Industrial Land Supply:* To retain an adequate supply of industrial land to meet the current and future needs of the City's production, distribution, and repair businesses and the city's economy.
- *Improve the Quality of All Existing Areas with Future Development:* To improve the quality of the residential and nonresidential places that future development will create over that which would occur under the existing zoning.

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

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

Topic 1(b) (Land Use and Land Use Planning) of the CPE Checklist limits review of the Project's conflicts with any applicable land use plan, policy, or regulation to those "adopted for the purpose of avoiding or mitigating an environmental effect." Project-related policy conflicts and inconsistencies do not constitute, in and of themselves, significant environmental impacts. The consistency of the Project with those General Plan and Mission Area Plan policies that do not relate to physical environmental issues or result in physical environmental effects (such as those cited above by the Appellant), were considered by the Planning Commission as part of its determination of whether to approve, modify, or disapprove the Project.

As discussed above under Concern 1, the loss of PDR space resulting from implementation of the Eastern Neighborhoods Plan was found to be a significant and unavoidable impact in the Eastern Neighborhoods Plan PEIR. To address that impact, the City created PDR zones in the Eastern Neighborhoods Plan Area, including the Mission Area, in which PDR uses would be protected and competing uses, including residential and office developments, are not permitted, and made findings that the loss of PDR uses and space outside the PDR zoning districts was acceptable and overridden by the other benefits of the Plan.

The Project's contribution to loss of PDR space is disclosed under Topic 1(b) of the CPE Checklist, which provides an analysis of the anticipated loss of PDR evaluated in the Eastern Neighborhoods Plan PEIR on page 12, observing that as of February 23, 2016, projects resulting in the removal of 1,715,001 and 273,073 net square feet of PDR space within the Eastern Neighborhoods Plan and Mission District subarea, respectively, have completed or are proposed to complete environmental review.

As discussed on page 12 of the CPE Checklist, development of the proposed project would result in the net loss of approximately 31,680 square feet of PDR building space. The project site was zoned NC-3 (Moderate-Scale Neighborhood Commercial District) prior to the rezoning of Eastern Neighborhoods, which did not encourage PDR uses and was rezoned to Mission Street NCT (Neighborhood Commercial Transit), which does not permit PDR uses. The Project site was not included as part of the long-term PDR land supply loss in the Eastern Neighborhoods PEIR. The PDR business located on the Project site, McMillan Electric, a local electrical contractor vacated the building in December 2015 and has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The existing PDR business, therefore remains in operation within San Francisco. The proposed project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). The conversion of the existing PDR use to a mixed-use residential use would not contribute considerably to the significant and unavoidable cumulative land use impact identified in the Eastern Neighborhoods PEIR.

The Planning Department's Citywide Planning and Policy Analysis Division determined that the Project was consistent with the General Plan and with the bulk, density, and land uses as envisioned in the Mission Area Plan. The determination further states:

"The Mission Area Plan calls for maximizing development potential in keeping with neighborhood character in Objective 1.2, and strengthening the Missions neighborhood commercial areas in Objective 1.8. The proposed project is consistent with these objectives by providing 157 dwelling units and ground floor retail space. The project also includes 2 bedroom, 1 bedroom, and studio units to satisfy a unit mix, consistent with Objective 2.3. As well, the project provides 150 bicycle parking spaces, which supports Objective 4.7 of the plan, to improve and expand infrastructure for bicycling as an important mode of transportation. As a primarily residential development that includes bicycle parking, and ground floor retail space, the proposed project is consistent with the designation."

The Citywide determination concludes:

"For the purposes of the Citywide Planning and Policy Analysis division, the project is eligible for consideration of a Community Plan Exemption under California Public Resources Code Sections 21159.21, 21159.23, 21159.24, 21081.2, and 21083.3, and/or Section 15183 of the California Environmental Quality Act (CEQA) Guidelines."

As a general matter, the determination of whether a project is consistent with a specific plan or policy can be subjective, and is best made with a broad understanding of the often-competing policy objectives in a planning document. Consequently, policy consistency determinations are ultimately made by the City's decision-making bodies such as the Planning Commission and the Board of Supervisors independent of the environmental review process, as part of the decision to approve or reject the project. In its approval of the Project's Planned Unit Development, the Planning Commission determined that the project is generally consistent with the objectives and policies of the General Plan, including the Mission Area Plan.

Accordingly, the Project would not result in significant impacts on the physical environment due to inconsistent with the General Plan, the Eastern Neighborhoods Plan, or the Mission Subarea Plan that are peculiar to the project or the project site.

CONCLUSION:

The Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan exemption pursuant to CEQA Section 21083.3 and CEQA Guidelines Section 15183. The Planning Department conducted necessary studies and analyses, and provided the Commission with the information and documents necessary to make an informed decision, based on substantial evidence in the record, at a noticed public hearing in accordance with the Planning Department's CPE Checklist and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board uphold the Department's determination for the CPE and reject Appellant's appeal.

ATTACHMENT A

J. Scott Weaver

Appeal Letter

September 12, 2016

West Bay Law
Law Office of J. Scott Weaver

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September 12, 2016

Clerk, San Francisco Board of Supervisors
Environmental Review Officer, Bill Wycko
#1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

**Re: Case No. 2014.1020 CUA - 1515 South Van Ness Avenue
Appeal of the August 11, 2016 Planning Commission Decisions**

Dear Members of the Board of Supervisors and Bill Wycko:

The Calle 24 Latino Cultural District Community Council appeals the following decisions of the Planning Commission made on August 11, 2016 regarding the project proposed for 1515 South Van Ness Avenue ("Proposed Project" hereafter) proposed by applicant Peter Schellenger, LMC San Francisco Holdings, LLC.

- 1) Adoption of a Community Plan Exemption and CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1

The Final Motion for the relevant appeals is attached as **Exhibit A**. Evidence in support of the appeals is attached as **Exhibits B-D** and is also contained in the letters submitted to the Planning Department objecting to the approval of the Project and the Community Plan Exemption, incorporated here by reference. **Exhibit E** contains the \$578 appeal fee for the CEQA appeal.

1. Appeal of the adoption of the Community Plan Exemption and CEQA Findings

Page 1 of 4

Calle 24 Latino Cultural District Community Council Appeal

The appeal of the adoption of the Community Plan Exemption and CEQA Findings are filed on the following bases.

- The Proposed Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts to: land use, consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, health and safety, and impacts relative to the Calle 24 Latino Cultural District.
- The PEIR's projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects." (Guidelines, § 15355)
- The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.
- Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report.
- The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was

not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered.

- The CEQA findings are inadequate and incomplete and are not supported by substantial evidence.
- The Proposed Project is inconsistent with the General Plan and the Mission Area Plan.

2. Pattern and Practice

The City is engaging in a pattern and practice of approving residential projects in the Mission based upon a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review. This results in the approval of projects with unexamined environmental affects to the detriment of Mission residents.

3. Attempted CU Appeal

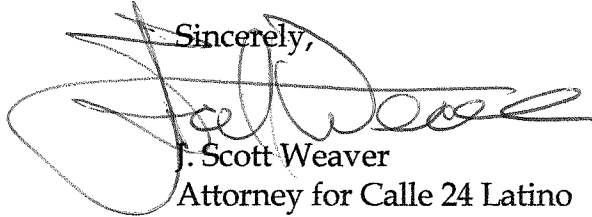
From September 7 to September 12, 2016, Calle 24 Latino Cultural District Community Council (LCDCC) members presented the "Notice to Board of Supervisors of Appeal from Action of the City Planning Commission Form for Conditional Uses" to the members of the Board of Supervisors for their signature pursuant to Planning Code Section 308.1 (b)(ii) and explained the reasons for the appeal. As of September 12, 2016, the due date for the submission of the filing of the Conditional Uses appeal and CEQA appeal, LCDCC did not receive sufficient signatures under Planning Code Section 308.1 (b)(i). Therefore, the LCDCC does not qualify under the alternative method for appealing the Conditional Uses approval under Planning Code Section 308.1 (b). Since neither method of appeal is available to LCDCC and LCDCC objected to the Planning Commission's approval of the Conditional Uses, LCDCC has exhausted administrative remedies as to the challenge to the Conditional Uses and do not include their objections as part of this appeal. Should the Board of Supervisors later authorize the appeal of the Conditional Uses, LCDCC

will include their objections in a follow up letter.

Exhibits (Attached)

- Exhibit A:** Planning Commission Motion No. 19727.
- Exhibit B:** Link to Video of August 11, 2016 Planning Commission hearing.
- Exhibit C:** Link to Eastern Neighborhoods Plan EIR, Motion 17661 of the Planning Commission, which adopted CEQA findings for the Plan EIR, and the Mitigation Monitoring Report
- Exhibit D:** Evidence in support of the Appeal
- Exhibit E:** CEQA Fee
- Exhibit F:** ~~Notice to Board of Supervisors of Appeal from the City Planning Commission Form re: Conditional Uses.~~

Sincerely,



J. Scott Weaver
Attorney for Calle 24 Latino
Cultural District Council

ATTACHMENT B

Planning Commission Motion 19727

Planned Unit Development

Conditional Use Authorization

for the

1515 South Van Ness Avenue Project



SAN FRANCISCO PLANNING DEPARTMENT

Subject to: (Select only if applicable)

☒ Affordable Housing (Sec. 415)

☐ Jobs Housing Linkage Program (Sec. 413)

☐ Downtown Park Fee (Sec. 412)

☒ First Source Hiring (Admin. Code)

☒ Child Care Requirement (Sec. 414A)

☒ Other (EN Impact Fees, Sec 423; TSF, Sec 411A)

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Planning Commission Motion No. 19727

HEARING DATE: AUGUST 11, 2016

Case No.: 2014.1020CUA
Project Address: 1515 SOUTH VAN NESS AVENUE
Zoning: Mission Street NCT (Neighborhood Commercial Transit) Zoning District
Mission Street Formula Retail Restaurant Subdistrict
Mission Alcoholic Beverage Restricted Use Subdistrict
Fringe Financial Service Restricted Use District
55/65-X Height and Bulk District
Block/Lot: 6571/001, 001A and 008
Project Sponsor: Peter Schellinger, LMC San Francisco Holdings, LLC
492 9th Street Suite 300
Oakland, CA 94607
Staff Contact: Doug Vu – (415) 575-9120
Doug.Vu@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION PURSUANT TO PLANNING CODE SECTION 303 UNDER THE MISSION 2016 INTERIM ZONING CONTROLS AND PLANNING COMMISSION RESOLUTION NO. 19548, AND A PLANNED UNIT DEVELOPMENT PURSUANT TO PLANNING CODE SECTIONS 121.1 AND 304 TO ALLOW DEMOLITION OF THE EXISTING BUILDING AND NEW CONSTRUCTION OF A 55 TO 65 FEET TALL, FIVE- TO SIX-STORY DEVELOPMENT WITH A TOTAL OF AREA OF 180,277 SQUARE FEET THAT INCLUDES 138,922 SQUARE FEET OF RESIDENTIAL USES FOR UP TO 157 DWELLING UNITS, 5,241 SQUARE FEET OF COMMERCIAL SPACE AND A 32,473 SQUARE FEET PARTIALLY UNDERGROUND GARAGE FOR 82 AUTOMOBILE AND 150 BICYCLE PARKING SPACES ON A LOT MORE THAN 10,000 SQUARE FEET IN AREA, AND TO ALLOW MODIFICATIONS TO THE REQUIREMENTS FOR REAR YARD PURSUANT TO PLANNING CODE SECTION 134, DWELLING UNIT EXPOSURE PURSUANT TO PLANNING CODE SECTION 140, GROUND FLOOR STREET FRONTAGE PURSUANT TO PLANNING CODE SECTION 145.1 AND OFF-STREET LOADING REQUIREMENT PURSUANT TO PLANNING CODE SECTION 152, FOR THE PROPERTIES LOCATED AT 1515 SOUTH VAN NESS AVENUE, LOTS 001, 001A AND 008 IN ASSESSOR'S BLOCK 6571, WITHIN THE MISSION STREET NCT (NEIGHBORHOOD COMMERCIAL TRANSIT) ZONING DISTRICT AND THE 55/65-X HEIGHT AND BULK DISTRICTS, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On January 28, 2015, Peter Schellinger of LMC San Francisco Holdings, LLC (hereinafter "Project Sponsor") filed Application No. 2014.1020CUA (hereinafter "Application") with the Planning Department (hereinafter "Department") for a Conditional Use Authorization to demolish the existing building and construct a new five to six-story 55 to 65 feet tall, mixed use building with 5,241 square feet of commercial space and 157 dwelling units at 1515 South Van Ness Avenue (Block 6571 Lots 001, 001A and 008) in San Francisco, California.

The environmental effects of the Project were determined by the San Francisco Planning Department to have been fully reviewed under the Eastern Neighborhoods Area Plan Environmental Impact Report (hereinafter "EIR"). The EIR was prepared, circulated for public review and comment, and, at a public hearing on August 7, 2008, by Motion No. 17661, certified by the Commission as complying with the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 et seq., (hereinafter "CEQA"). The Commission has reviewed the Final EIR, which has been available for this Commission's review as well as public review.

The Eastern Neighborhoods EIR is a Program EIR. Pursuant to CEQA Guideline 15168(c)(2), if the lead agency finds that no new effects could occur or no new mitigation measures would be required of a proposed project, the agency may approve the project as being within the scope of the project covered by the program EIR, and no additional or new environmental review is required. In approving the Eastern Neighborhoods Plan, the Commission adopted CEQA Findings in its Motion No. 17661 and hereby incorporates such Findings by reference.

Additionally, State CEQA Guidelines Section 15183 provides a streamlined environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, except as might be necessary to examine whether there are project-specific effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that (a) are peculiar to the project or parcel on which the project would be located, (b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent, (c) are potentially significant off-site and cumulative impacts which were not discussed in the underlying EIR, or (d) are previously identified in the EIR, but which are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for that project solely on the basis of that impact.

On July 12, 2016, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial

importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

Planning Department staff prepared a Mitigation Monitoring and Reporting Program (MMRP) setting forth mitigation measures that were identified in the Eastern Neighborhoods Plan EIR that are applicable to the project. These mitigation measures are set forth in their entirety in the MMRP attached to the draft Motion as Exhibit C.

The Planning Department Commission Secretary is the custodian of records, located in the File for Case No. 2014.1020CUA at 1650 Mission Street, Fourth Floor, San Francisco, California.

On August 11, 2016, the Planning Commission ("Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2014.1020CUA.

The Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of the applicant, Department staff, and other interested parties.

MOVED, that the Commission hereby authorizes the Conditional Use Authorization for a Planned Unit Development requested in Application No. 2014.1020CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

1. The above recitals are accurate and constitute findings of this Commission.
2. **Site Description and Present Use.** The Project is located on three lots with a total area of approximately 35,714 sq. ft. that have approximately 172 ft. of frontage along South Van Ness Avenue, 245 ft. along 26th Street and 145 ft. along Shotwell Street. The project site is currently improved with a 31,680 sq. ft. two-story industrial building that was constructed in 1948 and most recently occupied by the McMillan Electric Company until early 2015.
3. **Surrounding Properties and Neighborhood.** The Project is located in the southernmost area of the Mission Street NCT (Neighborhood Commercial Transit) Zoning District and within the boundaries of the Mission Area Plan. The immediate context is mixed in character with residential, commercial and industrial uses. The neighborhood includes automotive repair uses to the north and west, three to four-story residential development to the north and east and commercial uses to the south that include a fuel station and automotive parts store. Within the broader vicinity are the Primera Iglesia Bautista Hispano Americana Church and Garfield Square Recreation Center. The project site is also located within the boundaries of the proposed Calle 24

Special Use District, which was established as part of the interim controls by the Board of Supervisors per Ordinance No. 133-15, and the Calle 24 Latino Cultural District, which was established by Board of Supervisors Resolution, File No. 140421 in May 2014. Other zoning districts in the vicinity of the project site include P (Public), RTO-M (Residential, Transit Oriented - Mission), RM-1 (Residential, Mixed-Low Density) and the 24th-Mission NCT (Neighborhood Commercial Transit) Zoning District.

4. **Project Description.** The proposed Project includes demolition of the existing building on the project site and new construction of a 55 to 65 feet tall, five- to six-story Planned Unit Development (PUD) with a total area of approximately 180,277 square feet that includes 138,922 square feet of residential uses for 157 dwelling units, approximately 5,241 square feet of commercial space in the form of one retail storefront and six trade shops on the ground floor, approximately 32,473 square feet dedicated to vehicular parking for 82 cars and 150 secure bicycle parking spaces in a partially underground garage. The proposed dwelling units would range in size from approximately 399 to 1,254 square feet and would include 88 studios, five one-bedroom units and 64 two-bedroom units. Private open space would be provided for ten units, and a total of 15,508 square feet of common open space would be provided through an internal courtyard and roof deck. The Project would also include a lot merger of Lots 001, 001A and 008 on Block 6571.
5. **Public Comment.** The Department has received a petition of support signed by nineteen residents and nearby businesses, nineteen support letters from residents and organizations including from the San Francisco Housing Action Coalition, S.F. Electrical Contractors Association/Electrical Workers Local 6, and the recent owner and tenant (McMillan Electric Company). The Department also received four letters opposing the project, and two letters stating concerns about the development's proposed height and environmental impacts that were not analyzed in the Eastern Neighborhoods EIR.

In addition to the required pre-application meeting that was held on December 15, 2014 at City College on 1125 Valencia Street, the Project Sponsor has conducted additional public outreach that included the following meetings:

DATE	ORGANIZATION / EVENT	LOCATION / ADDRESS
3/11/2015	Mission Economic Development Agency	2301 Mission Street
3/12/2015	Jamestown Community Center	3382 26 th Street
4/7/2015	Mission Asset Fund	3269 Mission Street
5/13/2015	Town Hall Meeting #1	1500 South Van Ness Avenue
6/5/2015	Town Hall Meeting #2	1500 South Van Ness Avenue
10/22/2015	Town Hall Meeting #3	1500 South Van Ness Avenue
2/2/2016	CAST	70 Otis Street
2/24/2016	SF Housing Action Coalition (SFHAC)	95 Brady Street
4/4/2016	SFMade	926 Howard Street
4/12/2016	Open House #1	Mission Cultural Center - 2868 Mission

		Street
6/9/2016	La Cocina	2948 Mission Street
6/22/2016	Town Hall Meeting #4	Mission Cultural Center - 2868 Mission Street
6/30/2016	Open House #2	Mission Cultural Center - 2868 Mission Street

The Department acknowledges that numerous meetings were organized and facilitated by residents and stakeholder groups, but does not have a record of when they were held and at which locations.

