

April 14, 2017

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

> Re: 2675 Folsom Street

> > File No. 161146 (CEQA Appeal) Hearing Date: April 18, 2017

Dear President Breed and Supervisors,

On behalf of Axis Development Group (Axis), the Respondent in the 2675 Folsom Street CEQA Appeal (Board of Supervisors File No. 161146), attached please find supplemental information for inclusion in the Administrative Record. It includes two technical studies prepared by experts related to historic and socio-economic issues, documents related to the proposed development across Treat Avenue (953 Treat Avenue) and some recent articles.

If you have any questions, please do not hesitate to contact me at (415) 273-9670.

Very truly yours,

imagining change in historic environments through design, research, and technology

MEMORANDUM

DATE April 10, 2017

Theo F. Oliphant & TO Muhammad A. Nadhiri

Axis Development Group

580 California Street, 16th OF

Floor

San Francisco, CA 94104

Alexis Pelosi, Pelosi Law

Group

PROJECT NO. 15081

2675 Folsom Street HRE -**PROJECT**

Add Service

Christina Dikas, FROM

Dan Herrick

VIA Email

REGARDING: 2675 Folsom Street & adjacent former Southern Pacific rail line

This memorandum was prepared by Page & Turnbull at the request of Alexis Pelosi of the Pelosi Law Group to provide a memorandum related to the 2675 Folsom Historic Resource Evaluation (HRE) prepared by Page & Turnbull and submitted to Axis Development Group on May 28, 2015. The memorandum includes an expanded history of the former Southern Pacific rail line, located south and east adjacent to 2675 Folsom Street, and its relationship to the subject property, as well as an integrity assessment of the land on which the rail line was located.

The subject property was evaluated in the HRE for potential individual eligibility for listing to the California Register of Historical Resources. The evaluation determined that the 1952 light industrial building did not meet any of the evaluative criteria for significance for listing. The HRE also recognized the proximity of the subject property to the former Southern Pacific rail line, originally located on the south-adjacent parcel, which was redeveloped as a public park. It did not find the property's proximity to the former Southern Pacific rail line to qualify the building for historic significance, a determination that is further supported in the analysis included below. Additionally, a historic integrity analysis of the former rail line is included, which determines that there are no physical remnants of the railroad adjacent to the subject property. The only known material elements of the former rail line in its entirety are located on a separate city block to the east and are not substantive enough to retain historic integrity. There is no change to the previously determined finding that 2675 Folsom Street lacks historic significance.

> ARCHITECTURE PLANNING & RESEARCH PRESERVATION TECHNOLOGY

BACKGROUND

The development of transportation infrastructure was a large factor in the development of the Mission District. Initially, the historic El Camino Real extended diagonally through the Mission valley along the flattest topographical segments, connecting the missions of the San Francisco Peninsula with the rest of the early California. In the 1850s, following the annexation of California by the United States, engineers selected an alignment for a future railroad that reflected this historic route and utilized this flat diagonal depression. This route was chosen not only for its topography, but also because of the minimal number of land easements that were required for its construction. In 1864, San Francisco-San Jose Railroad finished construction along this proposed route. The trains from San Jose extended north along the Peninsula towards the Mission Valley, where it transitioned in a northeast direction towards Harrison Street, where it transitioned north towards the center of San Francisco, establishing the first passenger and freight rail connections to the city.²

In 1870, the San Francisco-San Jose Railroad was acquired by the Southern Pacific Railroad Company. At that time, the Mission District was being developed from a rural and agrarian community to an urban neighborhood, plotted on an orthogonal grid system. The route of the Southern Pacific Railroad, however, continued to operate along its original alignment, diagonally dissecting the otherwise uniform pattern of land development in the Mission District.³

In 1907, the outer lands of the San Francisco Bay were filled and a new Southern Pacific line was constructed along the coast, bypassing the "Old Main Line" of the San Francisco-San Jose alignment and providing a faster route south through the peninsula.⁴ The "Old Main Line" became a small branch line of the Southern Pacific and one of the last "in-town" rail services in the city. Trains continued to operate along the Old Main Line and through the Mission Valley, although use steadily decreased over the following decades as the automobile became the preferred mode of transportation. In 1930, the Southern Pacific Railroad discontinued passenger trains through the Mission District.⁵ With the proliferation of the trucking industry, freight operations were largely discontinued in 1942, and the railroad tracks located south of the intersection at Folsom and 23rd



¹ City and County of San Francisco Planning Department, "City Within A City: Historic Context Statement for San Francisco's Mission District" (November 2007), 26.

² Ibid., 33-35.

³ Ibid., 39-40.

⁴ West Neighborhoods Project, "San Francisco's Ocean View, Merced Heights, and Ingleside (OMI) Neighborhoods: 1862 – 1959," Historic Context Statement prepared for the San Francisco Historic Preservation Fund Committee (January 2010),

⁵ San Francisco Planning Department, "City Within a City," 78.

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Streets were abandoned.⁶ Freight trains continued to operate along the remaining north alignment, predominantly along the Harrison Street industrial corridor (Figure 1).

According to a 1956 topographic map, the curvilinear segment of the Old Main Line located north of the intersection at Folsom and 23rd Streets was still operational as a Southern Pacific Railroad line (Figure 2). However, by 1968, this segment had been abandoned with the new south terminus located at Harrison and 22nd Streets (Figure 3). There are no track or train elements remaining of the Old Main Line today, although the alignment of the line continues to be reflected through the Mission District through a series of diagonally oriented block cuts, buildings, alleyways, and public parks.



⁶ West Neighborhoods Project, "OMI Neighborhoods: 1862 – 1959," Historic Context Statement, 15.

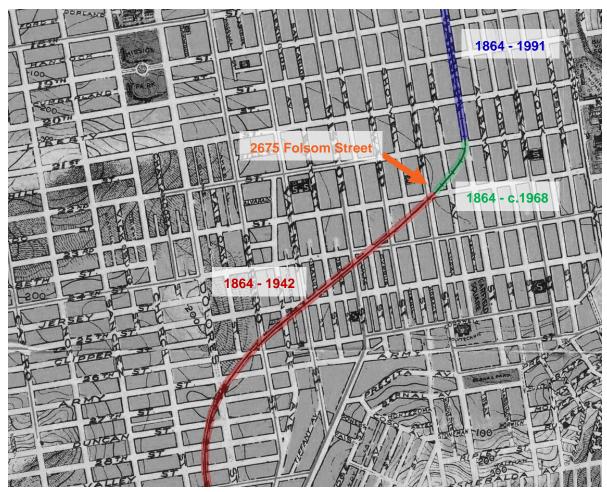


Figure 1: 1912 Map of the Mission District with the alignment of the Southern Pacific Old Main Line Highlighted to illustrate the specific segments and their respective dates of operation. The location of the subject property is also identified with an arrow; north is up. Source: Chevalier Map of San Francisco (1912), edited by Page & Turnbull, 2017.

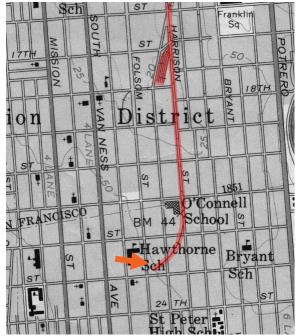


Figure 2: 1956 Topographical Map with remaining segments of the Old Main Line Highlighted in red. The subject property is identified with the arrow: north is up. Source: USGS, edited by Page & Turnbull, 2017.

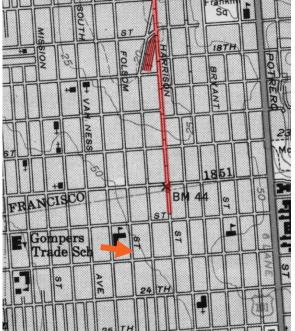


Figure 3: 1968 Topographical Map with remaining segments of the Old Main Line Highlighted in red. The subject property is identified with the arrow: north is up. Source: USGS, edited by Page & Turnbull, 2017.

DISCUSSION

The subject property at 2675 Folsom Street is located north-adjacent to the original pathway for the San Francisco-San Jose Railroad, later known as the "Old Main Line" of the Southern Pacific Railroad. While the diagonal nature of the former rail line right-of-way has resulted in the unique shape of the subject lot and, subsequently, the design of the subject building, this is not an indication of significance on the part of the building. As stated in Page & Turnbull's 2675 Folsom Street HRE, the railway largely discontinued freight operations through the Mission District in 1942, a decade prior to the construction of the subject building. Upon further historic research, it does appear that the segment of the Old Main Line south-adjacent to the subject property was in operation through the 1950s and was abandoned by the 1960s, whereas the Harrison Street alignment was abandoned in the following decades. However, despite this new research material that shows that the small south-adjacent segment of railroad was operational following the construction of the

subject building, there are no indications that the construction of the subject building is related to the rail line, except for the diagonal shape of its southeast façade- a reactive design feature widely reflected throughout the Mission District at properties along the former railroad alignment. The building maximized the overall functional space on the subject parcel by having orthogonal sides with one diagonal corner along the lot line. The building does not exhibit any design features oriented towards the former railroad alignment, such as loading docks or large bay doors, that would suggest occupants of the subject building utilized the railroad in their operations.

As stated in the 2675 Folsom Street HRE, the subject property was previously used as a lumber yard and mill that was associated with the Old Main Line. However, the site's previous use as a lumber yard, of which there are no associated extant features, is not a qualifying indication of historic significance. This former use as a lumber yard is not reflected in the subject building and has no associative significance between the former railroad and the existing fabric that is present on the site.

The presence of the railroad certainly played an early role in establishing this part of the Mission District as an industrial area, as reflected in the property's previous use as a lumber yard. However, this pattern of land use as an industrial corridor was established decades before the construction of the subject building. As stated in the 2675 Folsom Street HRE, while an industrial and commercial presence, the subject building does not individually contribute to a significant pattern of development within the Mission District; rather it is consistent with the pre-existing light-industrial use of the surrounding area.

Apart from indirect circumstances such as the subject property's proximity to the terminus of the line line and the diagonal lot line's effect on the subject building's shape, the building at 2675 Folsom Street does not appear to have any associations with the Old Main Line that would qualify as historic significance under any of the evaluative criteria used to determine eligibility for listing to the California Register of Historical Resources.

INTEGRITY

The original San Francisco-San Jose Railroad and subsequent Southern Pacific "Old Main Line" is undoubtedly significant under several historic contexts; however, the railroad corridor has undergone extensive alterations since it ceased operations along the alignment south of Folsom and 23rd Streets in 1942, the curvilinear segment between Harrison/22nd Streets and Folsom/23rd Streets in the 1960s, and the remaining portions along Harrison Street in 1991.



In order to convey historic significance and qualify as a historic resource, buildings, sites, structures, historic districts, and cultural landscapes must retain adequate levels of historic integrity. Integrity is defined by the California Office of Historic Preservation as "the authenticity of an historical resource's physical identity by the survival of certain characteristics that existed during the resource's period of significance."7

There are seven variables or aspects that define integrity—location, design, setting, materials, workmanship, feeling and association. According to the National Register Bulletin 15, "How to Apply the National Register Criteria for Evaluation," which also apply to the California Register, these seven characteristics are defined as follows:

- **Location** is the place where the historic property was constructed.
- **Design** is the combination of elements that create the form, plans, space, structure and style of the property.
- Setting addresses the physical environment of the historic property inclusive of the landscape and spatial relationships of the building/s.
- Materials refer to the physical elements that were combined or deposited during a particular period of time and in a particular pattern of configuration to form the historic property.
- Workmanship is the physical evidence of the crafts of a particular culture or people during any given period in history.
- Feeling is the property's expression of the aesthetic or historic sense of a particular period of time.
- Association is the direct link between an important historic event or person and a historic property.

To retain historic integrity, a property will often possess several, if not all of the aforementioned aspects. Specific aspects of integrity may also be more important, depending on the criteria for which it is significant.

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⁷ California Office of Historic Preservation, "Technical Assistance Series #6 – California Register and National Register: a Comparison (for purposes of determining eligibility for the California Register)" (2011), 2.

INTEGRITY ANYALSIS OF RAIL LINE

Since the discontinuation of operations of the Old Main Line, the alignment through the Mission District has largely been redeveloped. All major building elements associated with the railroad have since been removed, except for a select segment of rails that are still visible in a diagonal alleyway, located east of the subject property on the neighboring city block to the east, bounded by 22nd Street (north), Harrison Street (east), 23rd Street (south), and Treat Avenue (west).

The largescale removal of buildings, structures, tracks, and other materials associated with the Old Main Line has resulted in the loss of integrity of design, workmanship, and materials. While the alignment of the former railroad can still be seen, reflected in a series of diagonally oriented buildings and landscapes throughout the Mission District, there are no major built elements or substantive collections of materials associated with the railroad that occupy the right-of-way and convey any historic significance or character. This is clearly demonstrated at 2675 Folsom Street, where the subject parcel and building have a distinct diagonal cutout that reflects the former right-ofway of the railroad, which is now redeveloped as a public park. Therefore, the redevelopment of the railroad alignment and the loss of any relatable features along the alignment have resulted in compromised integrity of location and setting and a loss of integrity of feeling or association. On the whole, the Old Main Line does not retain integrity.

CONCLUSION

The former Old Main Line alignment of the Southern Pacific Railroad, immediately south-adjacent to the property at 2675 Folsom Street was a segment of the original San Francisco-San Jose Railroad that provided rail service to San Francisco, and diagonally extended through the Mission District. The majority of the Old Main Line that traversed the Mission District was abandoned in 1942, after decades of declining use following the development of other rail routes and modes of transportation. The remaining portion, located north of the post-1942 terminus at Folsom and 23rd Streets was abandoned in the 1960s, and the final segments along Harrison Street in the 1990s. Although the alignment of this railroad is reflected in the Mission District through a series of diagonally oriented buildings and landscapes, there are no major built elements of the railroad remaining that have the potential to convey any historic significance.

The subject property at 2675 Folsom Street was in close proximity to post-1942 terminus of the Old Main Line, which continued to serve the industries along Harrison Street through the 1980s; however, there are no indications that the subject building has any relation to the railroad. As with



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other properties along the original diagonal alignment of the Old Main Line, 2675 Folsom Street's lot features a diagonal edge, but no other physical or contextual associations with the former railroad that would qualify the building for historic significance and eligibility for listing in the California Register of Historical Resources.



953 TREAT AVENUE HISTORIC RESOURCE EVALUATION

SAN FRANCISCO, CALIFORNIA [15064]

PREPRARED FOR: SHADI ABOUKHATER

Page & Turnbull

APRIL 27, 2015

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I. INTRODUCTION

This Historic Resource Evaluation (HRE) has been completed for 953 Treat Avenue (APN 3639/028), a residence on a 4,275 sq. ft. triangular lot in San Francisco's Mission District (Figure 1). The building was constructed in 1887 for Owen and Isabella Gorman; the original architect and builder are unknown. It is irregular in plan, and developed in a vernacular interpretation of the Italianate style. The parcel is zoned "UMU – Urban Mixed Use."

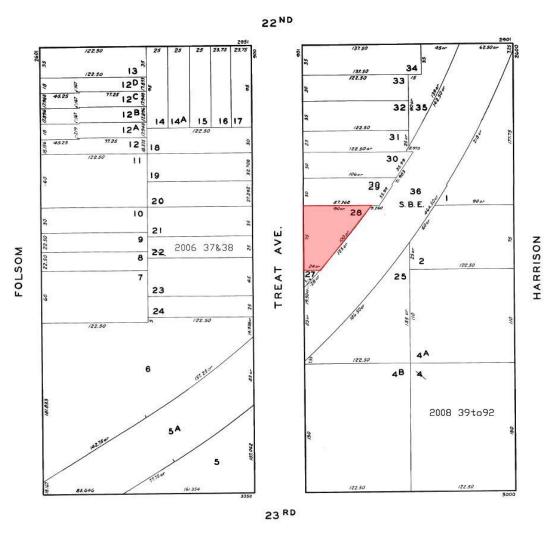


Figure 1. City & County of San Francisco Assessor's map of subject block, 2008. 953 Treat Avenue is shaded in red.

