

**EXHIBIT V.1 -
IMPLEMENTATION
PROGRAM CASE REPORT**



SAN FRANCISCO PLANNING DEPARTMENT

Approval of Implementation Program Case Report

HEARING DATE: MAY 10, 2018

Project Name: Central SoMa Plan Implementation Program
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Record Number: 2011.1356EMTZU
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Recommendation: **Approval**

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BACKGROUND

For background on the Central SoMa Plan, see the accompanying Executive Summary case report.

IMPLEMENTATION PROGRAM

In addition to General Plan, Planning Code and Administrative Code, and Zoning Map amendments related to the Plan, the Planning Commission and Board of Supervisors will consider and adopt an Implementation Program for the Plan. This Implementation Program would facilitate the implementation of the Central South of Market (SoMa) Area Plan, generally bounded on its western portion by 6th Street, on its eastern portion by 2nd Street, on its northern portion by the border of the Downtown Plan Area, and on its southern portion by Townsend Street.

The Implementation Program is comprised of five documents. The following is a summary of the each.

Implementation Matrix

The "Implementation Matrix" is a document that comprehensively conveys how each of the Plan's Policies would be implemented. Each Policy includes one or more Implementation Measures of discrete action(s) that will be undertaken. Each Implementation Measure contains detailed information on how the measure will be undertaken, when, and by whom. Overall, the Plan includes over 220 Implementation Measures. Collectively, this document is meant to facilitate accountability and transparency for present and future decision makers, stakeholders and City agencies.

Public Benefits Program

The "Public Benefits Program" is a document that comprehensively conveys the Plan's expenditure strategy for public benefits and the funding strategy to generate those public benefits, as well as

providing explanation of how the public benefits package was developed and how it will be administered and monitored.

The Central SoMa Plan is anticipated to raise nearly \$2.2 billion in public benefits over a 25-year period. This is over 400% more than the \$500 million in public benefits that would be expected to occur if the Plan were not adopted. All of these public benefits would be provided by new development, and would be directed back to the neighborhood. Additionally, it is anticipated that the General Fund would see \$1 billion in new revenues over this 25-year period from increased taxes in the neighborhood.

The Plan would deliver a wide range of public benefits. These are detailed thoroughly in Table 1.

Table 1 – Central SoMa Public Benefits Package

BENEFIT	VALUE (\$2017)
Affordable Housing	\$940,000,000
38% of new/rehabilitated housing is Below-Market Rate (BMR) (35% low/ moderate income and 3% middle income)	\$940,000,000
Transit	\$500,000,000
Local transit improvements to enhance convenience and safety	\$340,000,000
Regional transit capacity enhancement and expansion	\$160,000,000
Parks & Recreation	\$185,000,000
Gene Friend Recreation Center Reconstruction/Expansion	\$25,000,000
Victoria Manalo Draves Park Programming	\$5,000,000
New 1-acre park in Southwest portion of Plan Area	\$35,000,000
New public recreation center	\$10,000,000
Park and greenery maintenance and activation	\$15,000,000
New large (2+ acre) SoMa park (initial site identification)	\$5,000,000
New Bluxome linear park	\$5,000,000
New under-freeway public recreation area	\$5,000,000
Privately-Owned Public Open Spaces (POPOS)	\$80,000,000
Production, Distribution, & Repair	\$180,000,000
Preservation and creation of PDR space to ensure no net loss of PDR due to the Plan	\$180,000,000
Complete Streets	\$110,000,000
Redesign of all major streets in the Plan Area to be safe and comfortable for people walking, biking, and on transit.	\$110,000,000
Cultural Preservation & Community Services	\$109,000,000
Restoration of the US Mint Building	\$20,000,000
Preservation and maintenance of historic buildings	\$20,000,000
New community facilities (e.g., health care clinics and job training centers)	\$20,000,000
Social and cultural programming	\$25,000,000
Capital for cultural amenities	\$15,000,000
Neighborhood cleaning	\$9,000,000