6. **Planning Code Compliance:** The Commission finds that the Project is consistent with the relevant provisions of the Planning Code in the following manner:

- A. **Non-Residential Floor Area Ratio.** Planning Code Sections 124 and 736.20 permit a maximum floor to area ratio of 3.6 to 1 for the subject 35,714 sq. ft. project site.

The Project proposes 5,241 sq. ft. of commercial space that is equal to a ratio of 0.14 to 1 and therefore complies with Planning Code Sections 124 and 736.20.

- B. **Rear Yard.** Pursuant to Planning Code Section 134(a)(1)(C), a 25% rear yard or an area equal to that provided via inner courtyards shall be provided at the lowest story containing a dwelling unit, and at each succeeding level or story of the building. The proposed project requires a rear yard of at least 8,929 sq. ft. at every residential level.

The Project proposes an inner courtyard that is approximately 8,687 sq. ft., which is 242 sq. ft. less than the required area; therefore, the Project requests a modification to this requirement as permitted under Planning Code Section 304 for Planned Unit Developments for the following reasons: 1) the Project includes residential uses with a comparable amount of usable open space totaling 16,506 sq. ft. at the inner courtyard and at the sixth floor of the building that will be more accessible to residents; 2) the Project is located on a block that includes an automotive parts store and two automotive repair shops and will not significantly impede the access of light and air to the adjacent properties; and 3) the Project will not adversely affect the block's interior open space because interior open space does not exist on the subject block.

- C. **Usable Residential Open Space.** Planning Code Sections 135 and 736.93 require a minimum of 80 sq. ft. of private open space per dwelling unit, or 100 sq. ft. of common open space per dwelling unit. Private usable open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 sq. ft. if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sq. ft. if located on open ground, a terrace or the surface of an inner or outer court. Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum area of 300 sq. ft. Further, inner courts may be credited as common usable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sq. ft. in area, and if the

height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project provides 6,853 sq. ft. of usable common open space through a ground floor inner courtyard that measures 130 feet by 110 feet at its widest point to allow the minimum required amount of sunlight penetration. An additional 8,655 sq. ft. of common open space is provided by a roof deck at the sixth floor of the building. The Project also provides a combined 1,000 sq. ft. of private open space for ten ground floor units that open onto the inner courtyard. Although the Project also provides an additional 842 sq. ft. of non-compliant open space, the 15,508 sq. ft. of common usable open space exceeds the 14,700 sq. ft. that are required by the remaining 147 units. Therefore, the Project complies with Planning Code Sections 135 and 736.93.

- D. **Streetscape and Pedestrian Improvements.** Planning Code Section 138.1 requires a streetscape plan, which includes elements from the Better Streets Plan, for new construction on a lot greater than a half-acre in size.

The Project will include a streetscape plan that will comply with the City's Better Streets Plan and include new street trees, landscape planters, sidewalk and other pedestrian improvements in compliance with Planning Code Section 138.1. This includes maintaining the sidewalk width at 12-ft. on 26th Street and 15-ft. on Shotwell Street, a new 2-ft. courtesy strip between the curb and sidewalk plantings, a corner bulb-out at South Van Ness Avenue and 26th Street that extends down 26th Street, potentially another bulb-out at 26th and Shotwell Streets, street trees, plantings, bicycle parking and other site furniture as needed. South Van Ness Avenue is a Vision Zero Corridor, and will receive a signal timing upgrade, new curb ramps, crosswalks and other pedestrian safety enhancements. Therefore, the Sponsor will coordinate with MTA on these design changes as it constructs the new bulb-out at 26th Street and South Van Ness Avenue to be consistent with other improvements planned for this intersection.

- E. **Bird Safety.** Planning Code Section 139 outlines the standards for bird-safe buildings, including the requirements for location-related and feature-related hazards.

The Project is not located in close proximity to an Urban Bird Refuge and meets the requirements of feature-related standards by not including any unbroken glazed segments 24 sq. ft. and larger in size. Therefore, the Project complies with Planning Code Section 139.

- F. **Dwelling Unit Exposure.** Planning Code Section 140 requires the windows of at least one room in each dwelling unit to face directly on an open area that includes a public street, public alley at least 20 feet in width, side yard at least 25 feet in width, rear yard meeting the requirements of the Planning Code, or an inner court or a space between separate buildings on the same lot) which is unobstructed and is no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit in question is located and the floor immediately above it, with an increase of five feet in every horizontal dimension at each subsequent floor.

The Project organizes all of the dwelling units to face South Van Ness Avenue, 26th Street, Shotwell Street or the inner courtyard. Due the "L" shape of the Project site and the reduced horizontal dimension of the courtyard at both ends of the building, three units on the fifth floor and two units on the sixth floor do not meet the exposure requirement. The encroachment of these units into the required open air space at the fifth and sixth floors is minimal. Therefore, the Project is seeking a modification to the dwelling unit exposure requirements for five dwelling units as part of the Planned Unit Development.

- G. **Street Frontages in Neighborhood Commercial Districts.** Planning Code Section 145.1 requires the following for street frontages in Neighborhood Commercial Districts: (1) not more than 1/3 the width of the building facing the street may be devoted to ingress/egress to parking; (2) off-street parking at street grade must be set back at least 25 feet; (3) "active" use shall be provided within the first 25 feet of building depth at the ground floor; (4) ground floor non-residential uses in shall have a floor-to-floor height of 14-feet; (5) frontages with active uses shall be fenestrated with transparent windows; and, (6) decorative railings or grillwork placed in front of or behind ground floor windows, shall be at least 75 percent open to perpendicular views

The Project meets the following requirements of Section 145.1: (1) the only automobile access to the Project is located at the portion of Shotwell Street that runs diagonal to the remainder of the street where a single 18-ft. wide garage door is proposed that is equal to 12.4 percent of the 145 feet of the Shotwell Street frontage; (2) the Project site decreases approximately ten feet in elevation from the front to the rear of the property and all proposed parking is located below grade at the basement level garage; (3) active uses including a corner commercial storefront, six trade shops, a residential amenity room and dwelling units with elevated stoops that have direct access to the public street are proposed along all three frontages of the building; (4) the corner commercial space at the ground floor will have a generous floor-to-ceiling height of 20-feet; and (5) significantly more than two-thirds of the total street frontages are fenestrated with transparent windows.

However, the six trade shops along 26th Street will each have a floor-to-ceiling height of 11-feet, which is less than the minimum required 14-feet. To mitigate this impact and promote an attractive, clearly defined street frontage that is pedestrian-oriented and fine-grained, the trade shops will be designed with wide openings that incorporate roll-up doors to provide direct access to the shops by the public during business hours. Therefore, the Project seeking a modification to the 14-feet minimum clear ceiling height requirement for the street-fronting trade shops units as part of the Planned Unit Development.

- H. **Off-Street Parking.** Planning Code Section 151 principally permits 0.5 parking spaces per dwelling unit, and up to 0.75 spaces with Conditional Use authorization. Additionally, one off-street space for every 500 square-feet of occupied general retail uses is also permitted. The Project is principally permitted to have 79 residential spaces and ten commercial spaces, for a total of 89 spaces.

The Project proposes a total of 79 residential parking spaces in addition to three car-share spaces, and no accessory commercial parking. Therefore, the Project complies with Planning Code Section 151.1.

- I. **Off-Street Freight Loading.** Planning Section 152 requires one off-street loading space for residential buildings that are between 100,001 and 200,000 gross square feet in area.

The Project includes approximately 138,922 sq. ft. of residential uses and requires at least one off-street freight loading space. The Project provides two off-street service vehicle spaces at the basement level garage near South Van Ness Avenue and is requesting an exception to this requirement for one on-street freight loading space on 26th Street as part of the Planned Unit Development.

- J. **Bicycle Parking.** Planning Code Section 155.2 requires one Class 1 bicycle parking space for each dwelling unit up to 100 units, and one Class 1 space for every four units above a density of 100 dwelling units. Additionally, one Class 2 space for every 20 units is required, and each 2,500 sq. ft. of occupied commercial floor area. The Project is required to have a minimum of 114 Class 1 and ten Class 2 bicycle parking spaces.

The Project includes a total of 150 Class 1 spaces located in two separate rooms at the basement level that have independent access to/from Shotwell Street and South Van Ness Avenue and eight Class 2 parking spaces at the corner of 26th Street and South Van Ness Avenue. Therefore, the Project complies with Planning Code Section 155.2.

- K. **Curb Cuts.** Planning Code Section 155(l) limits driveways crossing sidewalks to be no wider than necessary for ingress and egress, and shall be arranged to minimize the width and frequency of curb cuts to maximize on-street parking spaces and minimize conflicts with pedestrian and transit movements.

The Project will utilize an existing 20-ft. wide curb cut along the portion of Shotwell Street that runs diagonal to the remainder of the street to provide ingress/egress to the basement level garage, will not eliminate any on-street parking spaces and will not result in any conflicts with pedestrians or transit movement in compliance with Planning Code Section 155.

- L. **Car Share Requirements.** Planning Code Section 166 requires one car-share parking space for projects with 50 to 200 residential units.

The Project provides three car share spaces at the basement level garage to serve the 157 dwelling units and complies with Planning Code Section 166.

- M. **Unbundled Parking.** Planning Code Section 167 requires that all off-street parking spaces accessory to residential uses in new structures of 10 dwelling units or more be leased or sold separately from the rental or purchase fees for dwelling units for the life of the dwelling units.

The Project is providing off-street parking that is accessory to the dwelling units. These spaces will be unbundled and sold and/or leased separately from the dwelling units in compliance with Planning Code Section 167.

- N. **Dwelling Unit Mix.** Planning Code Section 207.6 requires that no less than 40 percent of the total number of proposed dwelling units contain at least two bedrooms, or no less than 30 percent of the total number of proposed dwelling units contain at least three bedrooms.

The Project provides 88 studios, five one-bedroom and 64 two-bedroom units that are equal to 41 percent of the unit mix, which meets the requirements of Planning Code Section 207.6.

- O. **Shadow Analysis.** Pursuant to Planning Code Section 295, projects over 40 feet in height that will cast any shade or shadow upon any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission requires approval by the Planning Commission pursuant to the provisions of Section 295.

A preliminary shadow analysis conducted by the Planning Department based on the plans submitted indicates that there would be no shadows cast on properties under the jurisdiction of the Recreation and Park Department. Therefore, the Project complies with Planning Code Section 295.

- P. **Transportation Sustainability Fee.** Planning Code Section 411A imposes a Transportation Sustainability Fee ("TSF") that would apply to large projects such as 1515 South Van Ness Avenue. The TSF (Ordinance No. 200-15) that was adopted and went into effect on December 25, 2015 provides that residential, non-residential and PDR uses shall pay the TSF to address the burden that new development will create on the City's transportation network, including all modes of transportation. The TSF will provide revenue that is significantly below the costs that SFMTA and other transit providers will incur to mitigate the transportation infrastructure and service needs resulting from the development.

The Project includes approximately 147,804 gross sq. ft. of new development that is subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A. However, the Project will receive a credit for the existing 31,680 sq. ft. of PDR use on the Project site. These fees must be paid prior to the issuance of the building permit application.

- Q. **Child Care Requirement for Residential Projects.** Planning Code Section 414A requires the Department to determine the applicability of Section 414A to any development project requiring a First Construction Document and, if Section 414A is applicable, the number of gross square feet of space subject to its requirements, and shall impose these requirements as a condition of approval for issuance of the First Construction Document for the development project to mitigate the impact on the availability of child-care facilities that will be caused by the residents attracted to the proposed development project.

The Project proposes 157 new dwelling units totaling 138,922 sq. ft. and will be required to pay a fee for each net new gross square feet of residential development. These fees must be paid prior to the issuance of the building permit application.

- R. **Inclusionary Affordable Housing Program.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to projects that consist of 10 or

more units, where the first application (EE or BPA) was applied for on or after July 18, 2006. Pursuant to Planning Code Section 415.5 and 415.6, the current Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 12% of the proposed dwelling units as affordable. This requirement is subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. Recently adopted Ordinance No. 76-16 (File No. 160255) will become effective after the election is certified and includes grandfathering provisions for projects that were submitted to the Planning Department prior to January 12, 2016.

The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Section 415.5 and 415.6, and has submitted a 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing the affordable housing on-site instead of through payment of the Affordable Housing Fee. In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the project's on- or off-site units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on January 16, 2016 and a draft of the Costa Hawkins agreement on July 11, 2016. The EE application was submitted on December 3, 2014. Pursuant to Planning Code Section 415.3 and 415.6 the current on-site requirement is 12%. Nineteen (19) units [ten (10) studios, one (1) one-bedroom and eight (8) two-bedroom] of the 157 units provided will be affordable rental units. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative, it must pay the Affordable Housing Fee with interest, if applicable. The Project must execute the Costa Hawkins agreement prior to Planning Commission approval or must revert to payment of the Affordable Housing Fee.

- S. **Eastern Neighborhood Infrastructure Impact Fees.** Planning Code Section 423 is applicable to any development project in the Eastern Neighborhoods Program Area which results in at least one net new residential unit or the new construction of a non-residential use.

The Project includes the construction of approximately 138,922 gross sq. ft. of new residential space and 5,241 gross sq. ft. of commercial use. These uses are subject to Eastern Neighborhood

Infrastructure Impact Fees as outlined in Planning Code Section 423 and must be paid prior to the issuance of the building permit.

7. **Conditional Use Authorization for Development of Large Lots.** Planning Code Section 121.1 establishes the following additional criteria the Planning Commission shall consider for new construction on lots of the same size or larger than 10,000 sq. ft. in the Mission Street NCT District:

- A. The mass and façade of the proposed structure are compatible with the existing scale of the district.

The proposed structure includes a mass and façade that takes cues from the existing structure and surrounding neighborhood with a combination of residential, commercial and industrial uses that are two to four stories in height to create a building that is the scale envisioned for this large site. The proposed development breaks up the massing by creating three distinct frontages and building features to visually break up the massing. Modulation is also incorporated on all floors and all sides of the structure to present a façade that is varied and interesting on a pedestrian level as well as on a larger scale.

- B. The façade of the proposed structure is compatible with the design features of adjacent facades that contribute to the positive visual quality of the district.

The Project's design reflects the influences of the surrounding neighborhood and the site, and takes cues from the existing structure. The design integrates the rhythm of the existing bays in the commercial unit at the corner of South Van Ness Avenue and 26th Street and includes pedestrian scale walk-up units along 26th Street, across from the existing residential uses. Along South Van Ness Avenue, the design and façade reflects the more commercial and vibrant nature of the frontage, whereas along 26th Street and Shotwell Street, a more residential and smaller scale design is proposed to coincide with the more residential character of those streets. By breaking the design and massing into three distinct parts the building integrates well into the neighborhood and creates a positive visual addition to the neighborhood and district.

8. **Conditional Use Authorization.** Planning Code Section 303 establishes criteria for the Commission to consider when reviewing applications for Conditional Use approval. On balance, the project does comply with said criteria in that:

- A. The proposed new uses and building, at the size and intensity contemplated and at the proposed location, will provide a development that is necessary or desirable, and compatible with, the neighborhood or the community.

The surrounding neighborhood is comprised of a mix of residential and commercial buildings. To the west across South Van Ness Avenue are two story structures consisting of residential over ground floor automotive and retail uses. To the north across 26th Street are a two to three story multi-family residential development and a single-story automotive repair use. Across Shotwell Street to the east are several four story multi-family dwelling units and immediately adjacent to the Project site, to the

south, are retail and automotive repair uses. In general, the Project Site is surrounded by predominately single- and multi-family residential uses to the north and south and commercial and industrial uses to the east and west.

The primarily residential use of the Project is consistent with the goals and objectives of the Mission Area Plan of the Eastern Neighborhoods Planning Area. In addition, the proposed commercial ground floor retail would activate the street level and serve the adjacent residential neighborhood. All building frontages will include improved pedestrian amenities such as landscaping and sidewalk improvements to create a pedestrian scale that is compatible with the surrounding neighborhood. The 0.8 acre Project site is large and the density and intensity proposed is compatible with the surrounding neighborhood and is desired given 1515 South Van Ness Avenue's location along major roadways and transit corridors. The use of the Project site for residential uses is also compatible with the surrounding character of the neighborhood and community.

- B. The proposed project will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity. There are no features of the project that could be detrimental to the health, safety or convenience of those residing or working the area, in that:

1. Nature of proposed site, including its size and shape, and the proposed size, shape and arrangement of structures;

The Project site consists of an irregularly-shaped 35,714 sq. ft. lot with frontages along South Van Ness Avenue, 26th Street and Shotwell Street. A 31,680 square foot structure and associated surface parking lot currently exists on the Project site and would be demolished as part of the Project. Given the irregular lot shape, the Project proposes a single structure that maintains the street wall along all frontages but also provides an interior courtyard adjacent to the properties to the south to establish a mid-block pattern of open space for future block development.

The proposed structure conforms to the Planning Code requirements for height and bulk and steps down in height from South Van Ness Avenue to Shotwell Street. The Project site is also within two height districts and the proposed development complies with these 55- and 65-foot districts, which bisect along 26th Street, and provides a transition in vertical and horizontal massing where the height district change occurs.