Source: San Francisco Property Information Map, edited by author.

SUMMARY OF DETERMINATION

953 Treat Avenue has been evaluated for the California Register of Historical Resources in previous reports and surveys, with conflicting results. This evaluation finds the property not to be individually eligible for listing in the California Register under any significance criteria. Nor does the property fall within the boundaries of any recognized historic districts. For these reasons, 953 Treat Avenue does

April 27, 2015 Page & Turnbull, Inc.

¹ San Francisco Property Information Map.

not qualify as a historic resource for the purposes of review under the California Environmental Quality Act (CEQA).

METHODOLOGY

This report follows the outline provided by the San Francisco Planning Department for Historic Resource Evaluation reports, and provides an examination of the current historic status for 953 Treat Avenue, a building description, and a historic context statement. The report also includes an evaluation of the property's eligibility for listing in the California Register.

A previous HRE had been written for the property in 2005. Page & Turnbull supplemented the prior report with additional research to provide further details on the building's construction, owner, and occupant history, and a broad neighborhood historic context in order to establish the building's relationship to the development of the Mission District.

Page & Turnbull prepared this report using research collected at various local repositories, including the San Francisco Assessor, San Francisco Department of Building Inspection, San Francisco Public Library, and the San Francisco Historical Photograph Collection. Research was also collected using online sources, including the ProQuest historical newspaper database, digital Sanborn Fire Insurance Map collection, and Ancestry.com.

All photographs in this report were taken by Page & Turnbull in March, 2015, unless otherwise noted.

II. CURRENT HISTORIC STATUS

According to the San Francisco Property Information Map, the property at 953 Treat Avenue has been given a Planning Department Historic Resource Status Code of "C–Not a Historic Resource." However, 953 Treat Avenue has received conflicting historic survey evaluations in the past. The following section examines the national, state, and local historical ratings currently assigned to the building at 953 Treat Avenue. This section also reviews previous reports and findings concerning the property.

NATIONAL REGISTER OF HISTORIC PLACES

The National Register of Historic Places (National Register) is the nation's most comprehensive inventory of historic resources. The National Register is administered by the National Park Service and includes buildings, structures, sites, objects, and districts that possess historic, architectural, engineering, archaeological, or cultural significance at the national, state, or local level.

953 Treat Avenue is not currently listed in the National Register of Historic Places.

CALIFORNIA REGISTER OF HISTORICAL RESOURCES

The California Register of Historical Resources (California Register) is an inventory of significant architectural, archaeological, and historical resources in the State of California. Resources can be listed in the California Register through a number of methods. State Historical Landmarks and National Register-listed properties are automatically listed in the California Register. Properties can also be nominated to the California Register by local governments, private organizations, or citizens. The evaluative criteria used by the California Register for determining eligibility are closely based on those developed by the National Park Service for the National Register of Historic Places.

953 Treat Avenue is not currently listed in the California Register of Historical Resources.

SAN FRANCISCO CITY LANDMARKS

San Francisco City Landmarks are buildings, properties, structures, sites, districts, and objects of "special character or special historical, architectural or aesthetic interest or value and are an important part of the City's historical and architectural heritage." Adopted in 1967 as Article 10 of the City Planning Code, the San Francisco City Landmark program protects listed buildings from inappropriate alterations and demolitions through review by the San Francisco Historic Preservation Commission. These properties are important to the city's history and help to provide significant and unique examples of the past that are irreplaceable. In addition, these landmarks help to protect the surrounding neighborhood development and enhance the educational and cultural dimension of the city.

953 Treat Avenue is not currently designated as a San Francisco City Landmark or Structure of Merit, nor is it located in the C-3 (Downtown) area and therefore is not an Article 11 historic resource.

CALIFORNIA HISTORICAL RESOURCE STATUS CODE

Properties listed or under review by the State of California Office of Historic Preservation are assigned a California Historical Resource Status Code (Status Code) of "1" to "7" to establish their historical significance in relation to the National Register of Historic Places (National Register or

² San Francisco Planning Department, *Preservation Bulletin No. 9 – Landmarks*, accessed online at http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=5081 on January 9, 2015.

NR) or California Register of Historical Resources (California Register or CR). Properties with a Status Code of "1" or "2" are either eligible for listing in the California Register or the National Register, or are already listed in one or both of the registers. Properties assigned Status Codes of "3" or "4" appear to be eligible for listing in either register, but normally require more research to support this rating. Properties assigned a Status Code of "5" have typically been determined to be locally significant or to have contextual importance. Properties with a Status Code of "6" are not eligible for listing in either register. Finally, a Status Code of "7" means that the resource has not been evaluated for the National Register or the California Register, or needs reevaluation.

As of 2012, 953 Treat Avenue was not listed in the California Historic Resources Information System (CHRIS) database with any Status Code.

SAN FRANCISCO ARCHITECTURAL HERITAGE

San Francisco Architectural Heritage (Heritage) is the city's oldest not-for-profit organization dedicated to increasing awareness and preservation of San Francisco's unique architectural heritage. Heritage has completed several major architectural surveys in San Francisco, the most important of which was the 1977-78 Downtown Survey. This survey, published in publication *Splendid Survivors* in 1978, forms the basis of San Francisco's Downtown Plan. Heritage ratings, which range from "D" (minor or no importance) to "A" (highest importance), are analogous to Categories V through I of Article 11 of the San Francisco Planning Code, although the Planning Department did use their own methodology to reach their own findings. In 1984, the original survey area was expanded from the Downtown to include the South of Market area in a survey called "Splendid Extended."

953 Treat Avenue is not located within the survey area of Splendid Survivors or "Splendid Extended".

1976 DEPARTMENT OF CITY PLANNING ARCHITECTURAL QUALITY SURVEY

The 1976 Department of City Planning Architectural Quality Survey (1976 DCP Survey) is what is referred to in preservation parlance as a "reconnaissance" or "windshield" survey. The survey looked at the entire City and County of San Francisco to identify and rate architecturally significant buildings and structures on a scale of "-2" (detrimental) to "+5" (extraordinary). No research was performed and the potential historical significance of a resource was not considered when a rating was assigned. Buildings rated "3" or higher in the survey represent approximately the top two percent of San Francisco's building stock in terms of architectural significance. However, it should be noted here that the 1976 DCP Survey has come under increasing scrutiny over the past decade due to the fact that it has not been updated in over twenty-five years. As a result, the 1976 DCP Survey has not been officially recognized by the San Francisco Planning Department as a valid local register of historic resources for the purposes of the California Environmental Quality Act (CEQA).

953 Treat Avenue is not listed in the 1976 DCP Survey.

HISTORIC RESOURCE EVALUATION (2005)

An Historic Resource Evaluation (HRE) report for 953 Treat Avenue was completed in 2005 by James W. Heinzer, one of the property owners. The report contained a description of the house, interior and exterior, as well as a narrative of recent changes to the property. Heinzer also included a description of the surrounding buildings and provided an in-depth description of the legal contentions concerning ownership of the contiguous railroad right-of-way parcel which lies adjacent to the subject property. Heinzer made the following list of conclusions regarding 953 Treat Avenue on page 6 of his report:

- 1. "The house is a collection of tacked on smaller structures on exposed piers with various disjointed rooflines and pitches;
- 2. The dwelling is in extremely poor structural condition which will be substantiated in the Soundness Report;
- 3. In its location between two two-story cement tilt up commercial buildings in the predominately commercial area of its block; the house looks out of place;
- 4. No doubt early residents of the 953 Treat Ave. house witnessed the Mission District's remaining vegetable gardens turn into new homes and commercial buildings but who those residents were and what they did as professions is not known;
- 5. While from 1891 to 1991 the resident of the 953 Treat Ave. house could see rail cars go by on the contiguous railroad right-of-way, those residents were not railroad employees that lived in the house as part of their railroad employment;
- 6. Though the 953 Treat Ave. home was owned by the John Center Corporation whose major shareholder was John Center, the most influential San Franciscan of his time in the Mission District, John Center never lived in the house;
- 7. The major accomplishments of John Center to the development of San Francisco are no more represented by the 953 Treat Ave. house that the land in and around the house or the land in many other areas of the Mission District which John Center grew vegetables on in the mid 1800's;
- 8. My investigation could not find any person of historical significance that ever lived in the 953 Treat Ave. house;
- 9. For over the last 50 years the house has been a rental property; and
- 10. Future development of the contiguous former railroad right-of-way parcel appears unlikely and therefore should not effect [sic] the development of the Treat Ave. parcel."³

Heinzer concluded that the subject property was not historically significant. Page & Turnbull responded to Heinzer's conclusions in the Evaluation section of this document.

In response to Heinzer's HRE, the Planning Department provided a Historic Resource Evaluation Response (HRER) memorandum, noting that 953 Treat Avenue is not eligible for the California Register, and therefore would not be considered an historical resource under CEQA. However, the memorandum went on to classify the property as "Category B". A Category B historic resource status is defined as a property "requiring further consultation and review." 5

SOUTH MISSION HISTORIC RESOURCE SURVEY

953 Treat Avenue was evaluated as part of the City of San Francisco's South Mission Historic Resource Survey in 2010. The survey area was approximately bounded by 20th Street to the north, Potrero Avenue to the east, Cesar Chavez Street to the south, and Guerrero Street to the west. The survey documented and assessed approximately 3,800 individual buildings and identified 13 historic districts. Primary Record Department of Parks and Recreation 523A forms were used to record most buildings determined to be historic resources or potential historic resources. The South Mission Survey was adopted by the Historic Preservation Commission on November 17, 2011.6

³ James Heinzer, Historic Resource Evaluation for 953 Treat Ave., April 28, 2005, p. 6.

⁴ Winslow Hastie, "Memorandum: Historic Resource Evaluation Response," San Francisco Planning Department, September 15, 2005.

⁵ "San Francisco Preservation Bulletin No. 16," San Francisco Planning Department.

⁶ San Francisco Planning Department, "South Mission Historic Resource Survey," January 6, 2014. http://www.sf-planning.org/index.aspx?page=2473

953 Treat Avenue is not located within any of the 13 identified historic districts. A 523A form was completed for the subject property during the survey, but a CHR Status Code was not assigned. The survey documents show conflicting assessments regarding individual significance:

- The map of Complete Survey Findings shows the parcel as a "Non-Resource property identified by survey";
- The map of Individually Eligible Historic Resources and Potential Historic Districts shows the parcel as a "Potential Historic Resource identified by survey - requires further research";
- Matrix of all surveyed properties assigns a CHRSC of 7R to 953 Treat Avenue, noting that its resource eligibility was "not determined: requires intensive research";

In sum, it appears that further research and evaluation was needed before an individual determination on the significance of the subject property could be made.

http://www.sf-

planning.org/ftp/files/Preservation/South_Mission/Map_of_Individual_Historic_Resources.pdf ⁹ "List of Surveyed Properties," 8/31/2010, http://www.sf-

planning.org/ftp/files/Preservation/South_Mission/Indiv_address.pdf

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^{7 &}quot;Complete Survey Findings," updated 11/09/2010. http://www.sfplanning.org/ftp/files/Preservation/South_Mission/Map_of_Historic_Resource_Survey_Findings.pdf ⁸ "Individually Eligible Historic Resources and Potential Historic Districts," updated 11/09/2010,

III. ARCHITECTURAL DESCRIPTION AND SITE HISTORY

953 TREAT AVENUE

953 Treat Avenue is located on a triangular lot measuring approximately 90' x 94.5' x 125' on the east side of Treat Avenue between 22nd and 23rd streets. The property abuts the former railroad easement to the east. The building is one story over a raised crawlspace. The building is irregular in plan. The footprint consists of a rectangular core with several projecting volumes on the rear (east) and south facades (Figure 2). The building is wood frame on a wood pier foundation, and capped with two parallel front-gable roofs at the main core and shed roofs at the rear and side volumes. Due to the irregular and complicated footprint, the following description begins with the Treat Avenue (west) façade and continues around the building in a clock-wise direction, incorporating full descriptions of each projecting volume into the discussion of the façade where it originates.



Figure 2. Aerial view of subject property, outlined in red. Source: Google Maps, edited by author.



Figure 3. 953 Treat Ave, looking east.

Primary (West) Façade

The primary façade faces west towards Treat Avenue (Figure 4). It features a false front in the Italianate style and is clad in wood shingles. The raised crawl space contains two metal vents at the north end, and two boarded wood frame openings at the south end. The first story contains four wood-sash, double-hung, split-pane windows surmounted by flat hoods. The windows span the façade, with the two at the south end being paired. Two of the four windows are covered by iron grates (Figure 5 & 6). The façade terminates in a bracketed cornice (Figure 7).



Figure 4. Primary false front façade, looking east.



Figure 5. Primary façade windows.



Figure 6. Primary façade windows.

953 Treat Avenue



Figure 7. False front and bracketed cornice, looking south along Treat Avenue.

North Façade

The north facade is divided into two portions that are distinguished by roof shape and cladding materials (Figure 8). The right (west) end of the façade terminates in the long eave of a gable roof. The raised crawlspace is clad in drop wood siding and contains a fixed six-lite, wood-frame window (Figure 9). The first story contains the building's primary entrance. The entrance is at the far right (west, close to the primary façade of the building) of the façade and is fronted by a small wood deck accessed via seven wood steps. The entry consists of a paneled wood door surmounted by a decorative bracketed hood (Figure 10). A wood-sash, double-hung window with wood casing is located to the right of the entry (Figure 11).

The left (east) portion of the north façade terminates in the slope of a shed roof, and is clad in drop wood siding (Figure 12). The crawl space under the residence can be accessed from this portion via a small wood-slat door (Figure 13). The first story contains a double-hung, wood-sash window, and a fixed window (Figure 14). A secondary entrance is located at the far left (east, near the rear of the building) of the façade, and features a wood door and small wood deck. All of the windows on the north façade are covered by security bars



Figure 8. North façade, looking south.



Figure 9. Window to crawlspace at north façade.



Figure 10. Primary entrance at northwest corner.



Figure 11. Double hung window at north façade, looking southwest.



Figure 12. Eastern portion of north façade, looking southwest.



Figure 13. Crawlspace entrance at north façade.



Figure 14. Double hung window in east portion of façade.

Rear (East) Façade

The rear (east) façade faces onto the former railroad right-of-way which cuts through the subject block at a diagonal angle. It features several projecting volumes with shed roofs. These volumes are all raised above ground and supported by wood piers on concrete block.

The projecting volume at the right (north) portion of the façade contains one wood-frame, double hung window with security bars on its south face (see Figure 17). In the ell on the east side, there is a small projecting volume clad in vertical wood siding and containing one fixed, wood-frame window covered with security bars (Figure 15). At center, on the façade of the main building core, is a vertical, fixed wood frame multi-lite window (Figure 16, Figure 17). The projecting volume at the left (south) portion of the façade contains a vertical vinyl sliding window within a wood frame on its south face (Figure 18, Figure 19, Figure 20).



Figure 15. Projecting volumes on north portion of facade, looking northwest.



Figure 16. Window at center of building, looking west between two projecting volumes.



Figure 17. Close view of window on northern projecting volume and window at center.

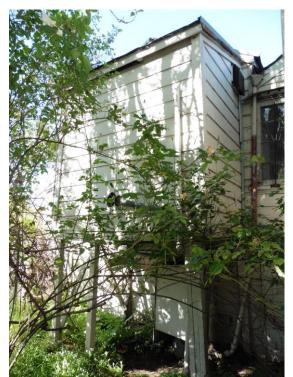


Figure 18. Projecting volume at south portion of façade, looking south.



Figure 19. South face of projecting volume at south portion of façade, looking north.



Figure 20. Vinyl window within wood frame on south side of projecting addition.

South Façade

The south façade terminates in the long eave of a gable roof. It contains one wood-sash, double-hung window at the right (east) end (Figure 22). The rest of the façade is comprised of an attached garage, which projects from the façade under a shed roof with a slightly overhanging eave (Figure 21). The garage contains no fenestration.