Environmental Sustainability & Resilience	\$70,000,000
Enhanced stormwater management in complete street projects	\$32,000,000
Freeway corridor air quality and greening improvements	\$22,000,000
Living Roofs enhanced requirements	\$6,000,000
Other energy and water efficiency projects	\$10,000,000
Schools & Childcare	\$64,000,000
New childcare centers	\$26,000,000
New schools serving K-12 population	\$32,000,000
Bessie Carmichael Supplemental Services	\$6,000,000
TOTAL	\$2,160,000,000

The \$2.2 billion would be generated through a combination of three mechanisms:

- Direct provision of benefit by specific development projects (e.g. on-site affordable housing units or the provision of Privately-Owned Public Open Spaces (POPOS)). These public benefits are typically provided at the same time as the new development or shortly thereafter.
- One-time impact fees paid when a project is ready for construction, such as citywide (e.g. Jobs-Housing Linkage Fee) and Area Plan fees (e.g. Eastern Neighborhoods Infrastructure Impact Fee).
- Ongoing taxation such as a Mello-Roos Community Facilities District (CFD).¹

These mechanisms would be applied differently, based on 1) the type of development being built, and 2) the increase in the amount of development capacity that occurs through the Central SoMa Plan. This can be summarized as follows:

- All non-residential projects will need to abide by existing requirements, such as the Jobs-Housing Linkage Fee, Eastern Neighborhoods Infrastructure Impact Fee, Transportation Sustainability Fee, Childcare Fee, School Impact Fee, Public Art Fee, and replacement requirements for Production, Distribution, and Repair uses. Non-residential projects receiving an increase in development capacity via the Plan would also be subject to additional fees for transit and community facilities, be required to purchase Transferable Development Rights from historic buildings, and may participate in a Mello-Roos Community Facilities District depending on the size of the project and whether the project is opting to utilize greater zoning allowances provided by the Plan (i.e., rather than building under pre-existing zoning).
- All residential projects will need to abide by existing requirements, such as the provision of inclusionary housing, the Eastern Neighborhoods Infrastructure Impact Fee, Transportation Sustainability Fee, Childcare Fee, School Impact Fee, and replacement requirements for Production, Distribution, and Repair uses. Non-residential projects receiving a substantial increase in development capacity via the Plan would also be subject to additional fees for community facilities and may participate in a Mello-Roos Community Facilities District

¹ A Mello-Roos Community Facilities District which is not currently part of the Central SoMa legislation but is being proposed to come before the Planning Commission for consideration on May 10th, 2018

depending on the size of the project and whether the project is opting to utilize greater zoning allowances provided by the Plan (i.e., rather than building under pre-existing zoning).

Administration and monitoring of the Plan will be undertaken by a range of bodies and organizations in the manner than currently applies to the Eastern Neighborhoods. This includes oversight by the City's Controllers Office and Capital Planning Committee, with guidance from the City's Interagency Plan Implementation Committee and the Eastern Neighborhoods Citizens Advisory Committee, with ultimate funding oversight from the Board of Supervisors. The revenue allocations shown in the Public Benefits Program are for projection purposes only and represent proportional allocation to the various public improvements based on the revenues projected at the time of Plan adoption. Actual revenues will vary from these projections based on many factors, including the amount and timing of new development which cannot be predicted. The Board of Supervisors, with input from the Interagency Plan Implementation Committee and Eastern Neighborhoods Citizens Advisory Committee (or its successor), shall monitor and allocate revenues according to these proportional allocations based on actual revenues over time and the readiness of the various public improvements for expenditure. No improvement project listed in the Public Benefits Program is guaranteed to receive the absolute amounts shown in the Public Benefits Program. Allocations for all projects will be increased or decreased proportionally based on actual revenues received or revised projections over time

Guide to Urban Design

A "Guide to Urban Design" document containing design guidance that is specific to Central SoMa in a way that complements and supplements the requirements of the Planning Code and citywide Urban Design Guidelines. It is meant to help the architectural and development community better understand the intent of Plan Objective 8.6, "Promote high quality architecture that enhances the neighborhood." The Guide suggests strategies that are appropriate in this unique neighborhood, such as utilizing the long blocks to "enhance horizontality" and utilizing the wide streets and historic alleys to "support lots of sky." It suggests selecting contextual materials such that express the industrial legacy, historic character, and even the gritty character of the neighborhood. It asks that the architecture support public spaces, such as the alley experience. Finally, the Guide provides a series of diagrams to help visualize the Planning Code's numeric requirements.