2. The accessibility and traffic patterns for persons and vehicles, the type and volume of such traffic, and the adequacy of proposed off-street parking and loading;

The Project includes 157 new dwelling units on a site adjacent to South Van Ness Avenue and just north of Cesar Chavez Street, which two major arterial roadways providing vehicular and transit access throughout the City. The Project proposes 82 off-street parking spaces including three dedicated car share spaces in a 32,473 sq. ft. underground garage accessed through an 18-ft. wide drive aisle off Shotwell Street. The proposed parking ratio is 0.50 spaces per dwelling unit and the Project includes one on-street loading space along 26th Street. The Project also includes 150 Class 1 bicycle parking spaces at the basement level and ten Class 2 bicycle parking spaces adjacent to the residential entry. Pedestrian access to the Project will be via the main lobby along

26th Street and secondary access will be provided via the leasing office along South Van Ness Avenue.

The Project is adjacent to an established street network of north-south and east-west arterials, and will not impact the accessibility or traffic patterns in the surrounding roadways. For these reasons, the Project will not result in parking or traffic that would be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development in the vicinity.

3. The safeguards afforded to prevent noxious or offensive emissions such as noise, glare, dust and odor;

The Project would not create any noxious or offensive emissions such as noise, glare, dust and odor during construction or operation. All construction activities will comply with the San Francisco Building Code requirements for construction, which includes compliance with air quality control measures for dust and odor. The design of the façade will include non-reflective materials and will not result in or create glare. Operation of the Project site as a primarily residential development will not generate noxious or offensive emissions such as noise or odor.

4. Treatment given, as appropriate, to such aspects as landscaping, screening, open spaces, parking and loading areas, service areas, lighting and signs;

The Project will comply with the City's Better Streets Plan and will include active ground floor uses and significant new landscaping and streetscape improvements. The structure will be set back along South Van Ness Avenue to provide additional landscaping and interest at a pedestrian scale along this frontage. Along 26th Street, walk-up dwelling units are proposed that include small landscaped porches and other green areas. New street trees are proposed along all frontages as well as landscape planters and other pedestrian improvements.

The Project includes significant open areas for use by the residents including 1,000 sq. ft. of private open space through at-grade private yards and 15,508 sq. ft. of common open space through a 6,853 sq. ft. ground floor patio courtyard and an 8,655 sq. ft. rooftop deck. In addition, there is 842 sq. ft. of other non-code compliant open space. In total, the Project is proposing 17,350 square feet of open areas for future residents. All parking facilities are located off-street and screened, as applicable, with adjacent landscaping enhancements. Additional lighting is also provided adjacent to these areas for pedestrian safety and to indicate the location of vehicular ingress and egress.

- C. That the use as proposed will comply with the applicable provisions of the Planning Code and will not adversely affect the General Plan.

The procedures for Planned Unit Developments under Planning Code Section 304 are intended for projects on sites of considerable size, developed as integrated units and designed to produce an environment of stable and desirable character which will benefit the occupants, the neighborhood and the City as a whole. In cases of outstanding overall design, complementary to the design and values of

the surrounding area, such a project may merit a well-reasoned modification of certain provisions contained elsewhere in this Code. As discussed above, the Project requests modifications from the minimum rear yard, dwelling unit exposure, ground floor frontages and off-street loading requirements of Planning Code Sections 134, 140, 145.1 and 152, respectively. Otherwise, the Project meets all of the applicable provisions of the Planning Code and the General Plan.

- D. Such use or feature as proposed will provide development that is in conformity with the stated purpose of the applicable Use District; and

The Project is located within the Mission Street NCT Zoning District that has controls designed to permit moderate-scale buildings. New neighborhood-serving commercial development is encouraged mainly at the ground story with most commercial uses prohibited above the second story. A continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot but by physical envelope controls. The Project conforms to the stated purpose of this district and is an appropriate in-fill development that will add 157 new dwelling units to the City's housing stock and 5,241 square feet of commercial space in an area that encourages the development of high-density, mid-rise housing and continuous ground floor commercial frontage with pedestrian-oriented retail activities.

- E. The use or feature satisfies any criteria specific to the use or feature in Subsections (g), et seq. of this Section.

The Project does not require Conditional Use Authorization for any use or feature listed in Subsection (g) et seq.

9. **Planned Unit Development.** Planning Code Section 304 establishes that in addition to the criteria applicable to conditional uses stated in Section 303, the proposed development shall also meet the following criteria:

- A. Affirmatively promote applicable objectives and policies of the General Plan;

The Project promotes the applicable objectives and policies of the General Plan as described below.

- B. Provide off-street parking adequate for the occupancy proposed;

The Project would provide 79 private accessory residential parking spaces, that is equal to 0.5 parking spaces per dwelling unit, which is consistent with the principally permitted parking under the Planning Code.

- C. Provide open space usable by the occupants and, where appropriate by the general public, at least equal to the open spaces required by this Code;

The Project includes significant open areas for use by the residents including 1,000 sq. ft. of private open space through at-grade private yards and 15,508 sq. ft. of common open space through a 6,853 sq.

ft. ground floor patio courtyard and an 8,655 sq. ft. rooftop deck. In addition, there is 842 sq. ft. of other non-code compliant open space. In total, the Project is proposing 17,350 square feet of open areas for future residents.

- D. Be limited in dwelling unit density to less than the density that would be allowed by Article 2 of the Code for a district permitting a greater density, so that the Planned Unit Development would not be substantially equivalent to a reclassification of property;

The Project Site is located in the Mission Street NCT District where there is no defined limit on residential density. Rather, limits to density are restricted by physical envelope controls and Urban Design Guidelines of the Planning Code. In addition, density is limited by Planning Code Section 207.6, which provides that 40 percent of the total number of dwelling units must be two plus bedroom units or 30 percent of the total number of dwelling units must be three plus bedroom units. The Project is proposing that 64 of the 157 dwelling units (40.8%) would be two bedroom units. Thus, the proposed PUD for the Project is not equivalent to a reclassification of the property

- E. Under no circumstances be excepted from any height limit established by Article 2.5 of this Code;

The Project does not exceed the applicable height limits in which it is located. The Project maintains a height of 55-ft within the 55-X portion of the site, and a height of 65-ft within the 65-X portion of the site.

- F. In NC Districts, be limited in gross floor area to that allowed under the floor area ratio limit permitted for the district in Section 124 and Article 7 of this Code;

The Project proposes 5,241 sq. ft. of commercial space that is equal to a floor ratio of 0.14 to 1 and therefore complies with Planning Code Sections 124 and 736.20.

- G. In NC Districts, not violate the use limitations by story set forth in Article 7 of this Code;

The proposed Project complies with this criterion because commercial and other residential accessory active uses will occupy the ground floor and residential uses will occupy the upper floors, consistent with the use limitations of the Mission Street NCT District pursuant to Planning Code Section 736.

- H. In RTO and NCT Districts, include the extension of adjacent alleys or streets onto or through the site, and/or the creation of new publicly accessible streets or alleys through the site as appropriate, in order to break down the scale of the site, continue the surrounding existing pattern of block size, streets and alleys;

The Project site is an irregularly shaped lot located just north of Cesar Chavez Street along South Van Ness Avenue within the Mission Street NCT District, which is not subject to the mid-block alley controls under Section Planning Code Section 270.2. Additionally, the lot tapers from 26th Street to Shotwell Street and does not provide the width, depth or location on the block for an appropriate mid-block cut through or access.

- I. Provide street trees as per the requirement of Section 138.1 of the Code;

The Project will comply with this criterion by providing the minimum required street trees as an element of the streetscape plan the Sponsor will develop and construct in collaboration with the Planning Department to be consistent with the Better Streets Plan.

- J. Provide landscaping and permeable surfaces in any required setbacks in accordance with Section 132 (g) and (h).

The Project will comply with this criterion by providing landscaping and permeable surfaces as part of the streetscape plan that the Sponsor will develop and construct in collaboration with the Planning Department to be consistent with the Better Streets Plan.

10. **General Plan Compliance.** The Project is, on balance, consistent with the following Objectives and Policies of the General Plan:

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Policy 1.2

Focus housing growth and infrastructure necessary to support growth according to community plans. Complete planning underway in key opportunity areas such as Treasure Island, Candlestick Park and Hunter's Point Shipyard.

Policy 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a higher density residential development, which provides up to 157 new dwelling units in a mixed-use area that was recently rezoned as part of a long range planning goal to create a cohesive residential and mixed-use neighborhood. The Project will provide nineteen on-site affordable housing units for rent, which assist in meeting the City's affordable housing goals. The Project is also in close proximity to numerous public transportation options.

OBJECTIVE 4

FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1

Develop new housing, and encourage the remodeling of existing housing, for families with children.

Policy 4.4

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Policy 4.5

Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

The Project will add 157 dwelling units to the City's housing stock, and meets the affordable housing requirements by providing for nineteen on-site permanently affordable units for rent.

OBJECTIVE 11

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2

Ensure implementation of accepted design standards in project approvals.

Policy 11.3

Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4

Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6

Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8

Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.2

Consider the proximity of quality of life elements such as open space, child care, and neighborhood services, when developing new housing units.

OBJECTIVE 13

PRIORITIZE SUSTAINABLE DEVELOPMENT IN PLANNING FOR AND CONSTRUCTING NEW HOUSING.

Policy 13.1

Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.1

Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The Project responds to the site's mixed-character by providing new dwelling units, which appropriately address the adjacent residential, light industrial and retail commercial uses. The Project appropriately responds to the varied character of the larger neighborhood, and the building's facades provide a unique expression not commonly found within the surrounding area, while providing for a contrasting material palette. The Project site is ideally situated with easy access to transit routes along Mission Street and Cesar Chavez Street, and is within walking distance to the 24th Street Bay Area Regional Transit (BART) station that promotes "smart" regional growth.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 6. MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

Policy 6.9

Regulate uses so that traffic impacts and parking problems are minimized.

The project proposes 79 off-street parking spaces and three designated car-share spaces in an underground garage that are accessed by a single 20-foot wide vehicular driveway and curb cut along Shotwell Street. Two service vehicle loading spaces are also located in the garage and one on-street freight loading space is also proposed on 26th Street. The location of the basement level parking entrance/exit is the most appropriate for the project, ensures active uses are located along all the street frontages, and minimizes any conflicts with the pedestrian and transit movements.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 4:

PROVIDE OPPORTUNITIES FOR RECREATION AND THE ENJOYMENT OF OPEN SPACE IN EVERY SAN FRANCISCO NEIGHBORHOOD.

Policy 4.5:

Require private usable outdoor open space in new residential development.

Policy 4.6:

Assure the provision of adequate public open space to serve new residential development.

The Project provides 6,853 sq. ft. of usable common open space through a ground floor inner courtyard that measures 130-ft. by 110-ft. at its widest point to allow the minimum required amount of sunlight penetration. An additional 8,655 sq. ft. of common open space is provided by a roof deck at the sixth floor of the building. The Project also provides a combined 1,000 sq. ft. of private open space for ten ground floor units that open onto the inner courtyard. Although the Project also provides an additional 842 sq. ft. of non-compliant open space, the 15,508 sq. ft. of common usable open space exceeds the 14,700 sq. ft. that are required by the remaining 147 units. Therefore, the Project complies with Planning Code Sections 135 and 736.93.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:

IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:

Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.3:

Install pedestrian-serving street furniture where appropriate.

Policy 24.4:

Preserve pedestrian-oriented building frontages.

The Project includes active uses including a corner commercial storefront with a generous floor-to-ceiling height of 20-feet, six trade shops that will have large roll-up doors, a residential amenity room and dwelling units with elevated stoops that have direct access to the public street along all three frontages of the building that would also be more than two-thirds fenestrated with transparent windows. The Project will include a streetscape plan that will comply with the City's Better Streets Plan and include new street trees, landscape planters, sidewalk and other pedestrian improvements to further activate the building frontages.

OBJECTIVE 28:

PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:

Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:

Provide parking facilities which are safe, secure, and convenient.

The Project includes 150 Class 1 bicycle parking spaces and ten Class 2 bicycle parking spaces in secure, convenient locations, thus meeting the amount required by the Planning Code.

OBJECTIVE 34:

RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.1:

Regulate off-street parking in new housing so as to guarantee needed spaces without requiring excesses and to encourage low auto ownership in neighborhoods that are well served by transit and are convenient to neighborhood shopping.

Policy 34.3:

Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:

Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project adheres to the principally permitted parking amounts within the Planning Code. The 82 proposed parking spaces are adequate for the Project that are accessed by one access point using an existing driveway that will not eliminate any existing on-street parking spaces.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 1:

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

Policy 1.3:

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

Policy 1.7:

Recognize the natural boundaries of districts, and promote connections between districts.

OBJECTIVE 3:

MODERATION OF MAJOR NEW DEVELOPMENT TO COMPLEMENT THE CITY PATTERN, THE RESOURCES TO BE CONSERVED, AND THE NEIGHBORHOOD ENVIRONMENT.

Policy 3.1:

Promote harmony in the visual relationships and transitions between new and older buildings.

Policy 3.3:

Promote efforts to achieve high quality of design for buildings to be constructed at prominent locations.

Policy 3.4:

Promote building forms that will respect and improve the integrity of open spaces and other public areas

OBJECTIVE 4:

IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.5:

Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:

Improve pedestrian areas by providing human scale and interest.

The Project's design reflects the influences of the surrounding neighborhood and the site, taking cues from the existing structure. The Project site includes three very distinct frontages and the building design responds to this unique context by breaking the building into three separate parts creating different visual experiences across the Project frontage. This change also affords the opportunity to create a different pedestrian experience at ground floor level on all three streets. The Project site includes a unique signature element at the corner of 26th Street and South Van Ness Avenue, and the building's massing is broken down and modulated with elements such as ground floor setbacks, bay windows, private patios and decks, and window variation. The exterior cladding is also varied with an expanded color palette to add to the scale and diversity of the building, integrating it into uniquely vibrant neighborhood.

MISSION AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1

STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK

Policy 1.1.8

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE MISSION WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

Policy 1.2.1

Ensure that in-fill housing development is compatible with its surroundings.

Policy 1.2.3

In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

Policy 1.2.4

Identify portions of the Mission where it would be appropriate to increase maximum heights for residential development.

Housing

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE MISSION IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES

Policy 2.1.1

Require developers in some formally industrial areas to contribute towards the City's very low-, low-, moderate- and middle-income needs as identified in the Housing Element of the General Plan.

OBJECTIVE 2.3

ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES

Policy 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

Policy 2.3.5

Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

Policy 2.3.6

Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

Built Form

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER

Policy 3.1.1

Adopt heights that are appropriate for the Mission's location in the city, the prevailing street and block pattern, and the anticipated land uses, while preserving the character of its neighborhood enclaves.

Policy 3.1.8

New development should respect existing patterns of rear yard open space. Where an existing pattern of rear yard open space does not exist, new development on mixed-use-zoned parcels should have greater flexibility as to where open space can be located.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM

Policy 3.2.1

Require high quality design of street-facing building exteriors.

Policy 3.2.3

Minimize the visual impact of parking.

Policy 3.2.4

Strengthen the relationship between a building and its fronting sidewalk.

Policy 3.2.6

Sidewalks abutting new developments should be constructed in accordance with locally appropriate guidelines based on established best practices in streetscape design.

Transportation

OBJECTIVE 4.7

IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN THE MISSION

Policy 4.7.2

Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

OBJECTIVE 4.8

ENCOURAGE ALTERNATIVES TO CAR OWNERSHIP AND THE REDUCTION OF PRIVATE VEHICLE TRIPS

Policy 4.8.1

Continue to require car-sharing arrangements in new residential and commercial developments, as well as any new parking garages.

Streets & Open Space

OBJECTIVE 5.3

CREATE A NETWORK OF GREEN STREETS THAT CONNECTS OPEN SPACES AND IMPROVES THE WALKABILITY, AESTHETICS AND ECOLOGICAL SUSTAINABILITY OF THE NEIGHBORHOOD.

Policy 5.3.1

Redesign underutilized portions of streets as public open spaces, including widened sidewalks or medians, curb bulb-outs, "living streets" or green connector streets.

Policy 5.3.2

Maximize sidewalk landscaping, street trees and pedestrian scale street furnishing to the greatest extent feasible.

The Project includes the demolition of 35,714 sq. ft. of PDR space that served as the headquarters for the locally based McMillan Electric Company. This light industrial and commercial use is encouraged to be retained within the Mission, as it provides blue-collar jobs, assists in diversifying the neighborhood economy and provides a valued community resource. Although the Project results in a loss of PDR space, the development at 1515 South Van Ness Avenue includes a significant amount of new housing, including on-site BMR units as well as a diversity of housing types from small studios to larger family-sized units. The Project is made possible as the result of the sale of the subject parcels by the McMillan Electric Company which has already re-located to another location 1.5 miles away on Cesar Chavez Street. Overall,

the Project includes appropriate uses encouraged by the Area Plan for this location. The Project provides 157 new dwelling units that will be available for rent. In addition, the Project is designed to meet the prescribed height and bulk limits, and includes the appropriate dwelling unit mix with more than 40% or 64 units having two bedrooms. The Project introduces a contemporary architectural vocabulary that is sensitive to the prevailing scale and neighborhood fabric and provides a high quality designed exterior that features a variety of materials, colors and textures including fiber cement board vertical siding, smooth cement plaster, durable wood tone solid composite paneling, metal siding, aluminum storefronts, iron and glass railings, and dark bronze frame aluminum windows. The Project provides ample private and common open space and also improves the public rights-of-way with new streetscape improvements, street trees and landscaping. The Project minimizes the impact of off-street parking in an underground garage and is in proximity to numerous public transit options. The Project is also compatible with the surrounding residential, commercial and light industrial land uses. The Project will also pay the appropriate development impact fees, including the Eastern Neighborhoods Impact Fees. Despite the loss of PDR space, on balance, the Project meets the Objectives and Policies of the Mission Area Plan.

11. **Planning Code Section 101.1(b)** establishes eight priority-planning policies and requires review of permits for consistency with said policies. On balance, the project does comply with said policies in that:

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

The Project Site is currently occupied by a commercial building and associated parking lot for McMillan Electric Company, an electrical contractor. The Project would demolish this building and develop a new mixed-use residential building with 157 dwelling units, six trade shops and 1,074 square-feet of ground floor commercial space. Thus, the Project would provide new, commercial retail space for the residents and adjacent residential neighborhood. In addition, the new residents of the project would frequent the nearby existing retail uses.