Figure 21. South façade, looking north.



Figure 22. Window on south façade (left). Window on rear projecting volume also visible (right).

Landscape

953 Treat Avenue occupies the southern portion of the triangular lot. The primary façade is lined with low-lying greenery between the residence and the sidewalk along Treat Avenue. The north, east, and south façades are heavily vegetated with camellias, climbing roses, and other shrubs and brambles. A small brick and cement paved area is located at the north façade (Figure 23). The northern portion of the lot is paved and separated from the house and garden by a hedge and a wood picket fence (Figure 24). A chain link fence marks the majority of the rear of the property line, facing onto the former railroad easement.



Figure 23. Side yard along north façade, looking east.

Figure 24. Paved northern portion of subject lot, looking east.

NEIGHBORHOOD SETTING

The neighborhood surrounding 953 Treat Avenue is a mix of commercial, industrial, and residential buildings. The residences are primarily two story over garage Victorian homes and are occupied by single and multi-unit uses. Commercial and industrial buildings, also one to two stories in height, are generally utilitarian in design. A dominant feature of the area is the railroad right-of-way that cuts diagonally through the subject block (Figure 25, Figure 26, Figure 27). The easement has been paved over, although metal tracks are still partially visible. To the immediate north of the subject property is a two story warehouse and several residences in a variety of styles (Figure 28). On the west side of Treat Avenue there is a community park, an empty lot, and one- and two-story residences (Figure 29, Figure 30, Figure 31). To the south of the subject property is a two story warehouse (Figure 32).



Figure 25. Railroad right-of-way, looking west. Subject property is at right.



Figure 26. Railroad right-of-way, looking northeast.



Figure 27. Four story construction east of subject property and railroad right-of-way, looking east.



Figure 28. Warehouse north of subject property.



Figure 29. Garage and residence on west side of Treat Avenue.



Figure 30. Residences across from subject property.



Figure 31. Residences on west side of Treat Avenue.



Figure 32. Warehouse building south of the subject property, looking southeast.

PROJECT SITE HISTORY

The San Francisco & San Jose Railroad track cut through the lower Mission valley and the subject area around 1863. No construction occurred on the subject parcel until the subject building was constructed in 1887, according to the Spring Valley Water Tap records. The original architect or builder is unknown.

On the 1889 Sanborn map, a one story building is shown on the subject lot (Figure 33). This building appears to represent the northern portion of the extant building, which includes the primary and secondary entrances and a single gable roof with adjoining sheds. It was rectangular in plan with two volumes extending in a linear fashion off the east façade. By 1900, the adjoining lot to the north had been incorporated into the subject parcel and the building had nearly doubled in size (Figure 34). New additions included the expansion of the main core of the house to the south (the second gable roof), the projecting volume which is now the garage, and additional sheds at what has come to be considered the rear (east) façade. The property also included a stable or other ancillary building at the northeast point of the parcel.

The building was spared from the widespread fire that destroyed much of the northern Mission district in 1906. By 1914, the building footprint had expanded even further to include additional projecting volumes at the east façade, the expansion of the stable, and two more ancillary structures on the parcel (Figure 35). This footprint remains the same through the 1950 Sanborn map, with no alterations except the loss of the shed building along the north lot line (Figure 36).

Historic Resource Evaluation 953 Treat Avenue
San Francisco, California

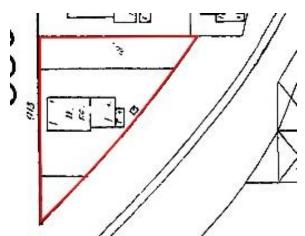
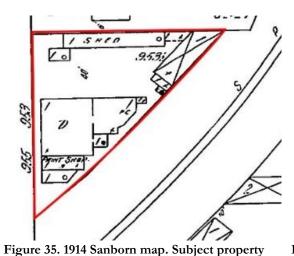


Figure 33. 1889 Sanborn map. Notations read "D" and "PC" for "patent chimney." Subject property outlined in red. North is up.

Source: 1866-1893 Sanborn Fire Insurance Map, volume 3, sheet 82a.



Figure 34. 1900 Sanborn map. Subject property outlined in red. North is up. Source: 1899-1900 Sanborn Fire Insurance Map, volume 5, sheet 512.



outlined in red.
Source: 1913-1915 Sanborn Fire Insurance Map, volume 6, sheet 598.

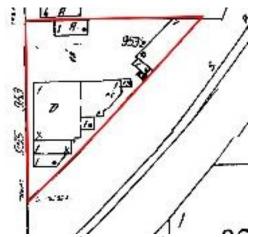


Figure 36. 1950 Sanborn map. Subject property outlined in red.

Source: 1950 Sanborn Fire Insurance Map, volume 6, sheet 598.

In a 1938 aerial image, 953 Treat Avenue appears to have a footprint very similar to that existing today (Figure 37). The staggered east façade resulting from numerous projecting volumes and some ancillary buildings are visible in the photograph. The rear façade of the property was captured in a photograph from 1959 (Figure 38). In the photograph, lack of landscaping and trees at the rear of the property afford a better view of the façade than what is available today. A small lean-to is visible on the south side of the building. That structure is no longer extant, but markings of the shed roof are still visible on the south façade of the garage. A wood fence separated the residence from the railroad tracks. Additional known alterations are including in the following construction chronology.



Figure 37. 1938 aerial view of the subject property.

Source: 1938 San Francisco Aerial, David Rumsey Historical Map Collection.



Figure 38. Rear façade of the subject property in 1959, when the Southern Pacific's small branch line was still in operation.

Source: AAB-9455, San Francisco Public Library Historical Photograph Collection.

CONSTRUCTION CHRONOLOGY

Only two building permits are on file with the San Francisco Department of Building Inspection:

Date	Source	Description
1887	Spring Valley water	953 Treat Avenue was constructed. Architect or builder
	tap records	unknown. ¹⁰
1978	Building permit #08805495	Building was re-roofed

Based on physical observation of the building and evidence provided by historic maps, many additions occurred for which no permits exist:

- By 1900, the main building core was doubled, the south shed was added, and projecting volumes were added to the rear facade.
- The false front is too large to have adorned the smaller original street facing façade. It was likely added during or after the building core was doubled, but before 1938 when it appears in the aerial photograph.
- Several ancillary buildings on the northern portion of the property, including a stable and a
 shed, were constructed at unknown dates and are no longer extant. The first appearance of a
 stable was before 1900 and the remainder of the buildings were completed by 1914. A small
 shed, no longer extant, was also added to the east side of the garage addition.

James Heinzer's 2005 HRE included a narrative of work on the house that he and his parents had performed during their occupancy of the subject property. Changes by the elder Heinzers included interior work and a re-roofing in 1978, as evidenced by the permit history. The work undertaken by Mr. Heinzer amounted to a re-roofing project in 2004, plumbing work, repairs to the wooden decks, replacement of the water heater and garage doors, new piers on concrete block placed underneath the house, and replacement of windows (although he does not specify which windows).

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¹⁰ Spring Valley Water Tap Records, vol. 6, p. 2351. San Francisco Property Information Map lists construction date as 1891.

IV. HISTORIC CONTEXT

THE MISSION DISTRICT

In 1776, Father Francisco Palou founded Mission Dolores on the banks of what the Spanish explorers had named Laguna de Manatial. Albeit altered and periodically rebuilt over the centuries, Mission Dolores still stands at the southwest corner of Dolores and Sixteenth streets, serving as the cultural heart of the neighborhood. After the Mexican government secularized the California missions in 1833, what is now the Mission District passed into the hands of several prominent Californio families. These ranching families – the Sanchezes, Noes, Guerreros and Valencias – remain memorialized by street names in the district.

California was incorporated into the United States with the Treaty of Guadalupe Hidalgo in 1848. For almost a decade after statehood, what is now the Mission District remained a rural area outside jurisdiction of the city of San Francisco. The isolated area became home to a wide variety of pastimes from roadhouses to commercial resorts. In 1850, a financier named Charles L. Wilson constructed a plank toll road along the current route of Mission Street between downtown and Sixteenth Street. The toll road provided the first reliable route from the Mexican/American settlement at Yerba Buena Cove to the patchwork settlement that had grown up around Mission Dolores.

Soon after the completion of the plank road San Francisco annexed the land now comprising the Mission District as part of the Consolidation Act of 1856. There had been a series of expansions of the city limits, gradually incorporating the open ranch lands. As the City of San Francisco attempted to organize the chaotic settlement and ownership claims for the area, the southern boundary of the city moved continually south. Steadily improving transportation during the second half of the 19th century allowed better access to the area. By 1867, there were several omnibus lines operating between downtown and the Mission, as well as a steam railroad line running along Harrison Street. Recreational and amusement facilities continued to thrive in the Mission. The most famous of these was Woodward's Gardens. Located on Mission Street, between Thirteenth and Fourteenth Streets, the early amusement park housed gardens, a picnic ground, an art museum, a zoo and many other attractions.

The largely under-developed land also provided the opportunity for horse-racing tracks, and the popularity of the racecourse entertainments drew more people to the area, which in turn led to the construction of new roads and began to increase property values.¹¹ The Pioneer racetrack was owned by George and John Treat. George Treat began to sell acres of the Pioneer land to the Homestead Union in 1861, and gradually the land was surveyed and divided into house lots. Following suit, the other racing tracks were sold and surveyed for subdivision in 1863 and renamed the Perkins Tract.¹² The subject building was later constructed on Perkins Tract land.

The Mission District also served as a major source of agriculture. John Center, a figure who was later dubbed the "father of the Mission," developed a thriving fruit and vegetable trade to meet the influx of residents to San Francisco. ¹³ Center had been influential in the construction of the plank road and streetcar lines. He was a major landholder and subdivided large expanses of land to facilitate new streets and housing.

During the late half of the 19th century, residential development grew apace. Following the arrival of effective mass transit, speculators and homestead associations began to plat the district, laying out a

¹¹ Horatio Stoll, "Growth and Development of the Mission: Wonderful Record of Sixty Years," San Francisco Call, July 18, 1908

¹² Angus Macfarlane, "San Francisco Racetracks," The Argonaut, p. 6.

¹³ Horatio Stoll, "Growth and Development of the Mission," San Francisco Call, July 18, 1908.

grid of streets as far south as what is now Cesar Chavez (previously Army Street). Some large-scale development in the vicinity was carried out by major real estate companies such as the Real Estate Associates and San Francisco Homestead Union. However, there were also many individual developments that created an eclectic collection of building types within the Mission. The Tanforan Cottages, located on the 200 block of Dolores Street, were built between 1853 and 1854 and are some of the oldest surviving dwellings in the city represent an earlier piecemeal approach to residential development. Typical of the early "pioneer" period, generally 1848-1864, were small, single story lightly framed wood frame cottages often with porches or false fronts or vernacular interpretations of the Greek and Gothic Revival styles.¹⁴

San Francisco's status as a major port and a manufacturing and financial center was cemented in the later half of the 19th century. The period of 1864-1906, often termed the "Gilded Age," was one of the most significant periods of growth for the Mission District. The Mission grew into a collection of dense neighborhoods representing a variety of classes and cultures. A mixed building stock developed, reflecting a range of Victorian styles that were popular in the later 19th century. The Italianate style began to appear in the mid-1860s and was popular through the 1870s. Front gables were masked with a false front and parapet featuring bracketed cornices and hooded apertures. Later designs added angular window bays to the flat fronts. In the 1880s and 1890s, the Stick-Eastlake style and the Queen Anne style dominated. These houses, often multi-unit flats instead of single-family residences, were more ornately decorated than previous styles. A few dwellings were constructed in the Shingle style during this time, but it was less common. The Romeo flats building type emerged to accommodate the high-density needs of the neighborhood and working class residents.¹⁵

The 1906 Earthquake and Fire changed everything, converting the Mission District into a thoroughly urban industrial and predominantly working-class district. The fire that sprang up as a result of the earthquake quickly destroyed the workers' cottages, boarding houses, and machine shops of the South of Market District before moving into the Northeast Mission, destroying everything in its path before finally being halted at Twentieth Street, just a few blocks north of the 953 Treat Avenue. Downtown businesses destroyed in the conflagration relocated to Mission Street, while thousands of working-class immigrants uprooted from the South of Market District moved into the neighborhood.

A substantial portion of the new residents of the Mission were either Irish-born immigrants or their children. Most were employed in working-class occupations. Many men worked as teamsters, carpenters, or longshoremen and the women were often employed as domestic servants in the homes of the wealthy. Union activism thrived in the community, and remained high in the Mission District throughout the first half of the twentieth century as working-class residents sought to establish a forty-hour workweek and decent wages. Outside of work the "Mission Irish," as they came to be known throughout the city, created a cohesive ethnic community in the Mission with its own insular culture, churches, bars, union halls, groceries, funeral parlors, and even accent.

The Mission District thrived as a self-contained predominantly Irish-American ethnic community until well after the Second World War. The war took thousands of local men out of the neighborhood to fight in Europe and the South Pacific and put many local women to work in local industries. Following the return of younger Mission residents from overseas after the war, many took advantage of the benefits conferred by the GI Act, such as educational grants and low-interest home loans. Newly developed housing tracts of the Sunset/Parkside, Marin County and the Peninsula encouraged many to move out of the aging Victorian flats of the Mission.

¹⁴ City and County of San Francisco Planning Department, "City Within A City: Historic Context Statement for San Francisco's Mission District," November 2007, p. 27.

¹⁵ City and County of San Francisco Planning Department, "City Within A City," p. 49.

As the Irish-Americans abandoned the Mission, they were gradually replaced by Mexican, Salvadoran and Nicaraguan immigrants. From the 1950s to the present, the continued influx of immigrants from these countries has transformed the Mission into San Francisco's largest predominantly Latino neighborhood. Department stores and theaters along Mission Street which once catered to the Irish-American residents were converted into shops and community institutions serving the Latino community. Murals commemorating Latino history and culture transformed walls and fences into vivid public art. During the 1980s and 1990s the Mission experienced yet another cycle of transformation, as artists and other "Bohemians" were attracted to the neighborhood for its inexpensive rents, balmy climate, picturesque architecture and vibrant cultural scenes. Meanwhile, escalating real estate prices elsewhere in San Francisco have inspired urban professionals to purchase old Victorian flats and cottages in the heart of the Mission, sparking escalating concerns about gentrification and development.

RAILROAD HISTORY

Transportation played a crucial role in the development of the Mission District. The flat valley provided the optimal route between San Francisco and the rest of the Peninsula. The historic El Camino Real route, plank roads, horse-drawn omnibuses, and streetcars all facilitated the development and settlement of the Mission district. The most powerful force, however, was the railroad, which strengthened the connection between the San Francisco ports and the Peninsula throughout the 19th century.

In 1863, the San Francisco & San Jose Railroad was established. The railroad line was arranged to follow the old route of the El Camino Real, cutting through the lower Mission Valley. The diagonal route was the result of arranging a minimal amount of easements with local landowners. John Center was among those landowners who granted a conveyance through his property in 1863. The San Francisco & San Jose Railroad was a small company that ran a relatively short line providing passenger and freight service between San Francisco and San Jose. The founders aspired to expand south to creating a transcontinental line. The December 1865, the company was reorganized and renamed the Southern Pacific Railroad Company.

The San Francisco & San Jose Railroad attracted the attention of the Big Four: railroad magnates Leland Stanford, Mark Hopkins, Collis Huntington, and Charles Crocker. They acquired this railroad in 1870, kept the name, and rapidly expanded it across the United States. The line that cut through the subject parcel and Center's land became known as the historic "Old Main Line" of the San Francisco & San Jose Railroad.