Key Development Sites Guidelines

The Central SoMa Plan Area contains eight "key development sites" - large, underutilized development opportunities with lot areas ranging from 30,000 square feet to well over 100,000 square feet. The Key Development Sites Guidelines are meant to complement the Planning Code and inform the subsequent entitlement process for these sites. To do so, each site includes detailed context as well as an exploration of potential opportunities, challenges, and design guidelines.

By providing greater direction to the development of these sites, the City has an opportunity to maximize public benefits and to ensure that their development directly delivers critical public benefits, such as affordable housing, additional park and recreational amenities, and expansion of the alley network. Finding space on which to locate these kinds of public assets is tremendously difficult in a highly developed neighborhood like SoMa. But on these key development sites, the City can partner with the

developer to address the unique design challenges that could constrain the creation of these amenities in exchange for their provision.

Key Streets Guidance

The “Key Streets Guidance” document helps implementation of the Central SoMa Plan by providing street-specific guidance for the neighborhood’s major streets: 2nd, 3rd, 4th, 5th, 6th, Howard, Folsom, Harrison, Bryant, Brannan, and Townsend Streets. This additional guidance will benefit City agencies, the community, and major development project sponsors as new designs for these “key streets” are considered and implemented over the 25-year Plan horizon.

Although the Central SoMa Plan area only includes four to five blocks of each key street, the visions and benefits described in this guidance could inform planning for the entire length of each roadway corridor. For ease of use, this document is organized by street, which is how most of these improvements will be implemented. As with much of the Plan, an underlying goal is to thoughtfully leverage each future investment to maximize quality of life for everyone living, working, and playing in Central SoMa. In the neighborhood, streets and sidewalks occupy in aggregate over 70 acres - nearly one-third of the Plan’s land area. As such, our investments in these streets should emphasize creating healthy, vibrant, and green places for people to walk, gather, recreate, and experience nature.

RECOMMENDATION

The Department recommends that the Commission approve the proposed Implementation Program and adopt the attached Draft Resolution to that effect.

BASIS FOR RECOMMENDATION

The Department recommends that the Commission approve the proposed Implementation Program because it will allow for the Central SoMa Plan effort to move forward. The Plan is the result of a multi-year public and cooperative interagency planning process that began in 2011. Central SoMa is a 230-acre area that sits adjacent to downtown, has excellent transit access, and contains numerous underdeveloped sites. As such, the neighborhood is well positioned to accommodate needed employment, housing, and visitor facilities in the core of the city and Bay Area region. It is also a neighborhood with an incredible history and a rich, ongoing, cultural heritage. As it grows and evolves over the next 25 years, Central SoMa has the opportunity to become a complete, sustainable, and vital neighborhood without losing what makes it special and unique today. The Central SoMa Plan contains the goals, objectives, and policies to guide this growth and evolution such that the results serve the best interests of San Francisco – in the present and the future. This includes a public benefits package of over \$2 billion to serve the needs of the neighborhood.

REQUIRED COMMISSION ACTION

The proposed Implementation Program is before the Commission so that it may approve it, reject it, or approve it with modifications.

ENVIRONMENTAL REVIEW

The Department published the Draft Environmental Impact Report in December 2016 and the Response to Comments in March 2018. The Planning Commission will consider certification of the Final Environmental Impact Report on the Central SoMa Plan and adoption of CEQA findings prior to consideration of this item at a hearing on May 10, 2018.

RELATED ACTIONS

In conjunction with this Implementation Program, the Department is proposing approval of amendments to the General Plan, Planning Code and Administrative Code, and Zoning Map. These proposed actions are covered in separate Staff Reports.

ATTACHMENTS

Exhibit V.2 - Implementation Program Draft Resolution

Exhibit V.3 - Implementation Program

Part A - Draft Implementation Matrix

Part B - Draft Public Benefits Program

Part C - Draft Guide to Urban Design

Part D - Draft Key Development Site Guidelines

Part E - Draft Key Streets Guidance

Exhibit V.4 - Proposed Changes to the Implementation Program since Introduction