- B. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods.

The Project site is located in a mixed-use neighborhood that proposes to provide 157 new, high quality residences, a corner retail storefront and six trade shop spaces for local artisans and makers. The Project embraces the character of the existing neighborhood in its design and quality of craftsmanship and is providing unit sizes compatible with the location.

- C. That the City's supply of affordable housing be preserved and enhanced.

The Project does not currently possess any existing affordable housing. The Project will comply with the City's Inclusionary Housing Program by providing nineteen below-market rate dwelling units for rent. Therefore, the Project will increase the stock of affordable housing units in the City.

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

The Project is primarily a residential project that will create minimal, if any, new commuter traffic that could over burden local streets or impact neighborhood parking. The Project would provide 81 off-street parking spaces including two car share spaces that is equal to 0.5 spaces per dwelling unit.

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

The Project does not include commercial office development. The Project proposes a mixed-use residential and retail commercial development that will be consistent with the existing character of the Mission neighborhood. The previous owner and occupant, McMillan Electric Company has relocated to 1950 Cesar Chavez Street, which is located approximately 1.1 miles from 1515 South Van Ness Avenue. Its new location is more easily served by large trucks and is located in a predominately industrial and commercial neighborhood that is more compatible with its light industrial use. The Project will not result in the loss of a locally owned company or the displacement of any jobs.

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

The Project will be designed and constructed to conform to the structural and seismic safety requirements of the Building Code. This proposal will not impact the Property's ability to withstand an earthquake.

- G. That landmarks and historic buildings be preserved.

The Project site does not currently contain any City Landmarks or historic buildings.

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

The Project will not cast new shadows on property under the jurisdiction of the Recreation and Park Commission, and is a distance away that it will not impact parks or open spaces or their sunlight or vistas.

9. **First Source Hiring.** The Project is subject to the requirements of the First Source Hiring Program as they apply to permits for residential development (Section 83.4(m) of the Administrative Code), and the Project Sponsor shall comply with the requirements of this Program as to all construction work and on-going employment required for the Project. Prior to the issuance of any building permit to construct or a First Addendum to the Site Permit, the Project Sponsor shall have a First Source Hiring Construction and Employment Program approved by the First Source Hiring Administrator, and evidenced in writing. In the event that both the Director of Planning and the First Source Hiring Administrator agree, the approval of the Employment Program may be delayed as needed.

The Project Sponsor submitted a First Source Hiring Affidavit and prior to issuance of a building permit will execute a First Source Hiring Memorandum of Understanding and a First Source Hiring Agreement with the City's First Source Hiring Administration.

10. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.
11. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Application No. 2014.1020CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated March 21, 2016, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

The Planning Commission hereby adopts the MMRP attached hereto as Exhibit C and incorporated herein as part of this Motion by this reference thereto. All required mitigation measures identified in the Eastern Neighborhoods Plan EIR and contained in the MMRP are included as conditions of approval.

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Section 303 and 304 Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 19727. The effective date of this Motion shall be the date of this Motion if not appealed (after the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

Protest of Fee or Exaction: You may protest any fee or exaction subject to Government Code Section 66000 that is imposed as a condition of approval by following the procedures set forth in Government Code Section 66020. The protest must satisfy the requirements of Government Code Section 66020(a) and must be filed within 90 days of the date of the first approval or conditional approval of the development referencing the challenged fee or exaction. For purposes of Government Code Section 66020, the date of imposition of the fee shall be the date of the earliest discretionary approval by the City of the subject development.

If the City has not previously given Notice of an earlier discretionary approval of the project, the Planning Commission's adoption of this Motion, Resolution, Discretionary Review Action or the Zoning Administrator's Variance Decision Letter constitutes the approval or conditional approval of the development and the City hereby gives **NOTICE** that the 90-day protest period under Government Code Section 66020 has begun. If the City has already given Notice that the 90-day approval period has begun for the subject development, then this document does not re-commence the 90-day approval period.

I hereby certify that the Planning Commission **ADOPTED** the foregoing Motion on August 11, 2016.



Jonas P. Ionin
Commission Secretary

AYES: Antonini, Fong, Hillis, Moore, Richards and Johnson

Motion No. 19727
August 11, 2016

CASE NO. 2014.1020CUA
1515 South Van Ness Avenue

NAYS: None

ABSENT: Wu

ADOPTED: August 11, 2016

EXHIBIT A

AUTHORIZATION

This authorization is for a Conditional Use to allow demolition of the existing structures and construction of a 188,277 gross square feet, 55 to 65 feet tall and five- to six-story building that includes 138,922 square feet of residential uses for up to 157 dwelling units, 5,241 square feet of commercial spaces including one retail commercial storefront and six trade shops and a 32,473 square feet partially underground garage for 82 accessory automobile and 150 bicycle parking spaces on a development site more than 10,000 square feet in area, and to allow modifications to the requirements for rear yard pursuant to Planning Code Section 134, dwelling unit exposure pursuant to Planning Code Section 140, ground floor street frontages in Neighborhood Commercial districts pursuant to Planning Code Section 145.1 and off-street freight loading pursuant to Planning Code Section 152, for the property located at 1515 South Van Ness Avenue, Block 6571 and Lots 001, 001A and 008, pursuant to Planning Code Sections 121.1, 303 and 304 within the Mission Street Neighborhood Commercial Transit (NCT) Zoning District and the 55/65-X Height and Bulk Districts; in general conformance with plans, dated July 27, 2016, and stamped "EXHIBIT B" included in the docket for Case No. 2014.1020CUA and subject to conditions of approval reviewed and approved by the Commission on August 4, 2016, under Motion No. 19727. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on August 11, 2016 under Motion No. 19727.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 19727 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use Authorization and any subsequent amendments or modifications.

SEVERABILITY

The Project shall comply with all applicable City codes and requirements. If any clause, sentence, section or any part of these conditions of approval is for any reason held to be invalid, such invalidity shall not affect or impair other remaining clauses, sentences, or sections of these conditions. This decision conveys no right to construct, or to receive a building permit. "Project Sponsor" shall include any subsequent responsible party.

CHANGES AND MODIFICATIONS

Changes to the approved plans may be approved administratively by the Zoning Administrator. Significant changes and modifications of conditions shall require Planning Commission approval of a new Conditional Use authorization.

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid for three (3) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this three-year period.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

2. **Expiration and Renewal.** Should a Building or Site Permit be sought after the three (3) year period has lapsed, the project sponsor must seek a renewal of this Authorization by filing an application for an amendment to the original Authorization or a new application for Authorization. Should the project sponsor decline to so file, and decline to withdraw the permit application, the Commission shall conduct a public hearing in order to consider the revocation of the Authorization. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than three (3) years have passed since this Authorization was approved.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014.1020ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the project sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

DESIGN – COMPLIANCE AT PLAN STAGE

7. **Final Materials.** The Project Sponsor shall continue to work with the Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

8. **Commercial Uses.** The Project Sponsor shall continue to work with the Planning Department to incorporate trade shop and other Code compliant uses consistent with the Latino Cultural District.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

9. **Streetscape Plan.** Pursuant to Planning Code Section 138.1, the Project Sponsor shall continue to work with Planning Department staff, in consultation with the Department of Public Works and the Metropolitan Transportation Agency, to refine the design and programming of the Streetscape Plan so that the plan generally will meet the standards of the Better Streets Plan, and all applicable City standards. The Project Sponsor shall complete final design of all required street improvements, including procurement of relevant City permits, prior to issuance of first architectural addenda, and shall complete construction of all required street improvements prior to issuance of first temporary certificate of occupancy

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

10. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the architectural addenda. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

11. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

12. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
- On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
 - On-site, in a driveway, underground;
 - On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;
 - On-site, in a ground floor façade.
 - Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
 - Public right-of-way, underground; and based on Better Streets Plan guidelines;
 - Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
 - Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

PARKING AND TRAFFIC

13. **Unbundled Parking.** All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

14. **Parking Maximum.** Pursuant to Planning Code Section 151.1, the Project shall provide no more than 79 off-street accessory residential spaces.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

15. **Car Share Requirement.** Pursuant to Planning Code Section 166, the Project shall provide at least two, and not more than five additional dedicated car-share parking spaces. The required car-share spaces shall be made available, at no cost, to a certified car-share organization for purposes of providing car-share services for its car-share service subscribers.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
16. **Bicycle Parking.** Pursuant to Planning Code Sections 155.1, 155.4, and 155.5, the Project shall provide no fewer than 150 Class 1 bicycle parking spaces and ten (10) Class 2 bicycle parking spaces for the 157 dwelling units and 5,241 sq. ft. of commercial space.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
17. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
18. **Parking for Affordable Units.** All off-street parking spaces shall be made available to Project residents only as a separate "add-on" option for purchase or rent and shall not be bundled with any Project dwelling unit for the life of the dwelling units. The required parking spaces may be made available to residents within a quarter mile of the project. All affordable dwelling units pursuant to Planning Code Section 415 shall have equal access to use of the parking as the market rate units, with parking spaces priced commensurate with the affordability of the dwelling unit. Each unit within the Project shall have the first right of refusal to rent or purchase a parking space until the number of residential parking spaces are no longer available. No conditions may be placed on the purchase or rental of dwelling units, nor may homeowner's rules be established, which prevent or preclude the separation of parking spaces from dwelling units.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

19. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org
20. **Transportation Sustainability Fee.** Pursuant to Planning Code Section 411A, the Project Sponsor shall pay the Transit Sustainability Fee (TSF) as required by and based on drawings submitted with the Building Permit Application. Prior to the issuance of a temporary certificate of occupancy, the Project Sponsor shall provide the Planning Director with certification that the fee has been paid.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

21. **Residential Childcare Impact Fee.** Pursuant to Planning Code Section 414A, the Project Sponsor shall comply with the Residential Childcare Impact Fee provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

22. **Eastern Neighborhoods Infrastructure Impact Fee.** Pursuant to Planning Code Section 423 (formerly 327), the Project Sponsor shall comply with the Eastern Neighborhoods Public Benefit Fund provisions through payment of an Impact Fee pursuant to Article 4.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

23. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.

For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

MONITORING

24. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

25. **Revocation Due to Violation of Conditions.** Should implementation of this Project result in complaints from interested property owners, residents, or commercial lessees which are not resolved by the Project Sponsor and found to be in violation of the Planning Code and/or the specific conditions of approval for the Project as set forth in Exhibit A of this Motion, the Zoning Administrator shall refer such complaints to the Commission, after which it may hold a public hearing on the matter to consider revocation of this authorization.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

26. **Garbage, Recycling, and Composting Receptacles.** Garbage, recycling, and compost containers shall be kept within the premises and hidden from public view, and placed outside only when being

served by the disposal company. Trash shall be contained and disposed of pursuant to garbage and recycling receptacles guidelines set forth by the Department of Public Works.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, <http://sfdpw.org>

27. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards.

For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, <http://sfdpw.org>

28. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

29. **Lighting.** All Project lighting shall be directed onto the Project site and immediately surrounding sidewalk area only, and designed and managed so as not to be a nuisance to adjacent residents. Nighttime lighting shall be the minimum necessary to ensure safety, but shall in no case be directed so as to constitute a nuisance to any surrounding property.

For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

INCLUSIONARY AFFORDABLE HOUSING PROGRAM

30. **Number of Required Units.** Pursuant to Planning Code Section 415.6, the Project is currently required to provide 12% of the proposed dwelling units as affordable to qualifying households, but is subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. Recently adopted Ordinance No. 76-16 (File No. 160255) will become effective after the election is certified and includes grandfathering provisions for projects that were submitted to the Planning Department prior to January 12, 2016. The Project contains 157 units; therefore, 19 affordable units are currently required. The Project Sponsor will fulfill this requirement by providing the 19 affordable units on-site. If the Project is subject to a different requirement if the Charter Amendment is approved and new legislative requirements take effect, the Project will comply with the applicable requirements at the time of compliance. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD").

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 1) **Unit Mix.** The Project contains 88 studios, 5 one-bedroom, and 64 two-bedroom units. Therefore, the required affordable unit mix is 10 studios, 1 one-bedroom, and 8 two-bedrooms, or the unit mix that may be required if the inclusionary housing requirements change as discussed above. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 2) **Unit Location.** The affordable units shall be designated on a reduced set of plans recorded as a Notice of Special Restrictions on the property prior to the issuance of the first construction permit.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 3) **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than twelve percent (12%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 4) **Duration.** Under Planning Code Section 415.8, all units constructed pursuant to Section 415.6, must remain affordable to qualifying households for the life of the project.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- 5) **Other Conditions.** The Project is subject to the requirements of the Inclusionary Affordable Housing Program under Section 415 et seq. of the Planning Code and City and County of San Francisco Inclusionary Affordable Housing Program Monitoring and Procedures Manual ("Procedures Manual"). The Procedures Manual, as amended from time to time, is incorporated herein by reference, as published and adopted by the Planning Commission, and as required by Planning Code Section 415. Terms used in these conditions of approval and not otherwise defined shall have the meanings set forth in the Procedures Manual. A copy of the Procedures Manual can be obtained at the MOHCD at 1 South Van Ness Avenue or on the Planning Department or Mayor's Office of Housing's websites, including on the internet at:

<http://sf-planning.org/Modules/ShowDocument.aspx?documentid=4451>.

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.

For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

- a. The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.
- b. If the units in the building are offered for rent, the affordable unit(s) shall be rented to qualifying households, as defined in the Procedures Manual, whose gross annual income, adjusted for household size, does not exceed an average fifty-five (55) percent of Area Median Income under the income table called "Maximum Income by Household Size derived from the Unadjusted Area Median Income for HUD Metro Fair Market Rent Area that contains San Francisco," but these income levels are subject to change under a proposed Charter amendment and pending legislation if the voters approve the Charter Amendment at the June 7, 2016 election. If the Project is subject to a different income level requirement if the Charter Amendment is approved and new legislative requirements take effect, the Project will comply with the applicable requirements. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy; (ii) lease changes; (iii) subleasing, and; are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.
- c. The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.
- d. Required parking spaces shall be made available to renters of affordable units according to the Procedures Manual.
- e. Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.

- f. The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document or must revert payment of the Affordable Housing Fee.
- g. If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.
- h. If the Project becomes ineligible at any time for the On-site Affordable Housing Alternative, the Project Sponsor or its successor shall pay the Affordable Housing Fee prior to issuance of the first construction permit. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable.

ATTACHMENT C

Eastern Neighborhoods

List of Capital Projects

August, 2016

Eastern Neighborhoods
List of Capital Projects

IPIC Category	Capital Plan Sub-Category	Project Title	Scope	Status
Complete Streets	Green Connections	22nd Street (Pennsylvania to Illinois)	Streetscaping, including but not limited street trees, landscaping, and pedestrian lighting.	Planned: fully funded, final design underway.
Complete Streets	Green Connections	CalTrain bridge lighting	Lighting of CalTrain bridges with artistic lighting.	Planned - fully funded.
Complete Streets	Green Connections	Blue Greenway (24th to Cove)		Planned
Complete Streets	Green Connections	Blue Greenway (Illinois)		Planned
Open Space		Angel Alley Improvements (CCG Recipient)	Creation of a community gather space at Tennessee and 22nd Street	Complete
Open Space		Tunnel Top Park (CCG Recipient)	Creation of a mini-park at 25th and Pennsylvania Streets.	Phase I Complete; Phase II to begin summer 2016
Open Space	Open Space New	New Park(s) Central Waterfront	Placeholder for one or more new parks, open space, or recreational facility for the Central Waterfront.	Planning underway. Not fully funded. CW/D Public Realm Plan expected to be completed by summer 2016, which will inform how to move forward with both new parks and rehabilitation of parks in CW.
Open Space	Open Space New	Dogpatch Art Plaza	Located at the dead-end portion of 19th Street, the plaza envisions a pedestrian space of 8,000 sf designed to ccommodate special events and rotating art exhibits, bulb-outs, café and other movable seating and bleacher seating.	Planned and underway: to be under construction soon.
Open Space	Open Space Rehab	Park Rehab: Central Waterfront	Though not yet scoped out, funds have been set aside to establish new parks and/or improve Esprit Park.	Planning underway. Not fully funded. CW/D Public Realm Plan expected to be completed by summer 2016, which will inform how to move forward with both new parks and rehabilitation of parks in CW.
Open Space	Open Space Rehab	Warm Water Cove Park	Improvement to and expansion of Warm Water Cover Park.	Planning underway as part of the Dogpatch Public Realm Plan
Complete Streets		Dogpatch and Potrero Sidewalk Landscaping (CCG Recipient)	Installation of sidewalk landscaping in the Dogpatch and Potrero Hill neighborhoods.	Complete
Complete Streets	Green Connections	22nd Street Steps (Missouri to Texas)	Stairs and open space landscaping, along 22nd Street alignment between Texas and Missouri.	Planned: fully funded; to be constructed by adjacent Project Sponsor.
Complete Streets	Green Connections	22nd Street (Pennsylvania to Texas)	One block of landscaping between Pennsylvania (where the Green Connections project will end) and the 22nd Street stair.	Conceptual - not currently funded.
Complete Streets	Streetscape Projects	6th Street Streetscape	Pedestrian safety improvements on 6th Street from Market to Howard Streets. Project could sidewalk widening on both sides of 6th Street, vehicle travel lane reduction, "flex" zone and textured median with raised refuges, pedestrian scale lighting, new street furnishings and tree grates as well	Planned and underway: community engagement currently underway.
Complete Streets	Vision Zero	6th and Minna (traffic signal)	6th and Minna (traffic signal)	Complete
Complete Streets	Vision Zero	King St (Bike lanes between 2nd/3rd)	King St (Bike lanes between 2nd/3rd)	Planned - not complete.
Complete Streets	Streetscape Projects	SoMa Alleyways Phase II	Alley improvements that include raised crosswalks, stamped asphalt, traffic calming, chicanes, street trees, among other features. Minna and Natoma Streets, from 6th Street to Mary Street; Tehama, Clementina, Shipley, and Clara streets, from 6th Street to 5th Street	Complete
Open Space	Open Space Rehab	South Park Rehabilitation	Park features are proposed to include a variety of different programmatic spaces, including a children’s play area, a large open meadow, plazas of varying scales, and a variety of areas designed for sitting and/or picnicking to increase park capacity.	Planned and underway: under construction.