Eventually, this line was discontinued when outer lands on the San Francisco Bay were filled in to create a shorter route down to the Peninsula. The "Old Main Line" became a small branch line of the Southern Pacific and one of the last "in-town" rail services in the city. One terminus for this branch was at 23rd and Folsom, only one block from the subject property. The Southern Pacific line ceased passenger service through the San Bruno Gap and the Mission in 1930. Freight service was disconnected not long after.¹⁸ The tracks behind the subject property became a short, local branch of the line, known as a spur line, which was used through 1991, when it was finally closed completely. Although the railroad no longer runs through the Mission, the influence that it had in bringing residents and businesses to the area is unmistakable. The diagonal route of the railroad is still visible in the block cut-throughs and irregularly curving lots located in several blocks.

¹⁶ "Exhibit 14" James Heinzer's Historic Resource Evaluation, 2005.

¹⁷ Loren Nicholson, Rails Across The Ranchos: Centennial Edition Celebrating the Southern Pacific Railroad Coastal Line, (San Luis Obispo, CA: California Heritage Publishing Associates), 1993, p. 7-9.

¹⁸ San Francisco Planning Department, "City Within A City," November 2007, p. 78.

OWNER/OCCUPANT HISTORY

The following table shows the owner and occupant history for 953 Treat Avenue, gathered from various resources including the San Francisco Assessor's Office, San Francisco city directories, and James Heinzer's 2005 HRE:

Date	Owner	Occupant
1887- c. 1894	Owen and Isabella Gorman and	Owen and Isabella Gorman and family ²⁰
	family ¹⁹	
c. 1894 – 1924	John Center Company ²¹	1894-1924: Louis Barner and family ²²
1924 – 1935	Henry and Evelyn Barner	Henry and Evelyn Barner
1935 – 1944	Louis and Minnie Miller	Unknown
1944 – 1952	Henry and Evelyn Barner	Unknown
1952 – 1953	Emma Kluckhuhn	Unknown
1954 – 1980	Ernest A. and Janet W. Heinzer	Various renters
1980 – present	James W. and Barbara Heinzer;	Various renters
	James Heinzer	

The first known occupants of the house were Owen and Isabella Gorman. Gorman worked as a wool presser and moved out of the subject property after the death of his wife. The 1894 Block Book shows John Center as the owner of the subject lot. Louis Barner then moved into the subject property with his family, including his son Henry. Louis and Henry Barner were both employed as painters, which explains the labeling of a paint shop on the 1914 Sanborn map. Henry and his wife Evelyn later purchased the property from the John Center Company. They retained ownership intermittently until 1953, when Ernest and Janet Heinzer purchased 953 Treat Avenue. The Heinzers owned the adjacent property to the north where they operated a furniture manufacturing company while renting out 953 Treat Avenue.

¹⁹ Crocker-Langley San Francisco City Directory, 1887; "Deaths," San Francisco Call, 1892.

²⁰ Crocker-Langley San Francisco City Directory, 1887; "Deaths," San Francisco Call, 1892.

²¹ San Francisco Block Book, 1894, San Francisco Public Library; Sale of property from John Center Company to Henry Barber and Wife, 1924, "Exhibit 10," James Heinzer HRE, 2005.

²² Crocker-Langley San Francisco City Directory: 1894, 1900, 1905, 1910, 1924; California Voter Registrations, *Index to Register, City and County of San Francisco, Precinct 35*, April 1924. Accessed via Ancestry.com, held by the California State Library, roll 31; California Voter Registrations, *Index to Register, City and County of San Francisco, Precinct 35*, April 1, 1916. Accessed via Ancestry.com, held by the California State Library, roll 15.

V. ARCHITECT/BUILDER/LANDSCAPE ARCHITECT

The original architect or builder of 953 Treat Avenue is unknown. No original or early building permit is available at the Department of Building Inspection. Furthermore, the neighborhood does not appear to be the work of a single builder or developer. The eclectic mix of building styles and types in the surrounding blocks suggests that the neighborhood developed parcel by parcel. Given the irregular development of the subject property, it's likely that early owners of 953 Treat Avenue built onto the property or demolished sections and ancillary buildings as dictated by the evolving needs of the occupants.

VI. EVALUATION

CALIFORNIA REGISTER OF HISTORICAL RESOURCES

The California Register of Historical Resources (California Register) is an inventory of significant architectural, archaeological, and historical resources in the State of California. Resources can be listed in the California Register through a number of methods. State Historical Landmarks and National Register-listed properties are automatically listed in the California Register. Properties can also be nominated to the California Register by local governments, private organizations, or citizens. The evaluative criteria used by the California Register for determining eligibility are closely based on those developed by the National Park Service for the National Register of Historic Places. Resources eligible for the National Register are automatically listed in the California Register of Historical Resources.²³

In order for a property to be eligible for listing in the California Register, it must be found significant under one or more of the following criteria.

- Criterion 1 (Events): Resources that are associated with events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States.
- *Criterion 2 (Persons)*: Resources that are associated with the lives of persons important to local, California, or national history.
- *Criterion 3 (Architecture)*: Resources that embody the distinctive characteristics of a type, period, region, or method of construction, or represent the work of a master, or possess high artistic values.
- Criterion 4 (Information Potential): Resources or sites that have yielded or have the
 potential to yield information important to the prehistory or history of the local
 area, California, or the nation.

The following section examines the eligibility of 953 Treat Avenue for individual listing in the California Register:

Criterion I (Events)

953 Treat Avenue does not appear to be significant under Criterion 1 (Events) as a resource associated with events that have made a significant contribution to the broad patterns of local or regional history, or the cultural heritage of California or the United States. No significant event has occurred involving the development of 953 Treat Avenue. Apart from its proximity to the tracks, the property does not have a significant link with the history of the San Francisco & San Jose Railroad or the Southern Pacific Railroad in the Mission district. The building was not constructed to serve the railroad or to house those associated with the railroad.

Furthermore, the building was not linked to the agricultural development in the Mission lead by John Center, nor is the land known to have been used for that purpose. 953 Treat Avenue was part of the increasing residential development in the Mission before the turn of the 19th century. Small cottages gave way to larger, more stylized designs as more people moved to the Mission and access to the area became easy with public transportation routes. However, the subject building does not sufficiently

²³ California Office of Historic Preservation, *Technical Assistant Series No. 7, How to Nominate a Resource to the California Register of Historical Resources* (Sacramento, CA: California Office of State Publishing, 4 September 2001) 11.

embody the broad pattern of multi-unit residences that became characteristic of this development. For these reasons, 953 Treat Avenue does not appear to be individually eligible for listing in the California Register under Criterion 1.

Criterion 2 (Persons)

953 Treat Avenue does not appear to be significant under Criterion 2 (Persons) as a resource associated with the lives of persons important to local, California, or national history. Research on the owners and occupants of the property—the Gormans, Barners, Millers, Emma Kluckhuhn, or the Heinzers—has not revealed them to be historically significant persons. The influential John Center Company owned the property for a time, however, the parcel belonged to a vast holding of land and does not appear to have been directly connected with John Center himself in any notable way, such as a personal residence. Therefore, 953 Treat Avenue does not appear to be individually eligible for listing in the California Register under Criterion 2.

Criterion 3 (Architecture)

953 Treat Avenue does not appear to be significant under Criterion 3 (Architecture) as a property that embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of a master, or possesses high artistic values. The property does not represent the distinctive character of residential architecture in the Mission District; rather, the property contains an amalgamation of different architectural styles from the district. 953 Treat Avenue's light wood frame construction, gable roof, and false front are characteristic of the early "pioneer" period homes, yet it was built outside of that style's period of significance (1848-1864). 953 Treat Avenue mimics these characteristics of an earlier time, likely taking cues from neighborhood examples. The following "Gilded Age" period saw many Italianate style residences in the 1860s and 1870s. Italianate features are visible in the front of the building in the hood of the primary entrance, the false front with a bracketed cornice, and the carved wood casings of the windows. However, the subject building post-dates the era of heavy Italianate construction in the Mission neighborhood and the front of the building is clad with wood shingles, an atypical treatment that detracts from the Italianate design. Lastly, the original architect or builder of 953 Treat Avenue is unknown. 953 Treat Avenue therefore does not possess high artistic style, embody an architectural style or building type, and does not embody the work of a master, and.

For these reasons, 953 Treat Avenue does not appear individually eligible for listing in the California Register under Criterion 3 (Architecture).

Criterion 4 (Information Potential)

953 Treat Avenue was not evaluated for significance under Criterion 4 (Information Potential). Criterion 4 generally applies to the potential for archaeological information to be uncovered at a site, which is beyond the scope of this report.

OPINION ON PREVIOUS EVALUATION

Overall, Page & Turnbull concurs with many of the findings within Heinzer's 2005 HRE. The occupant and ownership history reveals that no persons of historic significance are directly connected with the property, and its design does not represent the work of a master or possess high artistic values. However, additional research has revealed some misconceptions in prior documentation. The following section directly addresses the conclusions made on page 6 of James Heinzer's 2005 HRE point by point:

1. "The house is a collection of tacked on smaller structures on exposed piers with various disjointed rooflines and pitches;"

The building footprint is composed of several different volumes. The main volume is a double gabled rectangular core. Several shed roof additions project from the rear (east) façade of the building. Based on Sanborn Fire Insurance Maps, the extant footprint appears to date from 1915 at the latest. The building has undergone changes but many of these date from very early in the building's history. The rectangular addition on the north end of the east facade dates from the original construction.

- 2. "The dwelling is in extremely poor structural condition which will be substantiated in the Soundness Report;"
 - According to the National Register standards, the current condition of a building does not affect the analysis of potential significance and integrity. National Register and California Register criteria are not contingent upon current condition. For this purposes of this report, condition was not a factor in the evaluation.²⁴
- 3. "In its location between two two-story cement tilt up commercial buildings in the predominately commercial area of its block; the house looks out of place;" A mix of industrial and residential uses has been present in this neighborhood since the 19th century. The commercial buildings specified here were constructed after 953 Treat Avenue and many other residences in the area. Much of the surrounding block remains residential. Furthermore, the neighborhood is zoned for mixed use, so residential buildings remain appropriate.
- 4. "No doubt early residents of the 953 Treat Ave. house witnessed the Mission District's remaining vegetable gardens turn into new homes and commercial buildings but who those residents were and what they did as professions is not known;"

 This report has provided as expanded occupant and ownership history. The Gormans and the Barners do not appear to be significantly connected to the agricultural history of the Mission District or with other events in the area. For these reasons, the property has been not been found eligible for listing under California Register Criterion 2 (Persons).
- 5. "While from 1891 to 1991 the resident of the 953 Treat Ave. house could see rail cars go by on the contiguous railroad right-of-way, those residents were not railroad employees that lived in the house as part of their railroad employment;"

 The expanded owner and occupant history supports this finding.
- 6. "Though the 953 Treat Ave. home was owned by the John Center Corporation whose major shareholder was John Center, the most influential San Franciscan of his time in the Mission District, John Center never lived in the house;"

 The subject property does not appear to have been connected in a significant way to the John Center Company workings in the area, as discussed under finding #4, or with John Center himself.
- 7. "The major accomplishments of John Center to the development of San Francisco are no more represented by the 953 Treat Ave. house that the land in and around the house or the land in many other areas of the Mission District which John Center grew vegetables on in the mid 1800's:"
 - As described in the evaluations for Criterions 1 and 2 (Events and Persons), no significant link between the subject property and vegetable production of the Mission has been found.

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²⁴ U.S. Department of the Interior, National Park Service, "National Register Bulletin 15: How to Apply the National Register Criteria for Evaluation," section 8, revised 2002.

- 8. "My investigation could not find any person of historical significance that ever lived in the 953 Treat Ave. house;"
 - The expanded owner and occupant history concurs with this statement. The occupation of the house by two families for lengths of time is noteworthy but cannot alone confer significance.
- 9. "For over the last 50 years the house has been a rental property;"
 The use of 953 Treat Avenue is not considered a detriment to the building's historic potential.
- 10. "Future development of the contiguous former railroad right-of-way parcel appears unlikely and therefore should not effect [sic] the development of the Treat Ave. parcel." Development of the contiguous parcel was not evaluated as part of this report. The potential for development of the nearby right-of-way does not impact the historic potential for 953 Treat Avenue.

VII. CONCLUSION

953 Treat Avenue is a single story wood frame cottage with an Italianate style false front clad in wood shingle. The original structure dates to 1887, with additions and expansions made before 1915. Adjacent to the subject property runs the former right-of-way of the Southern Pacific Railroad, forming the irregular triangular lot of the property. None of the occupants or owners have been identified as significant, nor is the property significantly connected with either the railroad or agricultural activity in the area. While maintaining elements of early cottages in the Mission District and design characteristics of Italianate false fronts, the cumulative design is not exemplary of any particular architectural style or period in the Mission's history. 953 Treat Avenue has been determined not to be eligible for listing in the California Register. For this reason, 953 Treat Avenue does not qualify as a historic resource for the purposes of review under the California Environmental Quality Act (CEQA).

VIII: BIBLIOGRAPHY

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PRESERVATION TECHNOLOGY

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SAN FRANCISCO PLANNING DEPARTMENT

CEQA Categorical Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)			
	95	3 Treat Avenue	3639/028		
Case No.		Permit No.	Plans Dated		
2015-006	510ENV	20151104-1757/-1763/-1768	11/10/2015		
✓ Addition	on/	Demolition	New	Project Modification	
Alterati	ion	(requires HRER if over 45 years old)	Construction	(GO TO STEP 7)	
Project desc	cription for	Planning Department approval.			
		n of (E) SFH to construct two (N) builing spaces. Totaling four residential u			
	MPLETED	BY PROJECT PLANNER	anne en commonta a en tratamente en contra en en tratamente en contra en	an menemberanda menenta kangalan seberah dalam dalam menemberah seberah dalam sebelah sebelah dalam sebelah sebelah sebelah dalam sebelah dalam sebelah se	
		1 or 3 applies, an Environmental Evaluation			
✓	Class 1 – Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.				
V	Class 3 – New Construction/ Conversion of Small Structures. Up to three (3) new single-family residences or six (6) dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.				
	Class_				
STEP 2: CI	-	CTS BY PROJECT PLANNER	and the state of t	entrolina i nata-kila minimula di minimula di Arabin di Liu antino di Arabin	
If any box	is checked	below, an <i>Environmental Evaluation Appli</i> c	cation is required.		
	Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities) within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks)? Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Article 38 program and the project would not have the potential to emit substantial pollutant concentrations. (refer to EP _ArcMap > CEQA Catex Determination Layers > Air Pollutant Exposure Zone)				
	hazardou manufact or more o	us Materials: If the project site is located on as materials (based on a previous use such as turing, or a site with underground storage tap of soil disturbance - or a change of use from and the project applicant must submit an En	s gas station, auto rej inks): Would the pro industrial to residen	pair, dry cleaners, or heavy ject involve 50 cubic yards tial? If yes, this box must be	

.	Environmental Site Assessment. Exceptions: do not check box if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap > Maher layer).
	Transportation: Does the project create six (6) or more net new parking spaces or residential units? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?
V	Archeological Resources: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non-archeological sensitive area? (refer to EP_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)
	Noise: Does the project include new noise-sensitive receptors (schools, day care facilities, hospitals, residential dwellings, and senior-care facilities) fronting roadways located in the noise mitigation area? (refer to EP_ArcMap > CEQA Catex Determination Layers > Noise Mitigation Area)
	Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography)
	Slope = or > 20%: Does the project involve excavation of 50 cubic yards of soil or more, new construction, or square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography) If box is checked, a geotechnical report is required.
	Seismic: Landslide Zone: Does the project involve excavation of 50 cubic yards of soil or more, new construction, or square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report is required.
	Seismic: Liquefaction Zone: Does the project involve excavation of 50 cubic yards of soil or more, new construction, or square footage expansion greater than 1,000 sq. ft. outside of the existing building footprint? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report will likely be required.
	are checked above, GO TO STEP 3. If one or more boxes are checked above, an Environmental Application is required, unless reviewed by an Environmental Planner.
V	Project can proceed with categorical exemption review. The project does not trigger any of the CEQA impacts listed above.
	and Planner Signature (optional): Jean Poling nrolled in DPH Maher program. No archeological effects.
•	OPERTY STATUS – HISTORIC RESOURCE
PROPERTY	(IS ONE OF THE FOLLOWING: (refer to Parcel Information Map)
	ategory A: Known Historical Resource. GO TO STEP 5.
	ategory B: Potential Historical Resource (over 45 years of age). GO TO STEP 4. ategory C: Not a Historical Resource or Not Age Eligible (under 45 years of age). GO TO STEP 6.

STEP 4: PROPOSED WORK CHECKLIST

TO BE COMPLETED BY PROJECT PLANNER

Che	ck all that apply to the project.
	1. Change of use and new construction. Tenant improvements not included.
	2. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
	3. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
	4. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
	5. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
	6. Mechanical equipment installation that is not visible from any immediately adjacent public right-ofway.
	7. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
	8. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Not	e: Project Planner must check box below before proceeding.
$\overline{\mathbf{V}}$	Project is not listed. GO TO STEP 5.
	Project does not conform to the scopes of work. GO TO STEP 5.
	Project involves four or more work descriptions. GO TO STEP 5.
	Project involves less than four work descriptions. GO TO STEP 6.
	P 5: CEQA IMPACTS – ADVANCED HISTORICAL REVIEW BE COMPLETED BY PRESERVATION PLANNER
Che	ck all that apply to the project.
	1. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
	2. Interior alterations to publicly accessible spaces.
	3. Window replacement of original/historic windows that are not "in-kind" but are consistent with existing historic character.
	4. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.
	5. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
	6. Restoration based upon documented evidence of a building's historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
	7. Addition(s) , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior's Standards for Rehabilitation</i> .

	8. Other work consistent with the Secretary of the Interior (specify or add comments):	or Standards for the Treatment of Historic Properties	
	9. Other work that would not materially impair a histo	ric district (specify or add comments):	
	(Requires approval by Senior Preservation Planner/Prese	rvation Coordinator)	
V	10. Reclassification of property status to Category C. (Planner/Preservation Coordinator)	Requires approval by Senior Preservation	
	a. Per HRER dated:(attach HRE	2)	
	b. Other (specify): Per PTR form dated 3/25/20	16	
Note	: If ANY box in STEP 5 above is checked, a Preservation	Planner MUST check one box below.	
	Further environmental review required. Based on the Environmental Evaluation Application to be submitted. G	- · · · · · · · · · · · · · · · · · · ·	
V	Project can proceed with categorical exemption review. The project has been reviewed by the		
Comr	nents (optional):		
Prese	rvation Planner Signature: Justin Greving	g an-distant	
	6: CATEGORICAL EXEMPTION DETERMINATION E COMPLETED BY PROJECT PLANNER		
	Further environmental review required. Proposed project	t does not meet scopes of work in either (check all that	
	apply):		
	Step 2 – CEQA Impacts		
	Step 5 – Advanced Historical Review		
	STOP! Must file an Environmental Evaluation Applicati	on.	
	No further environmental review is required. The project	ct is categorically exempt under CEQA.	
	Planner Name: Justin A Greving	Signature: Digitally signed by Justin Greving DN: dc=org, dc=stgov, dc=dtyplanning,	
	Project Approval Action:	JUSTIN GREVING ou=CityPlanning, ou=Current Planning, cn=Justin Greving, email=Justin.Greving@sfgov.org	
	Building Permit It Discretionary Review before the Planning Commission is requested,	Date: 2016.03.28 10:19:36 -07'00'	
	the Discretionary Review hearing is the Approval Action for the project.		
	Once signed or stamped and dated, this document constitutes a categori	cal exemption pursuant to CEQA Guidelines and Chapter 31 of the	
	Administrative Code. In accordance with Chapter 31 of the San Francisco Administrative Cod days of the project receiving the first approval action.	e, an appeal of an exemption determination can only be filed within 30	
L			

STEP 7: MODIFICATION OF A CEQA EXEMPT PROJECT

TO BE COMPLETED BY PROJECT PLANNER

In accordance with Chapter 31 of the San Francisco Administrative Code, when a California Environmental Quality Act (CEQA) exempt project changes after the Approval Action and requires a subsequent approval, the Environmental Review Officer (or his or her designee) must determine whether the proposed change constitutes a substantial modification of that project. This checklist shall be used to determine whether the proposed changes to the approved project would constitute a "substantial modification" and, therefore, be subject to additional environmental review pursuant to CEQA.

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address (If different than from		n front page)	Block/Lot(s) (If different than front page)
Case No		Previous Building Permit No.	New Building Permit No.
Plans Da	nted	Previous Approval Action	New Approval Action
Modified	d Project Description:		
DETERMI	NATION IF PROJECT CO	NSTITUTES SUBSTANTIAL MODIF	ICATION
Compare	ed to the approved pro	ject, would the modified project:	
	Result in expansion of the building envelope, as defined in the Planning Code;		
	Result in the change of use that would require public notice under Planning Code Sections 311 or 312;		
	Result in demolition as defined under Planning Code Section 317 or 19005(f)?		
	Is any information being presented that was not known and could not have been known at the time of the original determination, that shows the originally approved project may no longer qualify for the exemption?		
If at leas	st one of the above box	es is checked, further environme	ental review is required CATEX FORM
DETERMIN	IATION OF NO SUBSTANT	IAL MODIFICATION	→
	1 · · ·	cation would not result in any of	the above changes.
If this box is checked, the proposed modifications are categorically exempt under CEQA, in accordance with prior project approval and no additional environmental review is required. This determination shall be posted on the Planning Department website and office and mailed to the applicant, City approving entities, and anyone requesting written notice.			
	Planner Name: Signature or Stamp:		



SAN FRANCISCO PLANNING DEPARTMENT

PRESERVATION TEAM REVIEW FORM

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

Reception: **415.558.6378**

Planning Information: 415.558.6377

415.558.6409

Preservation Team Meeting Date:		Date of Form Comp	letion 3/24/2016	
PROJECT INFORMATION:	2 A. A. Z.			
Planner:	Address:			
Justin Greving	953 Treat Avenue			
Block/Lot:	Cross Streets:			
3639/028	22nd and 23rd stre	ets		
CEQA Category:	Art. 10/11:	BPA/Case	≘ No.:	
В	n/a	2015-006	51ENV	
PURPOSE OF REVIEW:	July 1965	PROJECT DESCRIPT	ION:	
© CEQA C Article 10/11	C Preliminary/PIC	Alteration	① Demo/New Cor	struction
DATE OF PLANS UNDER REVIEW:	10/28/2015			
PROJECT ISSUES:		And the second second		
Is the subject Property an elig	<u> </u>			
If so, are the proposed chang	es a significant impa	ct?		
Additional Notes:	S Evaluation prop	ared by Dage & Tur	nbull (dated An	-il 27
Submitted: Historic Resource 2015)	e Evaluation prep	rared by Page & Tur	nbuli (dated Ap	TII 27,
20.0,				
Proposed Project: Demolitio	_	•		
unit residential condominiu	m buildings with	roof terrace and off	-street parking.	
PRESERVATION TEAM REVIEW:		70		
Historic Resource Present		CYes	€No *	CN/A
Individual		Historic [District/Context	
Property is individually eligible for California Register under one or following Criteria:				
Criterion 1 - Event:	← Yes	Criterion 1 - Event:	○ Yes	⊚ No
Criterion 2 -Persons:	← Yes ● No	Criterion 2 -Persons:		(€ No
Criterion 3 - Architecture:	← Yes ← No	Criterion 3 - Architect	ure:	(● No
Criterion 4 - Info. Potential:	← Yes ← No	Criterion 4 - Info. Pote	ential: C Yes	⊙ No
Period of Significance: n/a Period of Significance: n/a				

Contributor Non-Contributor

Complies with the Secretary's Standards/Art 10/Art 11:	C Yes	ON₀	● N/A
CEQA Material Impairment:	() Yes	⊙ No	
Needs More Information:	○ Yes	⊙ No	
Requires Design Revisions:	○ Yes	⊚ No	
Defer to Residential Design Team:	Yes	CNo	

^{*} If No is selected for Historic Resource per CEQA, a signature from Senior Preservation Planner or Preservation Coordinator is required.

PRESERVATION TEAM COMMENTS:

According to the Historic Resource Evaluation prepared by Page & Turnbull (dated April 27, 2015) and information found in the Planning Department files, the subject property at 953 Treat Avenue contains a single-family one-story over basement flat-front Italianate residence constructed in 1887 (source: water tap record). Permitted exterior alterations to the property include: reroofing (1978), and bringing the rear porch up to code (1988). Visual inspection and Sanborn maps indicate the original property has seen substantial additions including doubling the volume of the building sometime between 1887 and 1900, and construction of a number of different rear and side additions to the property, some of which are still extant.

The subject property was previously surveyed as part of the South Mission Historic Resource Survey in 2010 and was given a status code of 7R, meaning, "not determined: requires intensive research."

No known historic events occurred at the subject property (Criterion 1). The property sits on an irregularly shaped parcel next to what was once the San Francisco & San Jose Railroad, however there is no indication of a link between the railroad and the early occupants or owners of the property. With a construction date of 1887 the subject property is not representative of the earliest development of the Mission District. None of the owners or occupants have been identified as important to history (Criterion 2). The building is not architecturally distinct such that it would qualify individually for listing in the California Register under Criterion 3. Although 953 Treat Avenue has features that call it out as a simple Italianate structure, with an irregular bay pattern and unusual side entrance, the building is not representative of the architectural style as it appears in the Mission district and many other flat-front Italianate buildings better reflect this mid-19th century style.

The subject property is not located within the boundaries of any identified historic district. The subject property is located in the Mission district neighborhood in an area that was previously surveyed. There are a number of California Register-eligible historic districts in the vicinity identified as part of the survey including the "Alabama Street Pioneers" historic district that consists of a high concentration of 1860s and 1870s flat-front Italianate buildings. While the South Mission Historic Resource Survey identified some properties along this section of Treat Avenue that are individually eligible, a historic district on this block was not identified.

Therefore the subject property is not eligible for listing in the California Register under any criteria individually or as part of a historic district.

Signature of a Senior Preservation Planner / Preservation Coordinator:	Date:
Ima ON	3/25/2016

953 Treat Ave



Historic Resource Evaluation

953 Treat Avenue San Francisco, California





Memorandum

Date March 15, 2017

To: Alexis Pelosi and Peter Ziblatt, Pelosi Law Group

CC: Peter Schellinger, Lennar Multifamily

Theo Oliphant and Muhammad Nadhiri, Axis Development Group

From: Seifel Consulting Inc.

Subject: Economic Analysis of Mixed-use Developments in the Mission District

Seifel Consulting Inc. (Seifel) presents the attached memorandum in connection with advisory services on two proposed mixed-use developments (2675 Folsom Street and 1515 South Van Ness Avenue) in the Mission District. The purpose of this economic analysis is to evaluate the findings in recent reports regarding the socioeconomic impact of proposed developments in the Mission District (including 2675 Folsom Street and 1515 South Van Ness Avenue) and to analyze historical housing production and demand as it pertains to the Mission District and Eastern Neighborhoods in San Francisco. This analysis is provided to supplement the response to the City of San Francisco Board of Supervisor comments regarding the proposed mixed-use developments.

The analysis presented in this memorandum finds that:

- As of July 2016, the amount of new housing that has received land use entitlements, and therefore
 had been or could be constructed in the Mission District, has not met or exceeded what was
 assumed to be built by 2025 in the Mission District under the Eastern Neighborhoods
 Programmatic EIR (EN PEIR). This is also true for the Eastern Neighborhoods.¹
- Only about 35% of the housing units assumed in the EN PEIR for the Mission District were
 entitled as of July 2016. Assuming the proposed number of housing units for 2675 Folsom Street
 and 1515 South Van Ness Avenue were to be approved, only 51% of the housing units assumed
 in the EN PEIR by 2025 for the Mission District would be entitled, approximately at the mid-way
 point of the implementation of the EN PEIR.
- From 2001-2015, 46% of all new housing units constructed in the Mission District have been affordable housing units, most of which have been constructed in 100% affordable housing developments.
- The construction of new housing, which increases housing supply, is critical to meeting housing
 demand and can help stabilize or lower housing costs depending on how much new housing is
 provided in relationship to demand.

¹ The Eastern Neighborhoods Plan and EN PEIR certified in 2008 did not include Western SoMa, which went through a separate area plan process resulting in certification of the Western SoMa Plan and PEIR in 2012.



- As described by the Office of the Controller's report concerning housing production in the
 Mission ("Potential Effects of Limiting Market-Rate Housing in the Mission", 2015), an
 increased supply of market rate housing does not increase housing costs in nearby housing units
 but rather helps to drive down housing prices, which in turn increases the number of housing
 units that are affordable to residents. Additionally, market rate housing can also generate funding
 for affordable housing through the inclusionary housing fees.
- ALH Urban and Regional Economics (ALH) prepared a socioeconomic analysis of development in the Calle 24 Latino Cultural District (LCD) that indicates housing production does not result in increased costs of existing housing, but rather helps to suppress existing home prices and rents. In addition, through filtering, new housing development makes other units available for households with lower incomes than those occupying newer units. These findings are consistent with the Office of the Controller's report conclusion that the then-proposed Mission District housing moratorium to restrict housing production would lead to increased housing prices throughout the City.
- ALH also prepared a literature review that finds the construction of new market-rate and
 affordable housing can help reduce displacement by suppressing price appreciation. While
 displacement may occur in neighborhoods, it is not the inevitable result of gentrification; rather, many
 factors—including local policies to provide affordable housing—influence whether or not
 displacement occurs.

This memorandum is organized into the following sections:

- A. Description of Proposed Projects in Latino Cultural District
- B. Housing Production in the Mission District and Eastern Neighborhoods
- C. Review of Report Evaluating the Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District
- D. Conclusion

A. Description of Proposed Projects in Latino Cultural District

Axis Group has proposed a mixed-use development at 2675 Folsom Street. Located near the intersection of 23rd and Fremont Streets in the Mission District and in an area referred to as the Calle 24 Latino Cultural District (LCD), the development features 117 residential units (of which 23, or 20%, will be affordable), and 5,200 square feet of PDR space to be rented at \$1 per year.

Lennar Multifamily has proposed a similar mixed use development at 1515 South Van Ness Avenue that consists of 157 apartments, of which 39 units (25%) will be affordable. It will also include 1,115 square feet (sq. ft.) of ground floor retail space and 4,696 square feet of trade shop spaces, which will be divided into six spaces and rented at below market rate (BMR) rents.

Collectively, these two developments will provide 274 new housing units (of which 62 units, or 23%, will be affordable) and about 11,000 square feet of new retail/trade shop/PDR space. Collectively, these two projects will increase the supply of new market-rate housing and new affordable housing in the Mission District, within the boundaries of what was assumed within the EN PEIR.



Table 1
Summary Description of Proposed Projects in Latino Cultural District by Axis Development Group and Lennar Multifamily Communities

	Axis	Lennar
	(2675 Folsom)	(1515 South Van Ness)
Residential Units		
Total Housing Units	117	157
Below-Market-Rate (BMR) Units	23	39
% Affordable	20%	25%
Non-Residential	5,200 sq. ft.	5,811 sq. ft.
	PDR space rented at \$1	1,115 sq.ft. Retail
	per year	4,696 sq. ft.
		trade shops at BMR rents
Location	Calle 24 Latino	Calle 24 Latino Cultural
	Cultural District (LCD)	District (LCD)
	San Francisco's	San Francisco's Mission
	Mission District	District

Source: San Francisco Planning Department and Lennar Multifamily Communities.

B. Housing Production in the Mission District and Eastern Neighborhoods

A key concern voiced by community stakeholders is that these two proposed projects will generate significant new market rate housing in the Mission District and the LCD, and that they will have adverse socioeconomic impacts on the Mission. Stakeholders also assert that the number of new housing units constructed in the Mission has exceeded what was assumed in the EN PEIR. In order to address these concerns, we conducted an in-depth review and analysis of reports and information prepared by the City and County of San Francisco to analyze and summarize the amount of new housing that has been constructed and entitled in the Mission and Eastern Neighborhoods.