Eastern Neighborhoods
List of Capital Projects

IPIC Category	Capital Plan Sub-Category	Project Title	Scope	Status
Complete Streets	Vision Zero	5th Street (green backed sharrows)	Green back sharrows from Market to Townsend on 5th St.	Complete
Complete Streets	Streetscape Projects	2nd Street Streetscape	Includes sidewalk widening, curbside bikeways with floating parking and bus boarding islands, vehicle lane reduction and traffic signal modifications	Planned and underway: fully funded; construction expected fall 2016.
Open Space	Open Space New	Brannan Street Warf		Complete
Complete Streets	Streetscape Projects	7th Street Streetscape	Includes streetscape improvements on Seventh Street between Market and Harrison Streets. Elements include: Reducing the amount of traffic lanes from four to three; the addition of a buffer separated bike lane or "cycle track"; corner bulbs and bus bulbs at intersections reducing pedestrian	Planned: (update coming soon)
Complete Streets	Major Projects	Folsom Streetscape	Includes streetscape improvements on Folsom Street between Fifth Street and 11th Street. Improvements include: the addition of an improved separated bi-directional bike lane "cycle track" with a buffer using either parking or raised traffic islands; corner bulbs and bus bulbs at intersections	Planned - Partially Funded, EIR to be complete by winter 2016-17. Community engagement and design planned for 2017, approvals 2018, construction 2019 or after.
Complete Streets	Major Projects	Howard Streetscape	Streetscape improvements on Folsom Street between Fifth Street and 11th Street and start construction. Improvements include: The current four lane one way street will be converted to one eastbound and two westbound traffic lanes and a planted median; the existing Howard Street bike	Planned - Partially Funded, EIR to be complete by winter 2016-17. Community engagement and design planned for 2017, approvals 2018, construction 2019 or after.
Complete Streets	Streetscape Projects	SoMa Alleyways (Minna, Shipley, Clara, Natoma, Clementina)	Alley improvements that include raised crosswalks, stamped asphalt, traffic calming, chicanes, street trees, among other features.	Complete
Complete Streets	Streetscape Projects	7th and 8th Street Restriping	Remove one travel lane on 7th Street between Harrison and Market Streets and study the operation of the new lane configuration. The lane reduction will help inform the environmental review for the preferred design of the ENTRIPS 7th Street Streetscape.	Complete
Open Space	Open Space New	New Park(s) Soma	Placeholder for one or more new parks, open space, or recreational facility for the South of Market.	Planned and underway, Rec and Park actively seeking acquisition; not fully funded.
Open Space	Open Space Rehab	Gene Friend/SOMA Recreation Center Reconstruction	Plans for the rehabilitation of Gene Friend currently include demolishing the existing structure and rebuilding a larger, more flexible and attractive facility.	Planned and underway: completed initial phase of community engagement; currently in planning phase.
Complete Streets	Streetscape Projects	Bartlett Street / Mission Mercado	Streetscape improvements to make the street segment double as a plaza. Interventions include widened sidewalks, raised shared surface, new street trees and landscaping, and pergola structures.	Planned and underway: under construction.
Complete Streets	Streetscape Projects	Potrero Ave.	Repaving and utility upgrades from Alameda to 25th Street. Bus bulbs, ped and bike improvements throughout. Focused streetscaping between 21st and 25th including median, widened sidewalks and pedestrian lighting.	Planned and underway: currently under construction.
Complete Streets	Streetscape Projects	Mission District Traffic Calming	In Mission Streetscape Plan (Hampshire, Shotwell, 20, 26)	Conceptual - not currently funded.
Complete Streets	Vision Zero	16th and Capp (traffic signal)	16th and Capp (traffic signal)	Complete
Open Space	Open Space Rehab	Mission Rec Center	The project is currently being scoped with the goal of completely rebuilding the enclosed Recreation Center.	Planned: seed funding provided through IPIC; planning to begin mid 2016.
Open Space	Open Space New	17th and Folsom Street Park	A new park at 17th and Folsom that will include a children's play ara, demonstration garden, outdoor amphitheater and seating, among other amenities.	Planned and underway: under construction.
Open Space	Open Space Rehab	Franklin Square	The smaller near-term project is to install a exercise course at the park.	Planned: athletic course project fully funded; beginning design with construction 2016.
Open Space	Open Space Rehab	Jose Coronado Playground	The project could include playing field resurfacing and new fencing.	Planned: - additional scoping exected.

Eastern Neighborhoods
List of Capital Projects

IPIC Category	Capital Plan Sub-Category	Project Title	Scope	Status
Open Space	Open Space Rehab	Juri Commons (Playground)	This smaller near-term project looks to reconstruct the playground at this small park.	Planned, fully funded.
Open Space		Fallen Bridge Park (CCG Recipient)	Further improvement of Fallen Bridge Park, a community-created park, located at the based of the I-101 pedestrian bridge on its west side.	Complete
Open Space	Open Space Rehab	Garfield Square Aquatics Center	This project includes enhancing the facility to a higher capacity Aquatics Center, which, besides refurbishing the pool, would also include adding additional amenities such a multi-purpose room and a slide.	Planned and underway: currently completing community engagement for final design.
Transit	Major Projects	Mission Street (Muni Forward) - Mission		Planned and underway. Frequency increase in 2015. Construction scheduled for 2016.
Transit	Major Projects	16th Street Multimodal Corridor Project		Planned and underway: fully funded, phased implementation to begin soon; hard construction to begin 2018.
Complete Streets	Streetscape Projects	Cesar Chavez (Hairball short term improvements)		Conceptual - not currently funded.
Complete Streets	Vision Zero	11th/13th/Bryant (bicycle intersection improvements)	11th/13th/Bryant (bicycle intersection improvements)	Planned.
Complete Streets		Hope SF Potrero Street Safety improvements	[need to check]	Planned and underway.
Complete Streets	Green Connections	22nd Street Steps (Arkansas to Missouri)	Stairs along the north side of Potrero Recreation center along the 22nd Street right-of-way and alignment.	Conceptual - not currently funded.
Complete Streets	Green Connections	17th Street (phased with Loop OS)	Streetscape improvements to activate the portion of 17th Street that crosses under the 101.	Planned; funding being sought.
Complete Streets	Green Connections	17th Street Green Street	Green connection streetscape interventions along 17th Steet within Showplace Square.	Conceptual - not currently funded.
Complete Streets	Green Connections	Wisconsin @ Jackson Playground	Green connection streetscape interventions Wisconsin Street between Jackson Playground and 16th Street.	Conceptual - not currently funded.
Complete Streets	Streetscape Projects	Cesar Chavez (East)		Conceptual - not currently funded.
Open Space	Open Space Rehab	Jackson Playground	Scope for the rehabilitation of Jackson Playground is currently being developed between Rec and Park, Friends of Jackson Playground, Live Oak School and other interested parties.	Planned: Planning underway. Funding actively being sought.
Open Space	Open Space New	Daggett Park	A new park on the former Daggett right-of-way.	Near Complete.
Open Space		Connecticut Friendship Garden Outdoor Classroom (CCG Recipient)	Creation of a community outdoor classroom at the Connecticut Street Friendship Garden immediately adjacent to Potrero Recreation Center.	Planned and underway.
Open Space	Open Space New	The Loop	A series of open space and streetscape interventions at the intersections of 17th Street and Highway 101 that would activate and enliven the underutilized space along and under the freeway.	Conceptual; actively seeking funding.
Open Space	Open Space New	Irwin Plaza	Plaza improvements at the intersetion of 16th Street and Irwin.	Conceptual - not currently funded.

Eastern Neighborhoods
List of Capital Projects

IPIC Category	Capital Plan Sub-Category	Project Title	Scope	Status
Transit	Transit	New bus routing in Showplace/Potrero and Central Waterfront.		Community consultation underway.
Complete Streets	Streetscape Projects	8th Street Streetscape	Streetscape improvements on Eighth Street between Market and Harrison Streets. Elements include: The addition of an improved buffer separated bike lane "cycle track" using either parking or raised traffic islands; corner bulbs and bus bulbs at intersections reducing pedestrian crossing distances and	Planned: (update coming soon)
Complete Streets	Streetscape Projects	Ringold Alley	Streetscape improvements that include enhanced lighting, landscaping, paving, furnishings, and undergrounding utility lines.	Planned and underway. Construction to begin soon.
Complete Streets	Streetscape Projects	Western SOMA Gateway Treatments at highway off-ramps		Conceptual - not currently funded.
Open Space	Open Space New	12th Street Greening (Eagle Plaza adjacent)	Possible improvements between Folsom and Betrice that would include a "living streets" treatment that would include widened sidewalks, landscaping and some programmed uses.	Conceptual - not yet officially proposed
Open Space	Open Space New	12th Street Greening (Eagle Plaza)	Eagle Plaza envisions are share surface treatment between Betrice and Harrison, with a single south bound travel lanes, plaza plantings, seating, lighting and other amendities to allow the space to be used for both active and passive recreational use and for events.	Planned and underway through in-kind.
Complete Streets	Streetscape Projects	7th Street from Townsend to 16th Street	Conceptual placeholder for extending streetscaping and complete streets treatment for southern portion of 7th Street.	Conceptual - not currently funded. Awaiting RAB.
Complete Streets	Green Connections	GC Segments: Basic Signage and Wayfinding	General low-level low-cost interventions for all portions of identified "Green Connections" within Eastern Neighborhoods.	General placeholder
Complete Streets	Streetscape Projects	Infill Street Tree Planting		General placeholder
Complete Streets	Streetscape Projects	EN Streetscape Improvements through 2025		general placeholder
Complete Streets	Vision Zero	Walk First Long-Term, Comprehensive Improvements	All WalkFirst Phase 2 improvements in Eastern Neighborhoods.	Conceptual - not currently funded.
Open Space	Open Space - Other	Community Challenge Grant Projects		Ongoing. Third funding cycle recently opened.



SAN FRANCISCO PLANNING DEPARTMENT

Certificate of Determination EXEMPTION FROM ENVIRONMENTAL REVIEW

Case No.: 2014.1020ENV
Project Address: 1515 South Van Ness Avenue
Zoning: Mission Street NCT (Neighborhood Commercial Transit) Use District
55-X and 65-X Height and Bulk District
Block/Lot: 6571/008, 001, 001A
Lot Size: 35,714 square feet
Plan Area: Eastern Neighborhoods Area Plan
Project Sponsor: Peter Schellinger – (415) 975-4982
peter.schellinger@lennar.com
Staff Contact: Melinda Hue – (415) 575-9041
Melinda.Hue@sfgov.org

1650 Mission St.
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Planning
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415.558.6377

PROJECT DESCRIPTION

The project site is located on the northern portion of a block bordered by South Van Ness Avenue, 26th Street, Shotwell Street, and Cesar Chavez Street in San Francisco's Mission neighborhood. The project site currently includes a two-story, 34-foot-tall, 31,680-square-foot, production, distribution, repair (PDR) building (constructed in 1948) with a surface parking lot. The building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include the demolition of the existing building and the construction of a five- to six-story, 55- to 65-foot-tall (up to 75 feet tall with roof-top equipment), approximately 180,300-square-foot mixed-use building. The proposed building would consist of 157 residential dwelling units and approximately 1,080 square feet of retail uses. The proposed

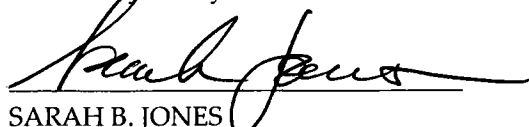
(Continued on next page.)

EXEMPT STATUS

Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

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


SARAH B. JONES
Environmental Review Officer

July 12, 2016
Date

cc: Peter Schellinger, Project Sponsor; Supervisor David Campos, District 9; Doug Vu, Current Planning Division; Eiliesh Tuffy, Preservation Planner; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). Usable open space would be provided in a courtyard, roof terrace and private patios. The proposed project would include a basement parking garage that would be accessed via an existing curb cut on Shotwell Street. The garage would include 79 parking spaces, two carshare spaces, and 150 Class I bicycle spaces. The proposed project would include eight Class II bicycle spaces provided on the sidewalks in front of the building entrances on South Van Ness Avenue and on 26th Street. Proposed streetscape improvements would include planting of 23 street trees, installation of corner bulb-outs on the southeast corner of South Van Ness Avenue and 26th Street and on the southwest corner of Shotwell Street and 26th Street, and the removal of a curb cut on South Van Ness Avenue. A new 40-foot-long on-street loading space is also proposed on 26th Street to accommodate larger delivery vehicles. Two service vehicle parking spaces would be located in the garage to accommodate smaller delivery vehicles.

Construction of the proposed project is expected to last 23 months. Construction of the proposed project would require excavation of up to approximately six feet and the removal of about 4,800 cubic yards of soil.

PROJECT APPROVAL

The proposed 1515 South Van Ness Avenue project would require the following approvals:

Actions by the Planning Commission

- Conditional Use Authorization for development on a lot larger than 10,000 square feet

Actions by other City Departments

- Approval of building permits from the San Francisco Department of Building Inspection (DBI) for demolition and new construction
- Approval of proposed streetscape improvements from San Francisco Municipal Transportation Agency (SFMTA)
- Approval of street and sidewalk permits from San Francisco Public Works for any modifications to public streets, sidewalks, protected trees, street trees, or curb cuts

The approval of the Conditional Use Authorization is the Approval Action for the project. The Approval Action date establishes the start of the 30-day appeal period for this CEQA exemption determination pursuant to Section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EXEMPTION OVERVIEW

California Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 provide an exemption from environmental review for projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an Environmental Impact Report (EIR) was certified, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially

significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 1515 South Van Ness Avenue project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)¹. Project-specific studies were prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 1515 South Van Ness Avenue.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related Planning Code and Zoning Map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.^{2,3}

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

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a “No Project” alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,000 square feet of net non-residential space (excluding PDR loss) built in the Plan Area throughout the lifetime of the Plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of

¹ Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

² San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: <http://www.sf-planning.org/index.aspx?page=1893>, accessed August 17, 2012.

³ San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: <http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268>, accessed August 17, 2012.

development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.⁴

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the Community Plan Exemption (CPE) Checklist, under Land Use. The 1515 South Van Ness Avenue site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with a building height up to 55 to 65 feet.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 1515 South Van Ness Avenue is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 1515 South Van Ness Avenue project, and identified the mitigation measures applicable to the 1515 South Van Ness Avenue project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.^{5,6} Therefore, no further CEQA evaluation for the 1515 South Van Ness Avenue project is required. In sum, the Eastern Neighborhoods PEIR and this Certificate of Exemption for the proposed project comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The project site is located on the northern portion of a block bordered by South Van Ness Avenue, 26th Street, Shotwell Street, and Cesar Chavez Street in San Francisco's Mission neighborhood. The project site has frontage on 26th Street, South Van Ness Avenue, and Shotwell Street. The uses immediately south of the project site include auto repair and supply shops located within single-story buildings. A project is currently proposed at 1296 Shotwell Street, directly southeast of the project site, involving the demolition of the existing building and construction of a nine-story building with 96 senior affordable housing residential units. Uses further south, across Cesar Chavez Street, include two- to four-story residential uses. The areas to the west of the project site, across South Van Ness Avenue, include auto-related uses (gas station, auto repair), ground-floor retail and residential uses. Buildings range from one to three stories. A project is currently proposed at 3314 Cesar Chavez Street, west of the project site, involving the

⁴ Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

⁵ Adam Varat, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 1515 South Van Ness Avenue, April 5, 2016. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.1020ENV.

⁶ Jeff Joslin, San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 1515 South Van Ness Avenue, April 6, 2016.

demolition of the existing building and the construction of a six-story building with 52 residential units and 1,740 square feet of commercial space. The areas north of the project site, across 26th Street, include auto repair and residential uses. Buildings range from one to three stories as well. The areas east of the project site, across Shotwell Street, include a four-story residential development. The project site is located within a half-mile of the 24th Street BART Station and Muni bus lines 14-Mission, 49-Van Ness/Mission, 12-Folsom/Pacific, and 27-Bryant.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 1515 South Van Ness Avenue project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 1515 South Van Ness Avenue project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The conversion of the existing PDR use to a mixed-use residential use would not contribute to the significant and unavoidable cumulative land use impact identified in the Eastern Neighborhoods PEIR. The project site was zoned NC-3 (Moderate-Scale Neighborhood Commercial District) prior to the rezoning of Eastern Neighborhoods, which did not encourage PDR uses and the rezoning of the project site to Mission Street NCT (Neighborhood Commercial Transit) was not included as part of the long-term PDR land supply loss that was considered a significant cumulative impact in the Eastern Neighborhoods PEIR. The proposed project would not involve the demolition of a historic resource and is not located within a historic district. Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR. Transit ridership generated by the project would not considerably contribute to the transit impacts identified in the Eastern Neighborhoods PEIR. Based on the shadow fan analysis, the proposed project is not expected to shade any Planning Code Section 295 or non-Section 295 open spaces. The proposed project would shade nearby private property at levels commonly expected in urban areas.