Based on our analysis and discussions with Planning Department (Planning) staff, we determined that the most reliable and accurate published source of annual historical data for the Mission and EN comes from the EN Monitoring Reports. Planning reviews historical housing data that has been collected in prior years for the annual Housing Inventory Reports and updates this data as needed in order to prepare the EN Monitoring Reports.²

As required by Ordinance, Planning publishes the EN Monitoring Reports in order to track all development activity that occurs within EN Area Plan boundaries during a five-year period. The EN Monitoring Reports also summarize the projected development pipeline as of the end of the five-year

² The Planning Department maintains several databases of information that it periodically updates to reflect new information or corrections as needed. The most up-to-date data from these databases is provided to City Departments to assist them in preparing specific reports or analyses, which can result in differences among numbers in various documents. Where there are differences, typically the data in the reports that are published later are more accurate.



reporting period and track the status of development that was considered under the EN PEIR and the EIR for Western SoMa.³

Thus, the EN Monitoring Reports report on the status of all housing developments in each area within the EN, and they separately analyze those developments that were considered under these two EIRs. As some developments that were completed or are still in the pipeline at the end of the five-year period did not (or will not) receive their environmental clearance through these two EIRs, the reported numbers differ for the following primary reasons:⁴

- The developments were entitled prior to the adoption of the Plans, under zoning designations that were subsequently changed by the Plans.
- Under the EN Amnesty Program that expired in 2013, legalization of conversions from PDR to office space that took place prior to Plan adoption was allowed.
- 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.
- Certain smaller projects did not rely on the rezoning under the EIRs and are therefore excluded.

1. Comparison of Housing Production to Projections in EN PEIR

According to the EN Monitoring Reports, the EN PEIR assumed an increase by the year 2025 of about 9,785 housing units in the Eastern Neighborhoods (without Western SoMa considered), for a projected total number of about 35,250 housing units. Under the EIR Preferred Project Alternative, the projected increase in housing units in the Mission is 1,696 housing units. Although the EN PEIR bases its projected growth through 2025, a key section of the EN PEIR called "Population, Housing, Business Activity, and Employment" indicates an increase in potential housing supply of up to 26,500 new housing units (under Option C) on undeveloped parcels and soft sites under the rezoning in the Eastern Neighborhoods.

According to the EN Monitoring Reports, 590 housing units in the Mission were entitled as of July 2016, which includes 227 housing units that had been constructed and 236 housing units in construction. This represents 35% of the number of housing units projected in the EN PEIR, as shown in Table 2. Only entitled projects are likely to be constructed within the next two to seven years according to Planning,

⁷ Eastern Neighborhoods (EN) Programmatic Environmental Impact Report, Eastern Neighborhoods Rezoning and Area Plans, Chapter IV Population, Housing, Business Activity, and Employment, page 241. This information has also been reported in prior staff reports and presentations to City Boards and Commissions.



³ Eastern Neighborhoods Programmatic Environmental Impact Report (EN PEIR) was certified by the Board of Supervisors in 2008, and the Western SoMa EIR was certified in 2012.

⁴ Eastern Neighborhoods Monitoring Report, 2011-2015, Mission Area Plan Monitoring Report section, page 7.

⁵ Based on gain of 9,785 units to an existing amount of 25,464. The Eastern Neighborhoods Plan and EN PEIR certified in 2008 did not include Western SoMa, which went through a separate area plan process resulting in certification of the Western SoMa Plan and PEIR in 2012. The Eastern Neighborhoods Monitoring Report, Appendix Table D-2 indicates that the EN PEIR assumed an increase of 9,785 housing units for EN. Of note, the Eastern Neighborhoods Rezoning and Area Plans, Comments and Responses on Draft EIR (page 14, and Table C&R-2 on page 24) indicates that the assumed number of housing units in the EN PEIR is 9,783 and the existing number of housing units in 2000 is 25,464 (see Final EIR, Table 12, page 58).

⁶ Eastern Neighborhoods Monitoring Report, 2011-2015, Appendix Table D-2. The total number of housing units projected for the Mission is 15,005, calculated based on an increase of 1,696 units added to the existing count of 13,309 in 2000, as indicated in the Final EIR, Appendix A (Initial Study), Table 1, page 20).

while projects that have not yet received their land use entitlements (not entitled) have an uncertain timeline for completion. ⁸

According to the EN Monitoring Reports, an additional 1,526 housing units in the Mission are not entitled but are included in the development pipeline reports maintained by Planning. For projects that are not entitled, the time to completion and occupancy is uncertain because the following must occur before projects are completed:

- Project sponsors must submit all of the material needed for entitlement approval, including design and other technical documents.
- Various governing bodies and City staff must review and approve their applications.
- Projects sponsors must secure financing and finalize all documents that are needed in order to begin construction.
- Construction needs to be finished, which typically takes between 18 months and 36 months.

For all of these reasons, pipeline projects that are not entitled are preliminary in nature and are not assumed to be approved or built as a matter of standard industry practice.

As noted in the Monitoring Reports, the pipeline for the Mission accounts for 9% of the total number of projects in the City, but only 3% of the number of units. This suggests that potential new projects in the Mission are of a smaller scale than housing developments in the pipeline for San Francisco as a whole.⁹

The approval and entitlement of 2675 Folsom Street and 1515 South Van Ness Avenue could result in the development of 274 units and increase the total number of entitled units to 864 when adding these projects to the 590 housing units that were entitled as of July 2016. This represents about 51% of the projected increase in housing units anticipated in the EN PEIR. The addition of housing from these two developments would be well within the number of housing units assumed by 2025 for the Mission.

In the Eastern Neighborhoods (without Western SoMa), projects totaling 4,351 housing units have received land use entitlements, of which 1,385 units have been built and 1,572 units were under construction as of July 2016. This represents 44% of the number of housing units projected in the EN PEIR as shown in Table 2.

If all of the projects in the pipeline were to be approved and built to their fullest extent, the Eastern Neighborhoods would see an increase in housing units that reaches 87% of the total assumed by 2025 in the EN PEIR. However, as described above, whether these unentitled pipeline projects will be approved and/or constructed is uncertain and unknown. They cannot be relied upon to be entitled or built as they may not be developed due to changes in local, national or global economic circumstances, or if there is a significant event that impacts development. Moreover, even if all of the units were entitled, the total increase in housing units would represent a small percentage of the total potential housing supply of up to 26,500 new housing units that was projected to occur in the Eastern Neighborhoods in the EN PEIR.

⁹ Eastern Neighborhoods Monitoring Report, 2011-2015, Mission Area Plan Monitoring Report section, page 25.



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⁸ According to Appendix D in the Eastern Neighborhoods Monitoring Report, 2011-2015 and Current Planning, projects that are under construction can take up to 2 years until they are completed and ready for occupancy. Projects that have received their entitlements can take 2-7 years until they are completed and ready for occupancy. For projects that are under review and have not yet received their entitlements, the time to completion and occupancy is uncertain.

Table 2 Housing Units Entitled or Under Review Pursuant to Eastern Neighborhoods PEIR (as of July 7, 2016)

	Mission	Eastern Neighborhoods (Without Western SoMa)
New Housing Units Assumed in EN PEIR by 2025	1,696	9,785
Complete	227	1,385
Under Construction	236	1,572
Entitled/Unbuilt	<u>127</u>	<u>1,394</u>
Subtotal	590	4,351
As % of EN PEIR Projections	35%	44%
Not Entitled (Pipeline Projects)	1,526	4,176
Total (Including Pipeline Projects)	2,116	8,527
Total as % of EIR Projections	125%	87%

Note: The Eastern Neighborhoods (EN) Programmatic Environmental Impact Report (PEIR), which was certified in 2008, assumed a certain amount of new development through 2025 in the Mission, Central Waterfront, Eastern SoMa, and Showplace Square/Potrero Hill areas. Some of these assumed developments have been completed through July 2016, and some of the proposed projects in the pipeline did not or will not receive their environmental clearance through the EN PEIR. The EN Monitoring Reports analyze all development activity, whether or not the projects relied on the EN PEIR. Projects that are not entitled are in the development pipeline but these projects may or may not be built.

Source: Eastern Neighborhoods Monitoring Reports 2011-2015, page 7 and Appendix D.



2. Housing Constructed in Mission District and Eastern Neighborhoods from 2006-2015

According to the EN Monitoring Reports, 1,261 housing units were constructed in the Mission over the ten-year period from 2006 to 2015. (This includes the 227 completed housing units that were part of potential projects assumed under the EN PEIR.¹⁰) During this ten-year period, 522 affordable housing units were provided, which results in approximately 41% of all new housing units in the Mission. This compares to affordable housing production in the Eastern Neighborhoods at 27% of new housing units and 29% citywide. (Refer to Appendix Table 1 for the housing unit production reported in each year.)

Table 3
Housing Units Completed from New Construction During 2006-2015

		Mission			ern Neighbor nout Western		San Francisco			
Ten Year Period	New Housing Units	Affordable Housing Units	Percent Affordable	New Housing Units	Affordable Housing Units	Percent Affordable	New Housing Units	Affordable Housing Units	Percent Affordable	
2006-2015	1,261	522	41%	3,970	1,070	27%	20,740	6,061	29%	

Note: The Eastern Neighborhoods (EN) Monitoring Reports 2006-2010 analyze development activity in the Mission, Central Waterfront, Eastern SoMa, and Showplace Square/Potrero Hill areas. The EN Monitoring Reports 2011-2015 analyze these four areas plus Western SoMa, as the Western SoMa EIR was certified in 2012. Historical data prior to 2011 for Western SoMa is not available in published reports. According to the EN Monitoring Reports 2011-2015, only 65 housing units were completed in Western SoMa from 2011-2015, of which 12% were affordable.

Source: Eastern Neighborhoods Monitoring Reports 2006-2010 and 2011-2015, Tables 3.1.1 and 3.4.1.

3. Affordable Housing Constructed in Mission District from 2001-2015

As reported by the San Francisco Office of the Controller, new housing that was constructed in the Mission from 2001 to 2013 was split roughly 50:50 between market-rate and affordable housing, with 646 affordable housing units built in 100% affordable projects and 97 affordable housing units built as part of market rate development out of a total housing production of 1,464 housing units over thirteen years. When combining the data reported by the Controller's Report for 2001-2013 with the data presented in the EN Monitoring Reports for 2014-2015, 767 affordable housing units were constructed over the fifteen year period between 2001-2015, as shown in Table 4.

¹¹ Office of the Controller, Potential Effects of Limiting Market-Rate Housing in the Mission, September 2015, page 7. The data presented in this report was compiled based on housing production data updated through 2013.



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¹⁰ For more information regarding why the reported number of constructed units differs, please refer back to the description of the EN Monitoring Reports at the beginning of Section B.

Table 4
New Housing Constructed in Mission District, 2001-2015

Fifteen Year Period - 2001-2015	Mission District
New Housing Units Constructed	1,679
Market Rate Housing Units	912
Affordable Housing Units	767
Percent Affordable	46%

Note: This historical summary is based on data from the Office of the Controller, which presents historical data for 2001-2013, plus housing data for 2014 and 2015 from the Eastern Neighborhoods Monitoring Reports 2011-2015

Source: San Francisco Office of Controller, Potential Effects of Limiting Market-Rate Housing in the Mission, Table 5, September 2015, Eastern Neighborhoods Monitoring Reports 2011-2015, Tables 3.1.1 and 3.4.1.

Thus, about 46% of all new housing units constructed between 2001-2015 were affordable housing units, as shown above.

C. Review of Report Evaluating the Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District

In order to address concerns about the adequacy of the environmental analysis prepared for proposed projects in the LCD, ALH Urban and Regional Economics (ALH) prepared a socio-economic analysis to address the extent to which physical impacts might result from neighborhood gentrification and displacement brought on by these projects, and the extent to which this potential physical impact might be significant in a generalized California Environmental Quality Act (CEQA) context. The research and analysis prepared by ALH Economics consists of the following components:¹²

- Analysis of residential pipeline (e.g., the project and cumulative projects) impacts on commercial gentrification;
- An overview of pricing trends in San Francisco's rental housing market; and
- Review of literature on the relationship between housing production and housing costs as well as gentrification and residential displacement.

As part of this analysis, we reviewed the residential data, methodology and findings in the ALH report and found that the report was thorough, well-documented and contained helpful information that leads to a set of reasonable conclusions.

¹² Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA, March 2017, page 1.



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1. Historical Rent Trends in San Francisco

ALH provides historical data on rents from RealAnswers, which analyzes and reports on the average monthly rent for investment grade apartment units in San Francisco. Although rents had been increasing at about 8-10% per year after the San Francisco rental market started recovering from the recession in 2010, rents for investment grade apartment units stabilized in 2016, increasing only 0.4% according to RealAnswers.¹³

San Francisco rents at the neighborhood level, however, do not necessarily follow the citywide trend, as reported by ALH using data provided by rental market purveyor Zumper. Zumper finds that the citywide median rent for a 1-bedroom unit in San Francisco declined 4.9% in 2016. While most San Francisco neighborhoods saw a decline in rents in 2016, the median rents for one-bedroom units in the Mission increased between 0-5% in 2016, ¹⁴ although the pace of rent increases has slowed from the 5-10% rent increases experienced in 2015 in the Mission. ¹⁵

Overall, the rent data reported by ALH indicates that the rental market in San Francisco has begun to stabilize, indicating that housing supply is better meeting citywide housing demand, although neighborhoods like the Mission are still experiencing rent increases.

CEOA Standards

Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. Generally speaking, CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." CEQA guidelines do, however, cite that physical changes to the environment caused by a project's economic or social effects are secondary impacts that should be included in an EIR's impact analysis if they are significant. ALH finds very few instances where the courts found it necessary to rule on this requirement and concludes that the type of mixed-use development proposed in the LCD will not create the type of physical impact on the environment that would warrant additional CEQA review based on established case law. ¹⁶ Based on a review of ALH's analysis, we concur that 1515 South Van Ness will not create the type of physical impact on the environment that would warrant additional CEQA review based on established case law.

3. Gentrification and Displacement

ALH's study also conducted an extensive literature review of the link between gentrification and displacement, increased housing costs and gentrification, and an evaluation of commercial gentrification. The research and analysis performed by ALH generally indicates that housing production does not result in increased costs of existing housing, but rather helps suppress existing home prices and rents. In addition, through filtering, new housing development makes other units available for households with lower incomes than those occupying newer units.

This finding is consistent with the analysis performed by the Office of the Controller in its evaluation of potential effects of limiting market-rate housing in the Mission. The Office of the Controller found that an increased supply of market rate housing does not increase housing costs in nearby housing units but rather

¹⁶ Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA, March 2017, pages 26-27.



¹³ Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA, March 2017, Exhibit 14.

¹⁴ https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/

¹⁵ https://www.zumper.com/blog/2015/12/see-how-san-francisco-rent-prices-changed-in-2015-2/

helps to drive down housing prices, which in turn increases the number of housing units that are affordable to residents. On the contrary, both in the Mission and across the city, new market rate housing tends to depress, not raise, the value of existing properties.¹⁷ Furthermore, market rate housing generates funding for affordable housing, through the inclusionary housing fee, which helps to enhance the production of affordable housing.¹⁸

ALH's literature review finds that the construction of new market-rate and affordable housing can help reduce displacement by suppressing price appreciation, and that while some displacement may occur in neighborhoods, it is not the inevitable result of gentrification; rather, many factors—including local policies to provide affordable housing—influence whether or not displacement occurs. Seifel concurs with this assessment regarding residential housing, which is the focus of this memorandum, and no further review or analysis is necessary or warranted.

D. Conclusion

In conclusion, we find no evidence to support a conclusion that 2675 Folsom Street creates a socioeconomic impact as defined under CEQA, which would warrant additional CEQA review. 2675 Folsom Street will help increase housing supply of both market rate and affordable housing, which will help meet housing demand and will help reduce displacement by helping to suppress increases in home prices and rents. 2675 Folsom Street will also not directly displace any residents, and 23 (20%) of its 117 housing units will be affordable housing units, which will increase the supply of apartments affordable to low-income households.

¹⁸ Office of the Controller, Potential Effects of Limiting Market-Rate Housing in the Mission, September 2015, page 26.



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¹⁷ The results of the analysis from all three housing models performed by Office of the Controller were consistent: proximity to market-rate housing had a statistically-significant negative effect on housing prices. The analysis was then repeated using all market-rate construction in the city, not just new market-rate developments in the Mission. Again, the results showed statistically-significant negative effects on housing prices.

Technical Appendices

Appendix 1:

Housing Units Completed from New Construction During 2006-2015

Appendix 2:

Seifel Consulting Statement of Qualifications



Appendix 1
Housing Units Completed from New Construction During 2006-2015

	Mission		Central Waterfront		East SoMa		Showplace Square/ Potrero Hill		Eastern Neighborhoods (Without Western SoMa)		Western SoMa		Eastern Neighborhoods (With Western SoMa)		San Francisco	
	New	Affordable	New	Affordable	New	Affordable	New	Affordable	New	Affordable	New	Affordable	New	Affordable	New	Affordable
	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing	Housing
Year	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units	Units
2006	328	267	0	2	191	16	228	22	747	307	n/a	n/a	n/a	n/a	1,675	454
2007	91	7	0	0	736	24	172	20	999	51	n/a	n/a	n/a	n/a	2,197	684
2008	30	0	0	0	34	4	232	170	296	174	n/a	n/a	n/a	n/a	3,019	764
2009	234	163	65	0	169	7	4	0	472	170	n/a	n/a	n/a	n/a	3,366	876
2010	74	9	21	0	49	48	2	0	146	57	n/a	n/a	n/a	n/a	1,082	548
2011	0	5	3	0	0	1	5	1	8	7	24	2	32	9	348	205
2012	47	4	32	43	25	46	0	0	104	93	0	1	104	94	796	513
2013	242	43	16	2	36	45	0	1	294	91	0	0	294	91	2,330	710
2014	75	11	144	23	486	67	20	5	725	106	0	1	725	107	3,455	755
2015	140	13	8	0	4	1	27	0	179	14	41	4	220	18	2,472	552
Total	1,261	522	289	70	1,730	259	690	219	3,970	1,070	65	8	n/a	n/a	20,740	6,061

Note: The Eastern Neighborhoods (EN) Monitoring Reports 2006-2010 analyze development activity in the Mission, Central Waterfront, Eastern SoMa, and Showplace Square/Potrero Hill areas. The EN Monitoring Reports 2011-2015 analyze these four areas plus Western SoMa, as the Western SoMa EIR was certified in 2012. Historical data prior to 2011 for Western SoMa is not available in published reports. According to the EN Monitoring Reports 2011-2015, only 65 housing units were completed in Western SoMa from 2011-2015, of which 12% were affordable.

Source: Eastern Neighborhoods Monitoring Reports 2006-2010 and 2011-2015, Tables 3.1.1 and 3.4.1.

Appendix 2: Seifel Consulting Statement of Qualifications

Seifel Consulting is an economic consulting firm that advises public and private clients on the planning, funding and development of high quality infill development. Our strategic planning, economic and real estate advisory services help clients resolve complex growth issues while achieving fiscal goals and adding value to their communities. Since 1990, we have provided a range of real estate, fiscal and economic advisory services to more than 100 public agencies throughout California, completing over 800 consulting assignments. (See Exhibit 1 for a listing of representative clients.)

Seifel's work is organized around four integrated practice areas—real estate, economics, redevelopment and housing—that allow the firm to provide relevant expertise at progressive phases of each engagement:

- Real Estate—Lead clients through the analysis, funding and development of sustainable real
 estate.
- **Economics**—Evaluate local economies and recommend strategies to enhance economic development and fiscal health.
- **Redevelopment** Guide successful public private partnerships and revitalization strategies to catalyze transformative infill development.
- Housing—Facilitate housing programs and developments that realize a thriving and diverse community.

Real estate economics is the foundation for Seifel's work. We combine insight into the real estate market with a technical foundation in pro forma cash flow modeling, asset valuation, and other analytical methods. We use the analytical tools of real estate economics and urban planning to determine the best development strategies for client properties. We perform developer advisory services to help clients realize development strategies that maximize the investment value of client portfolios and/or lead to successful land uses.

Our real estate services include evaluating the market and development potential for a broad range of real estate product types, including housing, office, retail, and lodging. We project potential market demand on local and regional levels, identify existing and future competition, and forecast revenues and absorption. We have extensive experience analyzing value premiums generated by proximity to transit. Our analyses support area planning efforts by helping clients to select among alternative land use scenarios and fine-tune development regulations (e.g., building heights and parking requirements), based on considerations such as economic feasibility, job generation potential, and fiscal impact.

We perform financial feasibility analysis for development alternatives and evaluate properties in terms of opportunities and constraints, market potential, and importance toward broader area planning goals. We project the long-term revenue potential of development and calculate net present value of future income using pro forma cash flow modeling. We identify catalyst development sites and formulate strategies to encourage redevelopment and attract additional neighborhood investment, including funding strategies to achieve development success. We also advise clients on how to select potential developers, help negotiate and structure deal terms, and perform due diligence on financial proposals.



San Francisco Experience

For more than two decades, Seifel has provided a broad range of economic consulting services to the City and County of San Francisco as well as other public agencies, community organizations and developers actively engaged in planning and development projects in San Francisco. Seifel has advised the City's Planning Department, Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development, Department of Building Inspection, Port of San Francisco, the former San Francisco Redevelopment Agency, the Office of Community Investment and Infrastructure, San Francisco Municipal Transportation Agency, San Francisco Housing Authority, Treasure Island Development Authority, and Transbay Joint Powers Authority.

This experience has equipped Seifel with deep knowledge and understanding of the economic and market conditions that affect development in San Francisco, particularly in the neighborhoods surrounding the Van Ness/Market Street corridor. Seifel has advised on planning, housing and revitalization efforts in the Tenderloin neighborhood, South of Market area and along the Market Street Corridor from Union Square to the Castro, as well as most of San Francisco's major public private partnership developments. Seifel has analyzed the market potential for a broad range of residential and non-residential uses—including retail, office, industrial and hotel/conference facilities. Seifel has provided real estate and economic advisory services for the following representative San Francisco projects:

- 55 Laguna Street Mixed Use Development Financial Analysis
- Alcatraz Landing Real Estate, Economic and Lease Negotiation Support
- Balboa Park Mixed Use Development Financial Feasibility Assessment
- · Castro Retail Strategy
- Central SoMa Plan Economic Analysis
- Eastern Neighborhoods Public Benefits and Economic Analysis Advisory Services
- Federal Court Expansion Valuation Study
- Fisherman's Wharf Retail Strategy
- Hunters Point Shipyard Fiscal Analysis and Developer Due Diligence
- India Basin Shoreline Market Study
- Japantown Cultural Heritage and Economic Sustainability Strategy
- Japantown Real Estate and Economic Development Advisory Services
- Market Octavia Plan Economic and Real Estate Analysis
- Mid-Market Redevelopment Feasibility Analysis
- Mixed-Use Development Financial Analysis for 901 16th Street
- Mixed-Use Development Financial Analysis for 1601 Mariposa Street
- North of Market Community Infrastructure Financing Advisory Services
- Northern Waterfront Transportation Survey Analysis
- Production, Distribution and Repair (PDR) Economic Analysis of Policy Alternatives
- San Francisco Overlook Residential Development Financial Analysis
- Seawall Lot 337 and Pier 48 (Mission Rock) Real Estate, Financial and Fiscal Advisory Services
- Tenderloin/Central Market Housing Development Due Diligence Analysis
- Transferable Development Rights Program Evaluation and Market Analysis
- Transportation Sustainability Program Economic Analysis
- Transit Center District Plan Economic and Financial Advisory Services
- University of California Hastings College of Law Parking and Mixed Use Development Analysis
- Upper Market Plan Economic and Real Estate Analysis
- West SOMA Market Analysis
- West Crissy Development Advisory Services for the Presidio Trust



An Expert Team

Achieving success in the arenas of community revitalization and real estate development requires a realistic vision, skilled project management and a steady focus on objectives. Seifel Consulting guides our clients through the complexities of the planning and development process so that they can make sound decisions built upon a solid foundation of expert analysis and clear insight. Our objective is to help our clients transform their vision into measurable value and results.

Our professional staff is skilled in its approach to solving problems and committed to producing results. We offer a broad range of expertise in demographic and market research, financial analysis, public funding and financing, fiscal and economic impact analysis, planning, public policy evaluation and grant writing. Once we understand the requirements of a client's project, we assemble an interdisciplinary team of experts who have the skills and knowledge required to achieve client goals. Our integrated approach to strategic planning, economic analysis and project management is the key to our successful track record.

The firm President, Elizabeth (Libby) Seifel, is a certified planner (AICP) who has applied the principles of real estate economics and planning to property development and community revitalization for more than 30 years. Since founding her firm in 1990, Ms. Seifel has managed more than 800 consulting assignments. She has advised private developers, investors and governments on residential, commercial, industrial and mixed-use projects ranging in value from \$5 million to \$4 billion, with a particular focus on urban infill, transit oriented development involving public private partnerships.

Prior to founding her firm, Ms. Seifel was Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing their Bay Area real estate economic and management consulting practice. Ms. Seifel combines insight into the real estate market with a technical foundation in financial modeling and development feasibility testing. She has prepared financial, fiscal and economic analyses in order to evaluate and recommend a broad variety of plans, public policies and programs.

A recognized expert on complex development projects and public private partnerships, Ms. Seifel is a frequent speaker at professional conferences, having presented to the American Planning Association, California Association of Local Economic Development, Housing California, League of California Cities, and Urban Land Institute. She is an elected member of Lambda Alpha International, the honorary society for the advancement of land economics. She was recently honored for her positive influence on real estate development, joining the Hall of Fame for Northern California Women of Influence in Real Estate. She received her Bachelor of Science and Master in City Planning from the Massachusetts Institute of Technology. (Please see Exhibit 2 for her resume.)





Elizabeth (Libby) Seifel, President, Seifel Consulting

Elizabeth (Libby) Seifel has focused her professional career on creating high quality infill developments, structuring successful public-private partnerships and encouraging the revitalization of communities. She has advised public and private clients on the planning, funding and development of a broad variety of mixed use and mixed income communities. Prior to founding her firm, Libby served as Associate-in-Charge of Williams-Kuebelbeck & Associates, overseeing the firm's economic and management consulting practice. She also served as the founding Executive Director of Tent City Corporation, a non-profit developer of mixed income housing in Boston.

Libby actively promotes best practice in real estate development and urban revitalization through teaching and writing activities. She has chaired the Urban Land Institute (ULI's) Urban Revitalization Council and SPUR Regional Policy Board. She recently served as the local host program co-chair for ULI's 2015 Fall national conference, and also serves on the board for ULI's San Francisco District Council. She served as the editor for ULI's recent publication After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities, and edited the California Affordable Housing Handbook, among other publications. She also has supported the success of women in business, real estate and technology through her work with the Women President's Organization, ULI Women's Leadership Initiative and MIT, where she serves on the Visiting Committee for the MIT Department of Urban Studies and Planning and Corporation Nominating Committee.

Throughout her professional career, Ms. Seifel has:

- Advised on most of San Francisco's major public-private partnership projects, including Hunters Point Shipyard/Candlestick Point, Mission Bay, Rincon Point/South Beach, San Francisco Center Expansion, Transbay Transit Center and Treasure Island.
- Counseled other clients on numerous public-private partnerships, including the preparation and review of developer solicitation packages, evaluation of developer responses, development team selection and/or structuring of development agreements for Contra Costa County and the cities of Berkeley, Emeryville, Folsom, Fremont, Hayward, Livermore, Los Angeles, Mountain View, Richmond, South San Francisco, Presidio Trust and the Hawaii Community Development Authority.
- Consulted on numerous marina and waterfront projects in San Francisco, including Mission Rock (Seawall Lot 337/Pier 48), Alcatraz Landing, South Beach Marina/Pier 40, Hunters Point Shipyard, and Presidio Trust properties along Crissy Field, as well as waterfront developments in Alameda, Long Beach, Martinez, Richmond, South San Francisco and West Sacramento.
- Prepared site analyses, market research, financial pro formas, asset management strategies and investment
 opportunity analyses of real estate developments throughout California for clients such as the Bay Area Smart
 Growth Fund, Hastings College of Law, The RREEF Funds and The Real Estate and Land Use Institute of
 California and numerous cities throughout California.
- Fostered the creation and revitalization of thriving communities, transit oriented development projects and over 100 successful redevelopment projects in California, including projects in proximity to existing and future transit stations in Concord, El Cerrito, Fremont, Hayward, Lafayette, Livermore, Los Angeles, Richmond, Sacramento, San Mateo, San Fernando, San Francisco, and San Jose.
- Assisted in the financing, development and planning of more than 10,000 affordable housing units in California.
 Helped secure over \$120 million in funding resources to revitalize public housing and help build affordable
 housing. Designed programs and prepared implementation strategies to build mixed income housing developments
 and communities. Helped communities to secure funding and strategically leverage public funding tools, including
 federal transportation funds, tax increment financing, community facility districts, assessment districts and
 development impact fees, drawing on an in-house database of available funding sources.
- Conducted professional training sessions, helped coordinate conferences and served as editor/contributing author on
 publications that promote best practice in affordable housing, public-private partnerships, transit oriented
 development and community revitalization. Recently conducted ULI training sessions for public officials on the
 fundamentals of real estate economics (enhancing their ability to work with developers to achieve public goals) and
 coordinated a series of presentations for ULI's Building the Resilient City conference and the 2015 Fall Meeting.

Elizabeth Seifel Resume | Page 1

Professional Background

1990–present	President, Seifel Consulting, Inc., San Francisco, CA
1982-1989	Associate-in-Charge, Williams-Kuebelbeck & Associates, Belmont, CA
1981-1982	Planner/Economist, Blayney-Dyett, San Francisco, CA
1979–1981	Founding Executive Director, Tent City Corporation, Boston, MA
1977	Urban Intern, Department of HUD, Washington DC
1974-1979	Research Assistant, MIT, Cambridge, MA

Education, Professional Certification and Honorary Recognition

Bachelor of Science in Urban Studies & Planning, Massachusetts Institute of Technology, 1978

Master in City Planning, Massachusetts Institute of Technology, 1979

American Institute of Certified Planners (AICP) Certification, 1983

Harold E. Lobdell Award for Distinguished Service, Massachusetts Institute of Technology, 1995

Lambda Alpha International Honorary Society for Advancement of Land Economics, Elected Member, 2007

California Infill Builders Federation, Leadership Award, 2011

Northern California Women of Influence Award, 2015

Professional Instruction, Presentations and Publications

Ms. Seifel has served as a professional instructor in real estate, public-private partnerships and strategies for infill development and urban revitalization for ULI and UC Berkeley Extension. She has coordinated and presented at conferences and meetings sponsored by the American Planning Association (APA) and California APA, CALED, California and Florida Redevelopment Associations, Ford Foundation, Housing California, League of California Cities, Non-Profit Housing Association of Northern California, Royal Institution of Chartered Surveyors (RICS)–India, Tulane University, Urban Development Institute Pacific Region, ULI and the Victoria Rotary Club.