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

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Applicable: though currently not proposed, piles could be	The project sponsor has agreed to, if piles for foundation

Mitigation Measure	Applicability	Compliance
	needed in lieu of ground improvements for building foundation purposes	purposes are needed, implement noise and vibration attenuation measures during construction.
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to develop and implement a set of noise attenuation measures during construction.
F-3: Interior Noise Levels	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents.	N/A
F-4: Siting of Noise-Sensitive Uses	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
F-5: Siting of Noise-Generating Uses	Applicable: though noise-generating uses are not anticipated, exact uses for trade shop spaces are not yet known	The project sponsor has agreed to conduct and submit a detailed analysis of noise reduction requirements if trade shops accommodate future noise-generating uses.
F-6: Open Space in Noisy Environments	Not Applicable: CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: superseded by the Dust Control Ordinance and project site not located within an Air Pollutant Exposure Zone	N/A

Mitigation Measure	Applicability	Compliance
G-2: Air Quality for Sensitive Land Uses	Not Applicable: project site not located within an Air Pollutant Exposure Zone and CEQA generally no longer requires the consideration of the effects of existing environmental conditions on a proposed project's future users or residents	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: proposed project would include uses (residential, ground floor commercial) that would not emit substantial levels of DPM	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: proposed project would include uses (residential, ground floor commercial) that would not emit substantial levels of other TACs	N/A
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: project site not located on site with previous studies	N/A
J-2: Properties with no Previous Studies	Applicable: project located on site with no previous studies	The project sponsor has agreed to implement the Planning Department's Standard Mitigation Measure #3 (Testing).
J-3: Mission Dolores Archeological District	Not Applicable: project site is not located within the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A

Mitigation Measure	Applicability	Compliance
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: proposed project would involve demolition of an existing building	The project sponsor has agreed to remove and properly dispose of any hazardous building materials in accordance with applicable federal, state, and local laws prior to demolishing the existing buildings.
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level	N/A

Mitigation Measure	Applicability	Compliance
	mitigation by SFMTA	
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

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

PUBLIC NOTICE AND COMMENT

A “Notification of Project Receiving Environmental Review” was mailed on October 8, 2015 to adjacent occupants, and owners of properties within 300 feet of the project site. Overall, concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Concerns related to physical environmental effects include land use impacts resulting from the loss of PDR; air quality impacts; wind and shadow impacts; traffic and parking impacts; hazardous materials impacts; and cultural resources impacts. These concerns are addressed in the land use; air quality; wind and shadow; transportation; hazards and hazardous materials; and cultural and paleontological resources sections of the CPE Checklist. In regards to potential parking impacts, pursuant to Public Resources Code 21099(d), parking impacts are not to be considered significant CEQA impacts for mixed-use residential development projects on in-fill sites in a transit priority area. The proposed project meets the criteria, as discussed under the Senate Bill 743 section of the CPE Checklist.

Comments related to topics outside the scope of CEQA were also received. These comments concerned socioeconomic issues such as displacement of existing low-income resident and jobs, displacement of organizations that contribute to the Calle 24 Latino Cultural District, and rise in housing costs due to increased development of market-rate housing. The proposed project is subject to the Mission 2016 Interim Zoning Controls, effective January 2016, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR. The project sponsor has prepared such additional analysis and has submitted this analysis to the Planning Department.⁷ The Planning Commission will review and consider this analysis before making a decision and taking an approval action on the proposed project.

Environmental analysis under CEQA is required to focus on the direct and indirect physical changes to the environment that could reasonably result from a proposed project. Economic or social effects of a project are not considered significant environmental impacts, unless they lead to physical changes in the environment (CEQA Guidelines 15131). Accordingly, the displacement issue addressed under CEQA refers specifically to the direct loss of housing units that would result from proposed demolition of existing housing and the foreseeable construction of replacement housing elsewhere. This is because demolition of existing housing has the potential to result in displacement of substantial numbers of people and would necessitate the construction of replacement housing elsewhere. This would in turn

⁷ Mission 2015 Interim Controls Additional Findings for 1515 South Van Ness Ave. Case No. 2014.1020CUA, submitted to Doug Vu, San Francisco Planning Department.

result in a number of direct and indirect physical changes to the environment associated with demolition and construction activities and new operational impacts.

As discussed under the population and housing section of the CPE Checklist, the project site does not contain any existing residential units and the proposed project would not result in any direct displacement of low-income residents. The existing building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include approximately 1,080 square feet of retail uses and six trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). These spaces are anticipated to be retail units with some reserved space for goods production (e.g. jewelry making, bag making, ceramics). Therefore, the proposed project would result in a small increase in jobs within the city. Additionally, as discussed under the cultural and paleontological resources section of the CPE Checklist, the existing building is not a historic resource and the project site is not located within a historic district. Finally, the possibility that the proposed project would contribute to rising housing costs is speculative with regard to potential physical changes that would result, and therefore is not a physical environmental effect subject to analysis under CEQA. Additional comments received were related to the building design, the quality of ground floor spaces, the project outreach process, and requests to be on the distribution list for future documents. Comments on the merits of the project that are not related to environmental analyses topics will be provided to decision-makers for consideration in their review of approval actions for the proposed project.

The proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CONCLUSION

As summarized above and further discussed in the CPE Checklist⁸:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;
2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;
3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;
4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and
5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

⁸ The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.1020ENV.

Therefore, the proposed project is exempt from further environmental review pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.



SAN FRANCISCO PLANNING DEPARTMENT

PRESERVATION TEAM REVIEW FORM

1650 Mission St.
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415.558.6409

Planning
Information:
415.558.6377

Preservation Team Meeting Date:		Date of Form Completion	9/14/2015
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PROJECT INFORMATION:		
Planner:	Address:	
E. Tuffy	1515 South Van Ness Avenue	
Block/Lot:	Cross Streets:	
6571/008	Between 26th Street and Cesar Chavez Street	
CEQA Category:	Art. 10/11:	BPA/Case No.:
B		2014.1020ENV

PURPOSE OF REVIEW:			PROJECT DESCRIPTION:	
<input checked="" type="radio"/> CEQA	<input type="radio"/> Article 10/11	<input type="radio"/> Preliminary/PIC	<input type="radio"/> Alteration	<input type="radio"/> Demo/New Construction

DATE OF PLANS UNDER REVIEW:	Sept. 29, 2014 (massing only)
------------------------------------	-------------------------------


PROJECT ISSUES:	
<input type="checkbox"/>	Is the subject Property an eligible historic resource?
<input type="checkbox"/>	If so, are the proposed changes a significant impact?
Additional Notes:	
Proposal is for the demolition of a 1948 auto showroom & repair shop to construct a new mixed-use building with 160 units of rental housing in the Mission Street NCT district.	
Recorded in 2008 during the South Mission Survey, the property was noted to require further research in order to make a determination. An Historic Resource Evaluation report completed by architecture + history, llc was submitted to fulfil that requirement.	

PRESERVATION TEAM REVIEW:				
Historic Resource Present		<input type="radio"/> Yes	<input checked="" type="radio"/> No *	<input type="radio"/> N/A
Individual		Historic District/Context		
Property is individually eligible for inclusion in a California Register under one or more of the following Criteria:		Property is in an eligible California Register Historic District/Context under one or more of the following Criteria:		
Criterion 1 - Event:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 1 - Event:	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Criterion 2 -Persons:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 2 -Persons:	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Criterion 3 - Architecture:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 3 - Architecture:	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Criterion 4 - Info. Potential:	<input type="radio"/> Yes <input checked="" type="radio"/> No	Criterion 4 - Info. Potential:	<input type="radio"/> Yes <input checked="" type="radio"/> No	
Period of Significance:	n/a	Period of Significance:	n/a	
		<input type="radio"/> Contributor <input type="radio"/> Non-Contributor		

Complies with the Secretary's Standards/Art 10/Art 11:	<input type="radio"/> Yes	<input type="radio"/> No	<input checked="" type="radio"/> N/A
CEQA Material Impairment:	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Needs More Information:	<input type="radio"/> Yes	<input checked="" type="radio"/> No	
Requires Design Revisions:	<input checked="" type="radio"/> Yes	<input type="radio"/> No	
Defer to Residential Design Team:	Yes	<input checked="" type="radio"/> No	

* If No is selected for Historic Resource per CEQA, a signature from Senior Preservation Planner or Preservation Coordinator is required.

PRESERVATION TEAM COMMENTS:
<p>The subject property, which is a 1948 auto showroom and repair shop, was reviewed as part of this project proposal based on a preservation consultant's Historic Resource Evaluation (dated Sept. 8, 2015). The existing building is located at the southeast corner of 26th Street and South Van Ness and occupies almost 1/3 of a city block. Directly across 26th Street to the north is Landmark #206, the Howard / 26th Street Cottages, which is a grouping of 2-1/2 story row houses with mid-block open space.</p> <p>While the subject block was historically part of the larger Cogswell Polytechnical College campus grounds, the school's industrial skills' classrooms and workshop buildings were demolished around the time of the existing building's construction in the late-1940s. A local businessman, J.W. Allen, hired the engineering firm of Ellison & King to draw up plans for an auto sales and service building, which was expanded 2 years after its initial construction. The property housed auto-related uses for 40 years until it was occupied by McMillan Electric beginning in the 1980s.</p> <p>Planning Department records, prior studies on the history of the city's automotive industry, and the consultant report did not produce any information to suggest that the property is eligible for listing due to connections with important events in history (Criterion 1). When asked to expand upon auto-related buildings in San Francisco after World War II, the report states that a small cluster of such buildings seems to have been focused west of the subject property, between Mission and Valencia streets.</p> <p>J.W. Allen had only a brief, 2-year connection to the subject property. William Ellison, a partner in the named engineering firm, was known in his field but does not appear to be connected to this commission as an exemplary work of his or of the firm. And although the materials and overall architecture of the auto showroom is indicative of its time, it does not rise to a level to be considered a fine example of Mid-20th Century Modernism. For these reasons the property is not eligible for either significant persons (Criterion 2) or architecture (Criterion 3). Integrity of the original exterior design remains high, with changes limited to interior alterations.</p> <p>Based on further research, the subject property does not appear eligible as either an individual resource, or as part of an historic district.</p>

Signature of a Senior Preservation Planner / Preservation Coordinator:	Date:
	9/28/2015

1515 South Van Ness
(1948, Ellison & King, structural engineers)



(Top photo) View of the subject property, at the southeast corner of 26th St. and South Van Ness
(Bottom photo) Rear of the subject property, from the down-sloping east end of the lot

ATTACHMENT A:
MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL

<i>MITIGATION MEASURES</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR					
Cultural Resources					
<p>Project Mitigation Measure 1: Archeological Testing (Mitigation Measure J-2 in the Eastern Neighborhoods PEIR).</p> <p>Based on a reasonable presumption that archeological resources may be present within the project site, the following measures shall be undertaken to avoid any potentially significant adverse effect from the proposed project on buried or submerged historical resources. The project sponsor shall retain the services of an archaeological consultant from the rotational Department Qualified Archaeological Consultants List (QACL) maintained by the Planning Department archaeologist. The project sponsor shall contact the Department archeologist to obtain the names and contact information for the next three archeological consultants on the QACL. The archeological consultant shall undertake an archeological testing program as specified herein. In addition, the consultant shall be available to conduct an archeological monitoring and/or data recovery program if required pursuant to this measure. The archeological consultant's work shall be conducted in accordance with this measure at the direction of the Environmental Review Officer (ERO). All plans and reports prepared by the consultant as specified herein shall be submitted first and directly to the ERO for review and comment, and shall be considered draft reports subject to revision until final approval by the ERO. Archeological monitoring and/or data recovery programs required by this measure could suspend construction of the project for up to a maximum of four weeks. At the direction of the ERO, the suspension of construction can be extended beyond four weeks only if such a suspension is the only feasible means to reduce to a less than significant level potential effects on a significant archeological resource as defined in CEQA Guidelines Sect. 15064.5 (a) and (c).</p>	Project sponsor/ archeological consultant at the direction of the Environmental Review Officer (ERO).	Prior to issuance of grading or building permits	Project sponsor to retain a qualified archeological consultant who shall report to the ERO.	Project sponsor/ archeological consultant at the direction of the ERO.	<p>Archeological consultant shall be retained prior to any soil disturbing activities.</p> <p>Date Archeological consultant retained:</p> <p>_____</p>

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<p><i>Consultation with Descendant Communities:</i> On discovery of an archeological site¹ associated with descendant Native Americans, the Overseas Chinese, or other potentially interested descendant group an appropriate representative² of the descendant group and the ERO shall be contacted. The representative of the descendant group shall be given the opportunity to monitor archeological field investigations of the site and to offer recommendations to the ERO regarding appropriate archeological treatment of the site, of recovered data from the site, and, if applicable, any interpretative treatment of the associated archeological site. A copy of the Final Archaeological Resources Report shall be provided to the representative of the descendant group.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO.</p>	<p>In the event archeological sites associated with descendent communities are found.</p>	<p>Project sponsor/ archeological consultant to contact and consult with ERO and representative of descendant group. Project sponsor/ archeological consultant to distribute Final Archaeological Resources Report to representative of the descendant group.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO.</p>	<p>Archeological site associated with descendent communities found? Y N Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Date of distribution of Final FARR: _____</p>

¹ The term "archeological site" is intended here to minimally include any archeological deposit, feature, burial, or evidence of burial.

² An "appropriate representative" of the descendant group is here defined to mean, in the case of Native Americans, any individual listed in the current Native American Contact List for the City and County of San Francisco maintained by the California Native American Heritage Commission and in the case of the Overseas Chinese, the Chinese Historical Society of America. An appropriate representative of other descendant groups should be determined in consultation with the Department archeologist.

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<p><i>Archeological Testing Program.</i> The archeological consultant shall prepare and submit to the ERO for review and approval an archeological testing plan (ATP). The archeological testing program shall be conducted in accordance with the approved ATP. The ATP shall identify the property types of the expected archeological resource(s) that potentially could be adversely affected by the proposed project, the testing method to be used, and the locations recommended for testing. The purpose of the archeological testing program will be to determine to the extent possible the presence or absence of archeological resources and to identify and to evaluate whether any archeological resource encountered on the site constitutes an historical resource under CEQA.</p>	Project sponsor/ archeological consultant at the direction of the ERO.	Prior to any soil-disturbing activities on the project site.	Archeologist shall prepare and submit draft ATP to the ERO. ATP to be submitted and reviewed by the ERO prior to any soils disturbing activities on the project site.	Project sponsor/ archeological consultant at the direction of the ERO.	<p>Date ATP submitted to the ERO: _____</p> <p>Date ATP approved by the ERO: _____</p> <p>Date of initial soil disturbing activities: _____</p>
<p>At the completion of the archeological testing program, the archeological consultant shall submit a written report of the findings to the ERO. If based on the archeological testing program the archeological consultant finds that significant archeological resources may be present, the ERO in consultation with the archeological consultant shall determine if additional measures are warranted. Additional measures that may be undertaken include additional archeological testing, archeological monitoring, and/or an archeological data recovery program. No archeological data recovery shall be undertaken without the prior approval of the ERO or the Planning Department archeologist. If the ERO determines that a significant archeological resource is present and that the resource could be adversely affected by the proposed project, at the discretion of the project sponsor either:</p> <p>A) The proposed project shall be re-designed so as to avoid any adverse effect on the significant archeological resource; or</p> <p>B) A data recovery program shall be implemented, unless the ERO determines that the archeological resource is of greater interpretive than research significance and that interpretive use of the resource is feasible.</p>	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the Archeological Testing Program.	Archeological consultant shall submit report of the findings of the ATP to the ERO.	Project sponsor/ archeological consultant at the direction of the ERO.	<p>Date archeological findings report submitted to the ERO: _____</p> <p>ERO determination of significant archeological resource present?</p> <p>Y N</p> <p>Would resource be adversely affected?</p> <p>Y N</p> <p>Additional mitigation to be undertaken by project sponsor?</p> <p>Y N</p>

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<p><i>Archeological Monitoring Program.</i> If the ERO in consultation with the archeological consultant determines that an archeological monitoring program shall be implemented the archeological monitoring program shall minimally include the following provisions:</p> <ul style="list-style-type: none"> ■ The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the AMP reasonably prior to any project-related soils disturbing activities commencing. The ERO in consultation with the archeological consultant shall determine what project activities shall be archeologically monitored. In most cases, any soils- disturbing activities, such as demolition, foundation removal, excavation, grading, utilities installation, foundation work, driving of piles (foundation, shoring, etc.), site remediation, etc., shall require archeological monitoring because of the risk these activities pose to potential archaeological resources and to their depositional context; ■ The archeological consultant shall advise all project contractors to be on the alert for evidence of the presence of the expected resource(s), of how to identify the evidence of the expected resource(s), and of the appropriate protocol in the event of apparent discovery of an archeological resource; ■ The archeological monitor(s) shall be present on the project site according to a schedule agreed upon by the archeological consultant and the ERO until the ERO has, in consultation with project archeological consultant, determined that project construction activities could have no effects on significant archeological deposits; ■ The archeological monitor shall record and be authorized to collect soil samples and artifactual/ecofactual material as warranted for analysis; ■ If an intact archeological deposit is encountered, all soils-disturbing activities in the vicinity of the deposit shall cease. The archeological monitor shall be empowered to temporarily redirect demolition/excavation/pile driving/construction activities and equipment until the deposit is evaluated. If in the case of pile driving activity (foundation, shoring, etc.), the archeological monitor has cause to believe that the pile driving activity may affect an archeological resource, the pile driving activity shall be terminated until an appropriate 	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p> <p>Archeological consultant at the direction of the ERO.</p>	<p>ERO & archeological consultant shall meet prior to commenceme nt of soil- disturbing activity. If the ERO determines that an Archeological Monitoring Program is necessary, monitor throughout sensitive soil- disturbing activities.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s) shall implement the AMP, if required by the ERO.</p> <p>Identify and evaluate archeological resources.</p>	<p>Project sponsor/ archeological consultant/ archeological monitor/ contractor(s), at the direction of the ERO.</p>	<p>AMP required? Y N Date: _____</p> <p>Date AMP submitted to the ERO: _____</p> <p>Date AMP approved by the ERO: _____</p> <p>Date AMP implementation complete: _____</p> <p>Date written report regarding findings of the AMP received: _____</p>

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<p>evaluation of the resource has been made in consultation with the ERO. The archeological consultant shall immediately notify the ERO of the encountered archeological deposit. The archeological consultant shall make a reasonable effort to assess the identity, integrity, and significance of the encountered archeological deposit, and present the findings of this assessment to the ERO.</p> <p>Whether or not significant archeological resources are encountered, the archeological consultant shall submit a written report of the findings of the monitoring program to the ERO.</p>					