Ms. Seifel writes on real estate, redevelopment and housing related subjects. She has served as the volunteer editor on publications that promote infill development, affordable housing and redevelopment and reuse of underutilized properties. Her published works include:

After Redevelopment: New Tools and Strategies to Promote Economic Development and Build Sustainable Communities, Urban Land Institute, November 2013 (Lead Editor and Collaborator)

Transbay Transit Center: Key Investment in San Francisco's Future as a World Class City,

Transbay Joint Powers Authority, November 2013 (Publication Coordinator and Editor)

Making Affordable Housing Work in India, RICS, November 2010 (Contributing Author)

"Sustainable Communities", Urban Land, September 2009 (Author)

Community Guide to Redevelopment, CRA, 2007 (Editor and Contributing Author)

California Affordable Housing Handbook, CRA, 2006 and prior 1998 edition (Editor and Author)

The Power of Storytelling, Redevelopment Journal, March 2008 (Author)

Designing a Successful Inclusionary Housing Program, Redevelopment Journal, January 2005 (Author)

Bay Area Models of Urban Infill Housing, Urban Land, September 2003 (Author)

Associations and Professional Activities

Certified Planner and Member, American Planning Association (APA) and APA of California

Elected Member, Lambda Alpha International, Honorary Society for Advancement of Land Economics

Board Member, ULI, San Francisco District Council and Local Host Program Co-Chair for 2015 National Meeting

Regional Policy and Housing Policy Board Member and Former Board Director, SPUR

Corporation Nominating Committee Member, MIT Alumni Association

Visiting Committee Member, MIT Department of Urban Studies and Planning

Former President and Director Emeritus, MIT Club of Northern California (MITCNC)

Founding Steering Committee Member, Urban Land Institute Women's Leadership Initiative (WLI)

Member and Former Chair, Urban Land Institute Urban Revitalization Council (URC, formerly ICC)

Member, Non-Profit Housing Association of Northern California (NPH)

Founding Member, Bay Area Women President's Organization (WPO)

Partner, League of California Cities

Elizabeth Seifel Resume | Page 2

Exhibit 1- Seifel Representative Clients

	Public Sector	
Berkeley Rent Stabilization Board	San Francisco Housing Authority	
California Department of Real Estate	Santa Monica Rent Control Board	
California Department of Justice	Sunnyvale School District	

California Housing Finance Agency The Presidio Trust

Hastings College of Law Transbay Joint Powers Authority Housing & Community Development Corporation of Hawaii Treasure Island Development Authority US General Services Administration Port of San Francisco

San Buenaventura (Ventura) Housing Authority
San Diego Association of Governments University of California

Heritage Partners

The John Stewart Company

San Diego Associatio	n of Governments			
·		nia Cities and Towns		
Alameda	Hayward	Palo Alto	San Mateo	
Berkeley	Hercules	Petaluma	San Marcos	
Brentwood	Hesperia	Pleasant Hill	Santa Cruz	
Capitola	Lafayette	Portola	Santa Monica	
Chico	Livermore	Rancho Cordova	Santa Rosa	
Clayton	Lodi	Richmond	Santee	
Cloverdale	Long Beach	Rocklin	Seaside	
Concord	Los Angeles	Rohnert Park	Soledad	
Cupertino	Los Gatos	Roseville	South San Francisco	
Dublin	Martinez	Sacramento	Stockton	
East Palo Alto	Monterey	Salinas	Sunnyvale	
El Cerrito	Moraga	San Carlos	Tehachapi	
El Sobrante	Mountain View	San Diego	Temple City	
Elk Grove	Napa	San Fernando	Truckee	
Emeryville	Novato	San Francisco	Ukiah	
Fairfield	National City	San Jose	Union City	
Folsom	Oakdale	San Leandro	Watsonville	
Fremont	Oakland	San Luis Obispo	West Sacramento	
	Cal	ifornia Counties		
Alameda	Los Angeles	Nevada	San Joaquin	
Butte	Marin	Placer	Santa Cruz	
Contra Costa	Mendocino	Plumas	Sonoma	
Fresno	Monterey	San Diego	Stanislaus	
Kern	Napa	San Francisco	Yolo	
	[Private Sector		
Asian Inc.		Kenwood Investment		
Bay Area Council		Kilroy Realty Corporation		
Best, Best & Krieger		Kronick Moskovitz Tied	demann & Girard	
BRIDGE Housing		Legacy Partners		
Carmel Partners		Lennar Communities		
Catellus Developmen		LINC Housing		
CCH of Northern California			Mercy Housing	
Centex Homes		Meyers, Nave, Riback,		
	y Development Center	Mid-Peninsula Housing	g Coalition	
Civic Center Associat	es	salesforce.com, inc.		
Ford Foundation		Shute, Mihaly & Weinb		
Forest City Developm	ent Company	Solano Affordable Hou		
Goldfarb & Lipman		Sobrato Development		
Grosvenor		The Real Estate and La	and Use Institute	
HDNPC		The RREEF Funds		

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Mission District's nonprofit developers build housing hope

By J.K. Dineen | April 3, 2017 | Updated: April 3, 2017 10:19am

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Photo: Lea Suzuki, The Chronicle

Karoleen Feng (center) and Feliciano Vera of the Mission Economic Development Agency check out a property at 1990 Folsom St. that is slated for development of 143 affordable housing units.

Affordable housing development is about to go from zero to 733 units in the Mission District.

A decade after dysfunction and political infighting brought low-income housing production in the neighborhood to a standstill, the Mission is about to become the city's busiest neighborhood for construction of new below-market-rate units, with complexes popping up along Folsom Street, Mission Street and South Van Ness Avenue over the next three years.

Six affordable housing projects, four of them within a two-block area of the Inner Mission, are set to start construction over the next two years. The projects will inject 733 units into an area that is becoming as known for gentrification and upscale dining as it is for burritos, progressive politics and Latino culture.

And more is probably coming, according to Karoleen Feng, director of community real estate for the Mission Economic Development Agency, known as Meda.

"We are trying to put another 1,000 units in our pipeline," Feng said. "We are looking at sites across the Mission that we can land-bank."

The coming burst of affordable housing construction would not be possible were it not for big changes occurring at two neighborhood nonprofits: Meda and Mission Housing Development Corp.



Photo: Lea Suzuki. The Chronicle

IMAGE 1 OF 4

Artist Brian Singer fixes his Folsom Street art installation, "Home Street Home," to bring attention to homelessness and the need for affordable housing in the Mission District.

For decades Meda was focused on helping neighborhood residents — mostly Spanish-speaking immigrants — with everything from computer training to business development to tax preparation to English as a second language. Over the past few years, however, it became clear that housing had become the top challenge facing families. In a 2015 survey of 1,600 Mission families with children, Meda found that more than 60 percent were spending half their income on housing.

"They said that their main challenge was not their kids' academic success — that was important — but the fact that tomorrow they might not have a roof over their head," Feng said. "That hit home for Meda."

Since 2000, the Mission has lost about 27 percent of its Latino population, almost 8,000 people, according to a 2015 report by city chief economist Ted Egan.

Feng, who had previously worked with the East Bay Asian Local Development Corp., was brought on board, and the Mayor's Office of Housing, which controls the city's housing funds, gave Meda a chance to get into the housing business. First, the city picked Meda, together with Bridge Housing, to take over ownership and operation of 420 former San Francisco Housing Authority senior affordable units, which needed to be rehabilitated. Then, with Chinatown Community Development Center and the Tenderloin Neighborhood

Development Corp., Meda was chosen to co-develop four properties of affordable housing.

Meanwhile, Mission Housing Development Corp. has rebounded in a big way. A successful affordable housing developer from its founding in 1971 into the 1990s, Mission Housing ran into trouble in the early 2000s when its board of directors fired a longtime executive director and most of its staff quit.

The city cut off housing development funds to the group, and by 2012 it was facing likely bankruptcy when Sam Moss took over as executive director. Moss was able to keep Mission Housing afloat by refinancing its 1,600-unit portfolio and regaining the trust of city housing officials, who tapped the group to develop two projects in the Mission, 1950 Mission St. and 490 S. Van Ness Ave., as well as the Upper Yard, a parking lot next to the Balboa BART station.



Affordable housing projects in the Mission

	Address	Units	Completion
0	1950 Mission St.	150	2019
0	490 S. Van Ness Ave.	89	2019
0	1990 Folsom St.	143	2019
0	2060 Folsom St.	127	2020
0	2070 Bryant St.	130	2021
0	1296 Shotwell St.	94	2020

Todd Trumbull / The Chronicle

"The company that we are becoming now is the company we should have been all along," Moss said. "If that had been the case, the Mission wouldn't be dealing with quite the gentrification bomb that has gone off over the last few years."

The six new buildings will include 50,000 square feet of commercial space, which Feng says is almost as important as the housing. At a time when nonprofits and mom-and-pop businesses are being squeezed out to make room for upscale restaurants, Meda's space will provide homes for arts, after-school programs, and affordable retailers that can't afford the high rents charged in trendy areas like along Valencia Street.

"We are looking at how we can re-establish the Mission as a family-oriented, Latino culture, whereas right now it's transitioning very quickly to a young professional culture," Feng said.

Supervisor Hillary Ronen, who represents the Mission, said affordable housing, along with combatting homelessness, is at the top of her agenda.

"Just like we want Chinatown to be Chinatown, we want our Latino cultural district to be a thriving business-and-arts district where actual Latino people will be able to continue to live and work," Ronen said. "It's a unique neighborhood in the entire world."



Photo: Lea Suzuki, The Chronicle

Tara Brooks (left), who says she has been homeless for eight months, visits with artist Brian Singer as he fixes his installation, "Home Street Home," on Folsolm Street in the Mission District.

Getting Meda and Mission Housing into the housing development business has taken time and effort, but has been worth it, she said.

"Having two strong developers in the neighborhood is exactly what we need to continue what I believe is the pace of affordable housing that we need in order to stop further gentrification of the Mission," she said.

While gentrification, and the role housing development plays in a changing neighborhood, is a politically charged topic in the Mission, nonprofit developers such as Meda benefit from market-rate development even as they often oppose individual projects.

Two of Meda's affordable projects, 2070 Bryant St. and 1296 Shotwell St., will be built on parcels that market-rate developers donated to the Mayor's Office of Housing. Oyster Development donated the Shotwell Street parcel to meet its affordable housing obligation on Vida at 2558 Mission St., the most upscale condo complex built in the Mission to date. Developer Nick Podell gave the city a 21,000-square-foot site on Bryant Street to satisfy the affordable housing requirements of the adjacent 2000 Bryant St., which opponents had attacked as the Beast on Bryant.

Feng said that Meda is not opposed to market-rate housing but wants to make sure affordable units are added at a similar pace as higher-end units.

"The Mission has gone from being one of the most affordable neighborhoods in San Francisco to one of the least affordable," she said. "San Francisco can't be a sanctuary city if nobody making less than \$200,000 a year can afford to live here."

While the ground-up development projects regularly take three to five years to finance and build, Meda is also trying to stem the flight of low-income families by buying up existing rent-controlled buildings through Mayor Ed Lee's small sites acquisition program, which provides funds for multifamily buildings of between five and 25 units. Meda bought six containing 44 units last year, and it has an additional eight

MORE BY J.K. DINEEN



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Deal made to OK new housing in Mission cultural district



Plan for shop on SF waterfront draws opposition



Popular Mid-Market housing proposals wait years for OK buildings in escrow, all apartment complexes with longtime rent-controlled tenants that were on the market and seemed ripe for eviction. The program received \$25 million in funding for the current fiscal year.

Keeping on top of a hot apartment building market means scouring the neighborhood for buildings that are in transition. Feng and colleague Dario Romero look for run-down buildings that are suddenly being giving a fresh coat of paint.

"If your landlord is painting and asking for permission to do construction, you know they are probably looking to sell," Romero said.

In those cases, Meda tries to get to the seller before a building hits the market.

Beatriz Garduño, who lives with her teenage daughter at 3800 Mission St., said she was sure she would be evicted when she saw a for-sale sign go up. But she and the other tenants persuaded the landlord — a friend and fellow Mexican immigrant — to go with Meda, even though another investor was offering slightly more money, \$1.9 million versus \$1.85 million.

"I told her, 'Why do you want to make so much money? You know our story. You have known me since I came here," she said. "It's not my building, I don't own it, but after 24 years it feels like home."

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J.K. DineenReporter

Deal made to OK new housing in Mission cultural district

By J.K. Dineen | March 20, 2017 | Updated: March 20, 2017 5:38pm

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Photo: Gabrielle Lurie, The Chronicle

IMAGE 1 OF 23

The exterior of 1515 South Van Ness Avenue in the Mission District of San Francisco. The developer has agreed to 25 percent affordable housing to gain approval for their new building in the Calle 24 Latino ... more

A four-month impasse over a key Mission District housing project is headed toward resolution after the developer agreed to new community benefits including discounted "trade shop" space for local businesses and a \$1 million contribution to a cultural district formed in 2014 to preserve the neighborhood's Latino heritage and community.

In a deal hammered out with Supervisor Hillary Ronen, Lennar Multifamily Communities has committed to leasing out its six 700-square-foot trade shop spaces at 1515 S. Van Ness Ave. for 50 percent of the market rate. The \$1 million contribution would be made through the San Francisco Foundation to a cultural stabilization fund that could be spent on building or acquiring sites for affordable housing.

In addition, Lennar, which had previously agreed to make 25 percent of the 157 housing units affordable and to use 100 percent union labor, has agreed to let the city use the current building that is on the property as a navigation center — a pop-up shelter for homeless services. That would last roughly nine months to a year, or until Lennar is ready to start construction.

"Housing projects that both add to our housing stock, and protect what we love about the (Calle 24) Latino Cultural District, is exactly what the Mission needs," Ronen said.

The project is one of a pair of market-rate projects that were appealed to the Board of Supervisors after winning approval at the Planning Commission. Opponents argued that both projects — the other is at 2675 Folsom St. — would accelerate the frenzied pace of gentrification that over the last decade has transformed the Mission District into one of San Francisco's trendiest and most expensive neighborhoods.

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While Erick Arguello, President of the Calle 24 Council, has frequently opposed market-rate development, he said he felt comfortable with the 1515 S. Van Ness deal.

"Preventing displacement and preserving our rich Latino culture are our top priorities," Arguello said. "When developers work with us and our supervisor to accomplish these goals, we can feel good about moving these projects forward."

The project will include 39 units affordable to a range of families making between 55 percent and 120 percent of area median income, or \$59,000 and \$129,000 for a family of four.

With this deal in place, it will be interesting to see what happens to the second project at 2675 Folsom St. As with 1515 S. Van Ness, opponents of that development argued that city planners failed to take into account the impact the complex would have on displacement and gentrification in a district that has been the heart of the city's working-class Latino community.

Under the state's byzantine California Environmental Quality Act, proposed developments require a detailed analysis of everything from noise to air quality to traffic to historical and biological resources. Up to now, however, efforts by antigentrification advocates to argue that displacement is an environmental impact have gone nowhere. And that point was reiterated last week when the Planning Department released a report on 2675 Folsom, saying that project would not result in "indirect displacement of existing residents or businesses as a secondary effect of gentrification."

The report was seized on by pro-housing advocates, like Sonja Trauss of the San Francisco Bay Area Renters Federation, which is in favor of more housing at all income levels.

"The upside of all of this is we have yet another report saying what is true, which is that development is symptomatic of rising population and rising income levels, it doesn't cause it," said Trauss.

Attorney Scott Weaver, the appellant in the 2675 Folsom case, said that the study didn't reflect the reality that new high-end condos are changing the neighborhood. After 40 years of representing Mission tenants in eviction cases, Weaver scoffed at the notion that high-end housing doesn't bring with it higher rents, more expensive restaurants and fancier shops.

"That is just wrong," he said. "Development makes a neighborhood more desirable, and rents go up. Any Realtor will tell you that."

While she supports 1515 S. Van Ness going forward, Trauss said the project-by-project deal-making undermines city planning laws.

"If we are going to do deal-making for every project, I don't know what the point is in having zoning in the first place," said Trauss. "It's the opposite of planning."

Arguello said that he is more comfortable supporting a 75 percent market rate development like 1515 S. Van Ness in part because there are six 100 percent projects totaling 733 units in the pipeline in the Mission.

"But even though we have more than 700 units coming, we are still in a hole," he said.

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