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<p><i>Archeological Data Recovery Program.</i> The archeological data recovery program shall be conducted in accord with an archeological data recovery plan (ADRP). The archeological consultant, project sponsor, and ERO shall meet and consult on the scope of the ADRP prior to preparation of a draft ADRP. The archeological consultant shall submit a draft ADRP to the ERO. The ADRP shall identify how the proposed data recovery program will preserve the significant information the archeological resource is expected to contain. That is, the ADRP will identify what scientific/historical research questions are applicable to the expected resource, what data classes the resource is expected to possess, and how the expected data classes would address the applicable research questions. Data recovery, in general, should be limited to the portions of the historical property that could be adversely affected by the proposed project. Destructive data recovery methods shall not be applied to portions of the archeological resources if nondestructive methods are practical.</p> <p>The scope of the ADRP shall include the following elements:</p> <ul style="list-style-type: none"> ■ <i>Field Methods and Procedures.</i> Descriptions of proposed field strategies, procedures, and operations. ■ <i>Cataloguing and Laboratory Analysis.</i> Description of selected cataloguing system and artifact analysis procedures. ■ <i>Discard and Deaccession Policy.</i> Description of and rationale for field and post-field discard and deaccession policies. ■ <i>Interpretive Program.</i> Consideration of an on-site/off-site public interpretive program during the course of the archeological data recovery program. ■ <i>Security Measures.</i> Recommended security measures to protect the archeological resource from vandalism, looting, and non-intentionally damaging activities. ■ <i>Final Report.</i> Description of proposed report format and distribution of results. ■ <i>Curation.</i> Description of the procedures and recommendations for the curation of any recovered data having potential research value, identification of appropriate curation facilities, and a summary of the accession policies of the curation facilities. 	Project Sponsor/archeological consultant at the direction of the ERO	If there is a determination that an ADRP program is required.	Project sponsor/archeological consultant/archeological monitor/contractor(s) shall prepare and implement an ADRP if required by the ERO.	Project sponsor/archeological consultant at the direction of the ERO.	<p>ADRP required? Y N Date: _____</p> <p>Date of scoping meeting for ADRP: _____</p> <p>Date Draft ADRP submitted to the ERO: _____</p> <p>Date ADRP approved by the ERO: _____</p> <p>Date ADRP implementation complete: _____</p>

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<p><i>Human Remains and Associated or Unassociated Funerary Objects.</i> The treatment of human remains and of associated or unassociated funerary objects discovered during any soils disturbing activity shall comply with applicable State and Federal laws. This shall include immediate notification of the Coroner of the City and County of San Francisco and in the event of the Coroner's determination that the human remains are Native American remains, notification of the California State Native American Heritage Commission (NAHC) who shall appoint a Most Likely Descendant (MLD) (Pub. Res. Code Sec. 5097.98). The archeological consultant, project sponsor, ERO, and MLD shall have up to but not beyond six days of discovery make all reasonable efforts to develop an agreement for the treatment of human remains and associated or unassociated funerary objects with appropriate dignity (CEQA Guidelines. Sec. 15064.5(d)). The agreement should take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. Nothing in existing State regulations or in this mitigation measure compels the project sponsor and the ERO to accept recommendations of an MLD. The archeological consultant shall retain possession of any Native American human remains and associated or unassociated burial objects until completion of any scientific analyses of the human remains or objects as specified in the treatment agreement if such as agreement has been made or, otherwise, as determined by the archeological consultant and the ERO.</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>In the event human remains and/or funerary objects are found.</p>	<p>Project sponsor/ archeological consultant/ERO to contact the San Francisco Coroner/ NAHC/ MDL</p>	<p>Project sponsor / archeological consultant in consultation with the ERO, San Francisco Coroner, NAHC, and MDL.</p>	<p>Human remains and associated or unassociated funerary objects found? Y N Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Persons contacted: Date:_____</p> <p>Persons contacted: Date:_____</p>

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<p><i>Final Archeological Resources Report.</i> The archeological consultant shall submit a Draft Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describes the archeological and historical research methods employed in the archeological testing/monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.</p> <p>Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound, one unbound and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest in or the high interpretive value of the resource, the ERO may require a different final report content, format, and distribution than that presented above.</p>	Project sponsor/ archeological consultant at the direction of the ERO.	After completion of the archeological data recovery, inventorying, analysis and interpretation.	Archeological consultant to submit a Draft Final Archeological Resources Report (FARR) to the ERO and once approved by the ERO, distribution of the Final FARR	Project sponsor/ archeological consultant at the direction of the ERO	<p>Following completion of soil disturbing activities. Considered complete upon distribution of final FARR.</p> <p>Date Draft FARR submitted to ERO: _____</p> <p>Date FARR approved by ERO: _____</p> <p>Date of distribution of Final FARR: _____</p> <p>Date of submittal of Final FARR to information center: _____</p>
Noise					
<p>Project Mitigation Measure 2: Construction Noise (Pile-Driving). (Mitigation Measure F-1 in the Eastern Neighborhoods PEIR).</p> <p>For subsequent development projects within proximity to noise-sensitive uses that would include pile-driving, individual project sponsors shall ensure that piles be pre-drilled wherever feasible to reduce construction-related noise and vibration. No impact pile drivers shall be used unless absolutely necessary. Contractors would be required to use pile-driving equipment with state-of-the-art noise shielding and muffling devices. To reduce noise and vibration impacts, sonic or vibratory sheetpile drivers, rather than impact drivers, shall be used wherever sheetpiles are needed. Individual project sponsors shall also require that contractors schedule pile-driving activity for times of the day that would minimize disturbance to neighbors.</p>	Project Sponsor/Project Contractor	During construction	Project Sponsor to provide Planning Department with monthly reports during construction period.	Project Sponsor/contractor(s)	Considered complete upon receipt of final monitoring report at completion of construction.

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MITIGATION MEASURES	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Project Mitigation Measure 3: Construction Noise (Mitigation Measure F-2 in the Eastern Neighborhoods PEIR).</p> <p>Where environmental review of a development project undertaken subsequent to the adoption of the proposed zoning controls determines that construction noise controls are necessary due to the nature of planned construction practices and the sensitivity of proximate uses, the Planning Director shall require that the sponsors of the subsequent development project develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:</p> <ul style="list-style-type: none"> ■ Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; ■ Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; ■ Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; ■ Monitor the effectiveness of noise attenuation measures by taking noise measurements; and ■ Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed. 	Project Sponsor/Project Contractor	During construction	Project Sponsor to provide Planning Department with monthly reports during construction period.	Project Sponsor/contractor(s)	Considered complete upon receipt of final monitoring report at completion of construction.
<p>Project Mitigation Measure 4: Siting of Noise-Generating Uses (Mitigation Measure F-5 in the Eastern Neighborhoods PEIR).</p> <p>To reduce potential conflicts between existing sensitive receptors and new noise-generating uses, for new development including commercial, industrial or other uses that would be expected to generate noise levels in excess of ambient noise, either short-term, at nighttime, or as a 24-hour average, in the proposed project site vicinity, the Planning Department shall</p>	Project Sponsor/Project Architect	Prior to issuance of a final building permit and certificate of occupancy	Design measures to be incorporated into project design and evaluated in environmental/building permit review	San Francisco Planning Department and the Department of Building Inspection	Considered complete upon approval of final construction drawing set.

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MITIGATION MEASURES	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
require the preparation of an analysis that includes, at a minimum, a site survey to identify potential noise-sensitive uses within 900 feet of, and that have a direct line-of-sight to, the project site, and including at least one 24-hour noise measurement (with maximum noise level readings taken at least every 15 minutes), prior to the first project approval action. The analysis shall be prepared by persons qualified in acoustical analysis and/or engineering and shall demonstrate with reasonable certainty that the proposed use would comply with the use compatibility requirements in the General Plan and in Police Code Section 2909I, would not adversely affect nearby noise-sensitive uses, and that there are no particular circumstances about the proposed project site that appear to warrant heightened concern about noise levels that would be generated by the proposed use. Should such concerns be present, the Department may require the completion of a detailed noise assessment by person(s) qualified in acoustical analysis and/or engineering prior to the first project approval action.					
HAZARDOUS MATERIALS					
Project Mitigation Measure 5: Hazardous Building Materials (Mitigation Measure L-1 in the Eastern Neighborhoods PEIR). The City shall condition future development approvals to require that the subsequent project sponsors ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and properly disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws	Project Sponsor/Project Contractor	Prior to approval of project	Comply with applicable laws during removal and disposal of any equipment containing PCBs or DEPH and document this process	Planning Department, in consultation with DPH; where Site Mitigation Plan is required, Project Sponsor or contractor shall submit a monitoring report to DPH, with a copy to Planning Department and DBI, at end of construction.	Considered complete upon approval of each subsequent project.

**ATTACHMENT B:
IMPROVEMENT MEASURES ADOPTED AS CONDITIONS OF APPROVAL**

<i>IMPROVEMENT MEASURES</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
IMPROVEMENT MEASURES AGREED TO BY PROJECT SPONSOR					
Transportation					
<p>Improvement Measure 1: Transportation Demand Management Measures</p> <p>The project sponsor and subsequent property manager should implement a Transportation Demand Management (TDM) Program that seeks to minimize the number of single occupancy vehicle trips (SOV) generated by the proposed project for the lifetime of the proposed project. The TDM Program targets a reduction in SOV trips by encouraging persons to select other modes of transportation, including walking, bicycling, transit, carshare, carpooling, and/or other modes.</p> <p>The project sponsor has agreed to implement the following TDM measures:</p> <ul style="list-style-type: none"> ■ TDM Coordinator: The project sponsor will identify a TDM coordinator for the Project site who will be responsible for the implementation and ongoing operation of all other TDM measures included in proposed project. ■ Move-in packet: The project sponsor will provide a transportation insert for the move-in packet that includes information on transit service, where transit passes could be purchased, the 511 Regional Rideshare Program, and nearby bike and car share programs. ■ New-hire packet: The project sponsor will provide a transportation insert for the new-hire packet that includes information on transit service, where transit passes could be purchased, the 511 Regional Rideshare Program, and nearby bike and car share programs. ■ Posted and real-time information: The project sponsor will provide a local map clearly identifying transit, bicycle, and key pedestrian routes as well as real-time transit information on-site in a prominent and visible location. ■ City Access: The project sponsor will provide City staff access to the project site to perform trip counts, intercept surveys, and/or other types of data collection. The project sponsor will periodically administer a City- 	Project sponsor, building management, Planning Department staff	Prior to and during occupancy	Implement TDM measures	Project sponsor	Ongoing during occupancy

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IMPROVEMENT MEASURES	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>approved survey to residential and commercial tenants.</p> <ul style="list-style-type: none"> ■ Bicycle Parking: The project sponsor will increase the number of on-site secured bicycle parking beyond the Planning Code requirements and/or provide additional bicycle facilities in the public right-of-way adjacent to the site. The project sponsor will provide signage indicating the location of bicycle parking at points of access to the proposed project. ■ Bay Area Bike Share: The project sponsor will cooperate with City agencies and the Bay Area Bike Share to allow installation of a bike share station in the public right-of-way along the project's frontage. ■ Bicycle Share Funding: The project sponsor will contact City agencies and the Bay Area Bike Share to fund the installation of up to 20 new bicycle racks and/or one or more bike share stations near the site within one year after Final Certification of Completion for the Project. ■ Bicycle Share Membership: The project sponsor will offer a 100 percent subsidy for one annual bike share membership for new employees or residents. ■ Carshare Parking: The project sponsor will provide carshare spaces as described in the Planning Code. ■ Carshare Membership: The project sponsor will offer one annual carshare membership for each new resident (one per household) or employee. 					
<p>Improvement Measure 2: Queue Abatement</p> <p>The owner/operator of the off-street parking facility should ensure that recurring vehicle queues do not occur on the public right-of-way. A vehicle queue is defined as one or more vehicles (destined for the parking facility) blocking any portion of any public street, alley or sidewalk for a consecutive period of three minutes or longer on a daily or weekly basis.</p> <p>If a recurring queue occurs, the owner/operator of the parking facility should employ abatement methods as needed to abate the queue. Suggested abatement methods include but are not limited to the following: redesign of facility to improve vehicle circulation and/or on-site queue capacity; employment of parking attendants; use of valet parking or other space-</p>	Property owner or building manager	Upon operation of the proposed project	Ensure a vehicle queue does not block any portion of public street, alley, or sidewalk for a consecutive period of three minutes or longer on a daily or weekly basis Hire transportation consultant to evaluate conditions	Owner/operator; Planning Department	Ongoing during operation

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<p>efficient parking techniques; use of off-site parking facilities or shared parking with nearby uses; use of parking occupancy sensors and signage directing drivers to available spaces; or travel demand management strategies such as additional bicycle parking.</p> <p>If the Planning Director, or his or her designee, suspects that a recurring queue is present, the Planning Department should notify the property owner in writing. Upon request, the owner/operator should hire a qualified transportation consultant to evaluate the conditions at the site for no less than seven days. The consultant should prepare a monitoring report to be submitted to the Planning Department for review. If the Planning Department determines that a recurring queue does exist, the facility owner/operator should have 90 days from the date of the written determination to abate the queue.</p>			Employ abatement methods.		
<p>Improvement Measure 3: No Parking Adjacent to Project Driveway to Increase Visibility</p> <p>The project sponsor should coordinate with the San Francisco Municipal Transportation Agency and Public Works to establish a restricted parking and landscaping area on both sides of the proposed project driveway entrance to increase visibility. Additionally, an advance warning sign and pavement marking should be installed on Shotwell Street north of the proposed project driveway to caution southbound drivers and bicyclists that a driveway is present.</p>	Project Sponsor	During project construction	Restrict parking and landscaping areas on both sides of the project driveway entrance; install advance warning sign and pavement marking on Shotwell north of project driveway	Planning Department/DBI/DPW	Upon completion of project construction
<p>Improvement Measure 4: Traffic Calming Devices and Notification at Driveway</p> <p>The project sponsor should implement appropriate traffic calming devices in the garage exit aisle to slow exiting traffic, such as speed bumps, rumble strips, and/or "slow speed" signage. The project sponsor should also provide visible/audible warning notification at the driveway entrance to alert pedestrians to the possibility of conflicting vehicles entering and exiting the driveway. Conditions at the driveway should be monitored to determine whether an additional audible warning signal is necessary to enhance the traffic calming controls and visible warning signal.</p>	Project Sponsor	During project construction	Implement traffic calming devices at garage exit; Monitor driveway conditions to see if additional calming devices are warranted.	Planning Department	During project construction and ongoing during project operations

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IMPROVEMENT MEASURES ADOPTED AS CONDITIONS OF APPROVAL

IMPROVEMENT MEASURES	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Monitoring/Reporting Responsibility	Monitoring Schedule
<p>Improvement Measure 5: Pedestrian Mid-Block Crossing on Shotwell Street</p> <p>The project sponsor should monitor pedestrian behavior at the garage driveway and determine whether observed conflict with vehicles on Shotwell Street merits provision of a pedestrian mid-block crossing on Shotwell Street north of the proposed project driveway and the jog in the roadway (approximately 110 feet south of the intersection of Shotwell Street and 26th Street). The crossing would allow pedestrians exiting the proposed project on Shotwell Street to cross to the east side of the street and walk south on a sidewalk, avoiding the west side of Shotwell Street south of the project site where no sidewalk is provided. Implementation of the crossing would be coordinated with the San Francisco Municipal Transportation Agency and Public Works.</p>	Project Sponsor	Upon operation of the proposed project	Monitor pedestrian behavior at garage driveway; install mid-block crossing on Shotwell Street if warranted	Project Sponsor/Planning Department/DBI/DPW	Ongoing during project operations
<p>Improvement Measure 6: Construction Management</p> <p>As an improvement measure to reduce potential conflicts between construction activities and pedestrians, transit and autos at the project site, the contractor should add certain measures to the required traffic control plan for proposed project construction. In addition to the requirements for a construction traffic control/management plan, the proposed project should include the following measures:</p> <ul style="list-style-type: none"> ■ Non-peak Construction Traffic Hours - In addition, to minimize the construction-related disruption of the general traffic flow on adjacent streets during the PM peak period, truck movements and deliveries should be limited during peak hours (generally 4:00 to 6:00 PM, or other times as determined by San Francisco Municipal Transportation Agency and its Transportation Advisory Staff Committee [TASC]). ■ Carpool and Transit Access for Construction Workers –To minimize parking demand and vehicle trips associated with construction workers, the construction contractor should include methods to encourage carpooling and transit access to the project site by construction workers in the Construction Management Plan. On-site construction workers should also be encouraged to consider cycling and walking as alternatives to driving alone to and from the site. 	Project sponsor, contractor(s)	Prior to and during construction	Implement Construction Management Plan	Project Sponsor	Upon completion of project construction

**ATTACHMENT B:
IMPROVEMENT MEASURES ADOPTED AS CONDITIONS OF APPROVAL**

<i>IMPROVEMENT MEASURES</i>	<i>Responsibility for Implementation</i>	<i>Mitigation Schedule</i>	<i>Mitigation Action</i>	<i>Monitoring/Reporting Responsibility</i>	<i>Monitoring Schedule</i>
<ul style="list-style-type: none"> Project Construction Updates for Adjacent Businesses and Residents – To minimize construction impacts on access for nearby institutions and businesses, the project sponsor should provide nearby residences and adjacent businesses with regularly-updated information regarding proposed project construction, including a construction contact person, construction activities, duration, peak construction activities (e.g., concrete pours), travel lane closures, and lane closures. 					

Carroll, John (BOS)

From: Chung Hagen, Sheila (BOS)
Sent: Tuesday, October 18, 2016 5:05 PM
To: Carroll, John (BOS); BOS-Supervisors; BOS-Legislative Aides
Subject: Continuing CPE Appeal of 1515 South Van Ness Avenue to Nov 15, 2016

Categories: 161001

Both the project sponsor and appellant for the project at 1515 South Van Ness have requested that the Community Plan Exemption appeal be heard on November 15, 2016 instead of next Tues, Oct 25th. Supervisor Campos will make a motion to that effect next week.

Sheila

.....
Sheila Chung Hagen
Legislative Aide
Office of Supervisor David Campos
415-554-5144 | sheila.chung.hagen@sfgov.org

From: Alexis Pelosi [<mailto:alexis@pelosilawgroup.com>]
Sent: Tuesday, October 18, 2016 1:00 PM
To: Chung Hagen, Sheila (BOS) <sheila.chung.hagen@sfgov.org>
Cc: Peter Schellinger <Peter.Schellinger@livelmc.com>
Subject: 1515 South Van Ness Avenue - Appeal Hearing

Sheila,

The Board of Supervisors is currently scheduled to hear an appeal of the CEQA document issued for the project at 1515 South Van Ness Avenue on October 25, 2016. Our office represents Lennar Multifamily Communities, the project sponsor for 1515 South Van Ness Avenue. Earlier today, I learned that the key person at Lennar Multifamily Communities in charge of overseeing and managing the project will be out of town and unable to attend the hearing on October 25, 2016. As a result, I am writing to request that the hearing being continued to November 15, 2016. If you have any questions or need any additional information from me as part of this request please let me know.

Alexis

Alexis M. Pelosi
Principal Attorney
(415) 273-9670 ext. 1 (o)
(415) 290-4774 (c)
alexis@pelosilawgroup.com
www.pelosilawgroup.com



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-----Original Message-----

From: Jscottweaver [mailto:jscottweaver@aol.com]
Sent: Tuesday, October 18, 2016 1:15 PM
To: Chung Hagen, Sheila (BOS) <sheila.chung.hagen@sfgov.org>
Subject: 1515 South Van Ness hearing

Dear Sheila,

This confirms our understanding that the project sponsor and opponents have agreed to continue the hearing for the appeal on the above referenced property such that the appeal will take place on November 15, 2016 instead of October 25, 2016.

Per your request, a representative of the project opponent will be present on the 25th to confirm this understanding.

Thank you for your assistance.

J. Scott Weaver

Sent from my iPhone

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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following appeal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:


Date: October 25, 2016

Time: 3:00 p.m.

Location: Legislative Chamber, City Hall, Room 250
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

Subject: File No. 161001. Hearing of persons interested in or objecting to the determination of exemption from environmental review under the California Environmental Quality Act, issued as a Community Plan Exemption by the Planning Department on July 12, 2016, and approved by Planning Commission Motion No. 19727 on August 11, 2016, for the proposed project located at 1515 South Van Ness Avenue, to allow demolition of an existing building and new construction of a 55- to 65-foot-tall, five- to six-story development with a total area of 180,277 square feet that includes 138,922 square feet of residential uses for up to 157 dwelling units, 5,241 square feet of commercial space, and a 32,473 square-foot garage for parking. (District 9) (Appellant: J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council) (Filed September 12, 2016).

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to these matters will be available for public review on Friday, October 21, 2016.


Angela Calvillo
Clerk of the Board

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. 544-5227

PROOF OF MAILING

Legislative File No. 161001

Description of Items: Public Hearing Notice - 1515 South Van Ness - Community Plan Exemption Appeal


I, Brent Jalipa, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: 10/11/2016

Time: 9:30 AM

USPS Location: Board of Supervisor's Mail Room

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: 

Instructions: Upon completion, original must be filed in the above referenced file.

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. 544-5227

September 23, 2016

File No. 161001
1515 South Van Ness Avenue CPE Appeal

Received from the Board of Supervisors Clerk's Office one check, in the amount of Five Hundred Seventy Eight Dollars (\$578), representing filing fee paid by J. Scott Weaver for appeal of the CEQA Appeal for the proposed project at 1515 South Van Ness Avenue.

Planning Department
By:

Ming Wai Young
Print Name

[Signature]
Signature and Date

Carroll, John (BOS)

From: Hue, Melinda (CPC)
Sent: Monday, September 26, 2016 12:09 PM
To: BOS Legislation, (BOS)
Subject: RE: NOTICE LIST REQUEST - Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016

Categories: 161001

Hi Brent, I am compiling the list right now and checking in with my supervisor. I will most likely be sending this to you tomorrow if that's okay. Thanks!

Melinda Hue, AICP, LEED AP Environmental Planner

Planning Department | City and County of San Francisco
1650 Mission Street, Suite 400, San Francisco, CA 94103
Direct: 415-575-9041 | Fax: 415-558-6409
Email: melinda.hue@sfgov.org
Web: www.sfplanning.org

From: BOS Legislation, (BOS)
Sent: Friday, September 23, 2016 4:25 PM
To: Vu, Doug (CPC); Hue, Melinda (CPC)
Cc: BOS Legislation, (BOS)
Subject: NOTICE LIST REQUEST - Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016

Good afternoon,

We are preparing the Board hearing notice for the Community Plan Exemption appeal for the proposed project at 1515 South Van Ness Avenue. Would you both kindly send us the Planning Department's notice lists for the project in Excel format when you can? It would be greatly appreciated.

Thanks in advance,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org

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

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

Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Friday, September 23, 2016 4:19 PM
To: Byrne, Marlena (CAT); Givner, Jon (CAT)
Cc: Stacy, Kate (CAT); BOS Legislation, (BOS)
Subject: MOTIONS REQUEST - Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016

Categories: 161001

Good afternoon,

I'm writing to request the motions for the Community Plan Exemption appeal for the proposed project at 1515 South Van Ness Avenue. We will be preparing the agenda packets for the appeal during the week of October 17, if we can have the motions by then it would be greatly appreciated.

Thanks in advance,

Brent Jalipa

Legislative Clerk

Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org



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

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

From: BOS Legislation, (BOS)

Sent: Friday, September 16, 2016 4:50 PM

To: jscottweaver@aol.com; peter.schellinger@lennar.com

Cc: Givner, Jon (CAT) <jon.givner@sfgov.org>; Stacy, Kate (CAT) <kate.stacy@sfgov.org>; Byrne, Marlena (CAT) <marlena.byrne@sfgov.org>; Rahaim, John (CPC) <john.rahaim@sfgov.org>; Sanchez, Scott (CPC) <scott.sanchez@sfgov.org>; Gibson, Lisa (CPC) <lisa.gibson@sfgov.org>; Starr, Aaron (CPC) <aaron.starr@sfgov.org>; Rodgers, AnMarie (CPC) <anmarie.rodgers@sfgov.org>; Ionin, Jonas (CPC) <jonas.ionin@sfgov.org>; BOS-Supervisors <bos-supervisors@sfgov.org>; BOS-Legislative Aides <bos-legislative_aides@sfgov.org>; Calvillo, Angela (BOS) <angela.calvillo@sfgov.org>; Somera, Alisa (BOS) <alisa.somera@sfgov.org>; BOS Legislation, (BOS) <bos.legislation@sfgov.org>; Lew, Lisa (BOS) <lisa.lew@sfgov.org>; Vu, Doug (CPC) <doug.vu@sfgov.org>; Hue, Melinda (CPC) <melinda.hue@sfgov.org>

Subject: Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016

Good afternoon,

Carroll, John (BOS)

From: BOS Legislation, (BOS)
Sent: Friday, September 16, 2016 4:50 PM
To: jscottweaver@aol.com; peter.schellinger@lennar.com
Cc: Givner, Jon (CAT); Stacy, Kate (CAT); Byrne, Marlena (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Starr, Aaron (CPC); Rodgers, AnMarie (CPC); Ionin, Jonas (CPC); BOS-Supervisors; BOS-Legislative Aides; Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS Legislation, (BOS); Lew, Lisa (BOS); Vu, Doug (CPC); Hue, Melinda (CPC)
Subject: Community Plan Exemption Appeal - 1515 South Van Ness Avenue - Appeal Hearing on October 25, 2016
Categories: 161001

Good afternoon,

The Office of the Clerk of the Board has scheduled a hearing for Special Order before the Board of Supervisors on **October 25, 2016, at 3:00 p.m.**, to hear an appeal of the determination of exemption from environmental review under the California Environmental Quality Act, issued as a Community Plan Exemption, for the proposed project at 1515 South Van Ness Avenue. Please find linked below a letter of appeal, as well as direct links to the Planning Department's determination that the matter was timely filed, and an informational letter from the Clerk of the Board.

[Appeal Letter - September 12, 2016 - LARGE FILE](#)

[Planning Department Memo - September 15, 2016](#)

[Clerk of the Board Letter - September 16, 2016](#)

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

[Board of Supervisors File No. 161001](#)

Thank you,

John Carroll

Legislative Clerk


Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

(415)554-4445 - Direct | (415)554-5163 - Fax

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

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

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

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

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. 544-5227

September 16, 2016

J. Scott Weaver
West Bay Law
1404 24th Street No.957
San Francisco, CA 94114

**Subject: Appeal of the Adoption of a Community Plan Exemption - Proposed
1515 Van Ness Avenue Project**

Dear Mr. Weaver:

The Office of the Clerk of the Board is in receipt of a memorandum dated September 15, 2016, from the Planning Department regarding their determination on the timely filing of appeal of the adoption of the Community Plan Exemption for the proposed project at 1515 Van Ness Avenue.

The Planning Department has determined that the appeal was filed in a timely manner.

The filing period to appeal the Community Plan Exemption closed on Monday, September 12, 2016. Pursuant to Administrative Code, Section 31.16, a hearing date has been scheduled for **Tuesday, October 25, 2016, at 3:00 p.m.**, at the Board of Supervisors meeting to be held in City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102.

Continues on next page

Please provide to the Clerk's Office by noon:

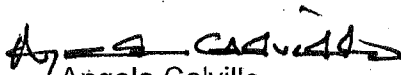
- 20 days prior to the hearing:** names and addresses of interested parties to be notified of the hearing, in spreadsheet format; and
- 11 days prior to the hearing:** any documentation which you may want available to the Board members prior to the hearing.

For the above, the Clerk's office requests one electronic file (sent to bos.legislation@sfgov.org) and two copies of the documentation for distribution.

NOTE: If electronic versions of the documentation are not available, please submit 18 hard copies of the materials to the Clerk's Office for distribution. If you are unable to make the deadlines prescribed above, it is your responsibility to ensure that all parties receive copies of the materials.

If you have any questions, please feel free to contact Legislative Clerks John Carroll at (415) 554-4445, or Brent Jalipa at (415) 554-7712

Very truly yours,


Angela Calvillo
Clerk of the Board

c: Lennar Corporation, c/o Peter Schellinger, Project Sponsor
Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Marlena Byrne, Deputy City Attorney
John Rahaim, Planning Director
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
AnMarie Rodgers, Senior Policy Advisor, Planning Department
Doug Vu, Staff Contact, Planning Department
Melinda Hue, Staff Contact, Planning Department
Jonas Ionin, Planning Commission Secretary



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: September 15, 2016
TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Lisa M. Gibson, Acting Environmental Review Officer *LM*
RE: Appeal timeliness determination – 1515 South Van Ness Avenue,
Planning Department Case No. 2014.1020ENV

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

An appeal of the adoption of the Community Plan Exemption (CPE) for the 1515 South Van Ness Avenue Project was filed with the Office of the Clerk of the Board on September 12, 2016 by J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council (the appellant).

Timeline: On July 12, 2016, the Department determined that the proposal for the 1515 South Van Ness Avenue Project did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 and published a CPE. On August 11, 2016, the San Francisco Planning Commission adopted the CPE for 1515 South Van Ness Avenue Project and approved the project (Approval Action).

Timeliness Determination: Section 31.16(a) and (e) of the San Francisco Administrative Code states that any person or entity may appeal the exemption determination by the Planning Department. Section 31.16(e)(2)(A) states that the appellant of an exemption determination shall submit a letter of appeal to the Clerk of the Board within 30 days after the Date of the Approval Action. The Date of the Approval Action for the 1515 South Van Ness Avenue Project was August 11, 2016. 30 days after the Date of the Approval Action was Saturday, September 10, 2016. The next date when the Office of the Clerk of the Board was open was Monday, September 12. As the appeal could not have been filed on September 10, the appeal was timely filed during the specified window of time after the Date of the Approval Action.

Memo

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. 544-5227

September 13, 2016

To: John Rahaim
Planning Director

From: *AC* Angela Calvillo
Clerk of the Board of Supervisors

Subject: Appeal of California Environmental Quality Act (CEQA) Determination of Exemption from Environmental Review - 1515 South Van Ness Avenue

An appeal of the CEQA Determination of Exemption from Environmental Review for the proposed project at 1515 Van Ness Avenue, was filed with the Office of the Clerk of the Board on September 12, 2016, by J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council.

Pursuant to Administrative Code, Chapter 31.16, I am forwarding this appeal, with attached documents, to the Planning Department to determine if the appeal has been filed in a timely manner. The Planning Department's determination should be made within three (3) working days of receipt of this request.

If you have any questions, please feel free to contact Legislative Clerks John Carroll at (415) 554-4445 or Brent Jalipa at (415) 554-7712.

c: Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Marlena Byrne, Deputy City Attorney
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
AnMarie Rodgers, Senior Policy Advisor, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
Doug Vu, Staff Contact, Planning Department
Melinda Hue, Staff Contact, Planning Department
Jonas Ionin, Planning Commission Secretary, Planning Department

West Bay Law
Law Office of J. Scott Weaver

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2016 SEP 12 PM 3:27

September 12, 2016

Clerk, San Francisco Board of Supervisors
Environmental Review Officer, Bill Wycko
#1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

**Re: Case No. 2014.1020 CUA - 1515 South Van Ness Avenue
Appeal of the August 11, 2016 Planning Commission Decisions**

Dear Members of the Board of Supervisors and Bill Wycko:

The Calle 24 Latino Cultural District Community Council appeals the following decisions of the Planning Commission made on August 11, 2016 regarding the project proposed for 1515 South Van Ness Avenue ("Proposed Project" hereafter) proposed by applicant Peter Schellenger, LMC San Francisco Holdings, LLC.

- 1) Adoption of a Community Plan Exemption and CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1

The Final Motion for the relevant appeals is attached as **Exhibit A**. Evidence in support of the appeals is attached as **Exhibits B-D** and is also contained in the letters submitted to the Planning Department objecting to the approval of the Project and the Community Plan Exemption, incorporated here by reference. **Exhibit E** contains the \$578 appeal fee for the CEQA appeal.

1. Appeal of the adoption of the Community Plan Exemption and CEQA Findings

Page 1 of 4

Calle 24 Latino Cultural District Community Council Appeal

The appeal of the adoption of the Community Plan Exemption and CEQA Findings are filed on the following bases.

- The Proposed Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts to: land use, consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, health and safety, and impacts relative to the Calle 24 Latino Cultural District.
- The PEIR's projections for housing, including this project and those in the pipeline, have been exceeded when cumulative impacts are considered, i.e., "past, present, and reasonably foreseeable probable future projects." (Guidelines, § 15355)
- The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.
- Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report.
- The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was

not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered.

- The CEQA findings are inadequate and incomplete and are not supported by substantial evidence.
- The Proposed Project is inconsistent with the General Plan and the Mission Area Plan.

2. Pattern and Practice

The City is engaging in a pattern and practice of approving residential projects in the Mission based upon a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review. This results in the approval of projects with unexamined environmental affects to the detriment of Mission residents.

3. Attempted CU Appeal

From September 7 to September 12, 2016, Calle 24 Latino Cultural District Community Council (LCDCC) members presented the "Notice to Board of Supervisors of Appeal from Action of the City Planning Commission Form for Conditional Uses" to the members of the Board of Supervisors for their signature pursuant to Planning Code Section 308.1 (b)(ii) and explained the reasons for the appeal. As of September 12, 2016, the due date for the submission of the filing of the Conditional Uses appeal and CEQA appeal, LCDCC did not receive sufficient signatures under Planning Code Section 308.1 (b)(i). Therefore, the LCDCC does not qualify under the alternative method for appealing the Conditional Uses approval under Planning Code Section 308.1 (b). Since neither method of appeal is available to LCDCC and LCDCC objected to the Planning Commission's approval of the Conditional Uses, LCDCC has exhausted administrative remedies as to the challenge to the Conditional Uses and do not include their objections as part of this appeal. Should the Board of Supervisors later authorize the appeal of the Conditional Uses, LCDCC

will include their objections in a follow up letter.

Exhibits (Attached)

Exhibit A: Planning Commission Motion No. 19727.

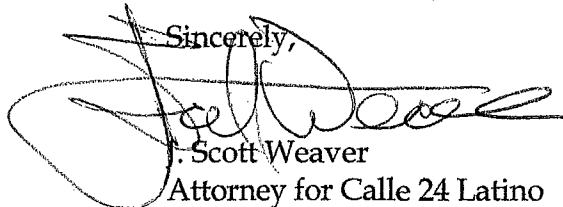
Exhibit B: Link to Video of August 11, 2016 Planning Commission hearing.

Exhibit C: Link to Eastern Neighborhoods Plan EIR, Motion 17661 of the Planning Commission, which adopted CEQA findings for the Plan EIR, and the Mitigation Monitoring Report

Exhibit D: Evidence in support of the Appeal

Exhibit E: CEQA Fee

Exhibit F: ~~Notice to Board of Supervisors of Appeal from the City Planning Commission Form re: Conditional Uses.~~

Sincerely,

J. Scott Weaver
Attorney for Calle 24 Latino
Cultural District Council

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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. Reactivate File No.
- ☐ 10. 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 Form.

Sponsor(s):

Subject:

The text is listed below or attached:

Hearing of persons interested in or objecting to the determination of exemption from environmental review under the California Environmental Quality Act, issued as a Community Plan Exemption by the Planning Department on July 12, 2016, and approved by Planning Commission Motion No. 19727 on August 11, 2016, for the proposed project located at 1515 South Van Ness Avenue, to allow demolition of an existing building and new construction of a 55- to 65-foot-tall, five- to six-story development with a total area of 180,277 square feet that includes 138,922 square feet of residential uses for up to 157 dwelling units, 5,241 square feet of commercial space, and a 32,473 square-foot garage for parking. (District 9) (Appellant: J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council) (Filed September 12, 2016).

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Signature of Sponsoring Supervisor: Alia Imeda

For Clerk's Use Only: