File No. 180019 **Committee Item No.** _____
Board Item No. 35

COMMITTEE/BOARD OF SUPERVISORS

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Board of Supervisors Meeting **Date:** June 19, 2018

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☐	☒	Project Sponsor Brief - February 2, 2018
☐	☒	Hearing Notice and Clerical Documents

Prepared by: Brent Jalipa **Date:** June 14, 2018
Prepared by: _____ **Date:** _____

West Bay Law
Law Office of J. Scott Weaver

January 2, 2018

Clerk, San Francisco Board of Supervisors
#1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Re: Case No. 2014.0376 CUA 2918 Mission Street
Appeal of the November 30, 2017 Planning Commission Decisions

Dear Members of the Board of Supervisors:

Calle 24 Latino Cultural District Council appeals the decisions of the Planning Commission Made on November 30, 2017 regarding the proposed project at 2918 Mission Street (hereafter "proposed project"), including the adoption of CEQA findings under Section 15183 of the CEQA guidelines and Public Resources Code Section 21083.3.1, including the underlying Certificate of Determination and Findings of Community Plan Evaluation, and Initial Study-Community Plan Evaluation and Checklist.

1. Appeal of the adoption of the CEQA Findings, Certificate of Determination - Community Plan Evaluation and Initial Study - Community Plan Evaluation and Checklist,

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

4104 24th Street # 957 • San Francisco, CA 94114 • (415) 317-0832

- The Proposed Project does not qualify for a Community Plan Evaluation under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts with respect to: consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission.

- The project's cumulative impact was not considered because the PEIR's projections for housing, including this project and those, constructed, entitled, and/or in the pipeline, have been exceeded. Therefore "past, present, and reasonably foreseeable probable future projects" were not properly considered (Guidelines, § 15355).

- The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered. Previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was erroneous in numerous respects.

- The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.

- Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified

significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report.

- The CEQA findings did not take into account the potential impacts on the Zaida T. Rodriguez school and the school's children with respect to shadow; noise impacts on the Speech and Learning School; transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children; and overall health and safety of the children.

- The Proposed Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan.

2. Pattern and Practice

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

The Final Motion, Certificate of Determination and Findings of Community Plan Evaluation and Initial Study- Community Plan Evaluation and Checklist are attached as Exhibit A. The link to the hearing on November 30, 2017 and the Eastern Neighborhoods EIR are contained in the attached Exhibit B.

Sincerely,

J. Scott Weaver
For Calle 24 Latino Cultural District Council

EXHIBIT A

EXHIBIT A

EXHIBIT A

SAN FRANCISCO
PLANNING DEPARTMENT

Subject to: (Select only if applicable)

- ☒ Affordable Housing (Sec. 415)
- ☒ Transportation Sustainability Fee (Sec. 411A)
- ☒ Eastern Neighborhoods Impact Fee (Sec. 423)
- ☒ First Source Hiring (Admin. Code)
- ☒ Residential Child Care Fee (Sec. 414A)
- ☐ Other

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Planning Commission Motion No. 20066

HEARING DATE: NOVEMBER 30, 2017
CORRECTED DATE: DECEMBER 15, 2017

Case No.:	**2014.0376CUA**
Project Address:	**2918 Mission Street**
Zoning:	Mission St NCT (Neighborhood Commercial Transit) Zoning District 45-X, 55-X and 65-B Height and Bulk Districts
Block/Lot:	6529/002, 002A and 003
Project Sponsor:	Mark Loper – Reuben, Junius & Rose , LLP One Bush Street, Suite 600 San Francisco, CA 94104
Staff Contact:	Linda Ajello Hoagland – (415) 575-6823 linda.ajellohoagland@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION, PURSUANT TO PLANNING CODE SECTION 121.1, 303, 754 AND THE MISSION 2016 INTERIM ZONING CONTROLS (PLANNING COMMISSION RESOLUTION NO. 19865), FOR THE DEVELOPMENT OF A LARGE LOT IN A NEIGHBORHOOD COMMERCIAL DISTRICT FOR THE PROPOSED PROJECT CONSISTING OF THE DEMOLITION OF A 5,200 SQUARE FOOT, SINGLE-STORY COMMERCIAL BUILDING, AND NEW CONSTRUCTION OF AN EIGHT-STORY, 84-FOOT, 8-INCH-TALL, 67,314 SQUARE FOOT MIXED-USE BUILDING WITH 75 DWELLING UNITS AND APPROXIMATELY 6,724 SQUARE FEET OF GROUND FLOOR RETAIL, WHICH WOULD UTILIZE THE STATE DENSITY BONUS LAW (CALIFORNIA GOVERNMENT CODE SECTIONS 65915-65918), AND PROPOSES WAIVERS FROM 1) REAR YARD (PLANNING CODE SECTION 134); 2) DWELLING UNIT EXPOSURE (PLANNING CODE SECTION 140); 3) HEIGHT (PLANNING CODE SECTIONS 250); AND, 4) BULK (PLANNING CODE SECTION 270), AT 2918 MISSION STREET WITHIN THE MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT (NCT) ZONING DISTRICT AND A 45-X, 55-X AND 65-B HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On January 8, 2016, Mark Loper (hereinafter "Project Sponsor"), on behalf of RRTI, Inc. (Property Owner), filed an application with the Planning Department (hereinafter "Department") for a Conditional Use Authorization for the proposed project at 2918 Mission Street, Lots 002, 002A, 003, Block 6529 (hereinafter "subject property"), pursuant to Planning Code Sections 121.1, 303 and 754, and the Mission

2016 Interim Zoning Controls, to demolish a 5,200 square-foot (sq. ft.), single-story, approximately 15-foot-tall commercial building and to construct an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units and 6,724 sq. ft. of ground floor retail within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District, and 45-X, 55-X and 65-B Height and Bulk District.

The Project Sponsor seeks to proceed under the State Density Bonus Law, Government Code Section 65915 et seq ("the State Law"). Under the State Law, a housing development that includes affordable housing is entitled to additional density, concessions and incentives, and waivers from development standards that might otherwise preclude the construction of the project. In accordance with the Planning Department's policies regarding projects seeking to proceed under the State Law, the Project Sponsor has provided the Department with a 55 unit "Base Project" that would include housing affordable to very-low income households. Because the Project Sponsor is providing 7 units of housing affordable to very-low income households, the Project seeks a density bonus of 35% and waivers of the following development standards: 1) Rear Yard (Planning Code Section 134); 2) Dwelling Unit Exposure (Planning Code Section 140); 3) Height (Planning Code Sections 250); and, 4) Bulk (Planning Code Section 270).

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

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

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

On August 30, 2017, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

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

The Planning Department Commission Secretary is the custodian of records; the file for Case No. 2014.0376CUA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On September 14, 2017, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2014-0376CUA. At this meeting, the Commission continued this project to the public hearing on November 30, 2017.

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

MOVED, that the Commission hereby authorizes the Conditional Use Authorization requested in Application No. 2014.0376CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.

2. **Site Description and Present Use.** The site ("Project Site"), Lots 002, 002A and 003 in the Assessor's Block 6529, is located on the west side of Mission Street, between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building that is 15 feet in

height and an associated surface parking lot. The subject properties are located mid-block with a combined street frontage of approximately 120 feet on Mission Street. In total, the site is approximately 11,653 square feet.

3. **Surrounding Properties and Neighborhood.** The Project Site is located along a mixed-use corridor within the Mission Area Plan. The Project Site has two frontages: Mission Street, which is a two-way street with parallel on-street parking on both sides of the street; and Osage Alley, which is a one-way alley with no on-street parking. The immediate context is mixed in character with a mix of residential, commercial, retail and public uses. The immediate neighborhood includes a commercial bank to the north at the corner of Mission and 25th Street, the Zaida T. Rodriguez Early Education School to the south, and a residential apartment building and parking garage to the west. The Zaida T. Rodriguez annex child development center on Bartlett Street is across Osage Alley from the project site, as are two- to three-story multi-family residential uses. There are three schools (Zaida T. Rodriguez Early Education School, Synergy Elementary School and Saint Anthony – Immaculate Conception School) located within 1,000 feet of the Project Site. Access to Highway 101 and Interstate 80 is about one block to the east at the on- and off-ramps located at South Van Ness Avenue and the Central Freeway. The Project Site is located along Mission Street, which is a high injury pedestrian and vehicular corridor. Other zoning districts in the vicinity of the Project Site include: PDR-1-G (Production, Distribution, and Repair - General); RM-1 (Residential Mixed - Low Density); NCT-3 (Moderate Scale Neighborhood Commercial Transit); and, P (Public).

4. **Project Description.** The project includes the demolition of an existing 5,200 square foot, single-story, approximately 15-foot-tall commercial building and new construction of an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units, 6,724 sq. ft. of ground floor retail, 76 Class 1 bicycle parking spaces and 14 Class 2 bicycle parking spaces. The project does not propose any off-street vehicular parking. The dwelling unit mix includes 18 studios, 27 one-bedroom units and 30 two-bedroom units. The Project includes 9,046 sf of usable open space through a combination of private (10 units totaling 2,045 sf) and common open space (7,001 sf). Six new trees would be planted adjacent to the subject property along Mission Street and the existing curb cut on Mission Street will be removed and replaced with new sidewalk. The Project would also merge three existing lots to create one 11,653 square foot lot. Pursuant to California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law.

5. **Public Comment.** To date, the Department has received one hundred and eighty one (181) letters of support and eighty-six (86) letters opposing the project. Both supporting and opposing comments received were predominantly form letters (see attached samplings of each). Those in favor of the project are supportive because the Project will provide 75 new residential units on a major transit corridor one block away from BART without displacing anyone. Those in opposition of the Project state that it would contribute to the gentrification and displacement of long-term residents of the Mission; it would provide 65 luxury units to Mission Street; it will result in less than 12 percent of the units affordable to low-income residents; and it will result in a domino effect of higher overall rents in the neighborhood, displacement of local, legacy

businesses serving the community, and the erasure of Latino residents from the Mission. Both groups state that the City should purchase the Project at fair market value to develop a 100 percent affordable housing project, as offered by the property owner/Project Sponsor.

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

   A. **Permitted Uses in NCT Zoning Districts.** Planning Code Section 754 states that residential uses are a principally permitted use within the Mission Street NCT Zoning District. Retail uses are principally, conditionally or not permitted.

   The Project would construct new residential and retail uses within the Mission Street NCT Zoning District; therefore, the Project complies with Planning Code Section 754. Depending on the specific retail tenant(s), they will comply as principally permitted retail uses per Sec. 754 or seek a Conditional Use, as required by the Planning Code.

   B. **Floor Area Ratio.** Planning Code Section 124 establishes a FAR (Floor Area Ratio) of 3.6:1 for properties within the Mission Street NCT Zoning District and a 45-X, 55-X and 65-B Height and Bulk District.

   The subject lots are 11,653 sq. ft. in total, thus resulting in a maximum allowable floor area of 41,950 sq. ft. for non-residential uses. The Project would construct approximately 6,954 sq. ft. of retail space, and would comply with Planning Code Section 124.

   C. **Rear Yard.** Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth of the lot to be provided at every residential level.

   The Project includes an above-grade rear yard, which measures approximately 2,570 sq. ft. The required rear yard does not measure the entire length of the lot. In certain locations, the required rear yard depth is less than 25 percent.

   Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for rear yard requirements, which are defined in Planning Code 134. This reduction in the rear yard requirements is necessary to enable the construction of the project with the increased density provided by as required under Government Code Section 65915(d).

   D. **Usable Open Space.** Within the Mission Street NCT, Planning Code Section 754, a minimum of 80 sq. ft. of open space per dwelling unit if private or 100 sq. ft. if common is required for each dwelling unit.

   Per Planning Code Section 134(g), private usable open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 sq ft if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sq ft if located on open ground, a terrace or the surface of an inner or outer court.

Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum are of 300 sq. ft. Further, inner courts may be credited as common useable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sq ft in area, and if the height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project includes 10 units with private open space meeting the size and dimensional requirements of the Planning Code. For the remaining 65 units, 7,001 sq. ft. of common open space is provided with common terraces on the second and sixth floors and roof deck; therefore, the Project complies with Planning Code Section 754.

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

The subject lot is not located in close proximity to an Urban Bird Refuge as defined in Section 139, and the Project meets the requirements for feature-related hazards.

F. **Dwelling Unit Exposure.** Planning Code Section 140 requires that at least one room of all dwelling units face onto a public street, rear yard or other open area that meets minimum requirements for area and horizontal dimensions. To meet exposure requirements, a public street, public alley at least 20 feet wide, side yard or rear yard must be at least 25 feet in width, or an open area (either inner court or a space between separate buildings on the same lot) must be no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit is located.

The Project organizes the dwelling units to have exposure on Mission Street or along the rear yard. As proposed, 39 dwelling units face the non-complying rear yard and 3 south-facing units only face a side yard that does not meet the dimensional requirements. Therefore, 42 of the 75 dwelling units do not meet the dwelling unit exposure requirements of the Planning Code; therefore, the Project does not comply with Planning Code Section 140.

Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for dwelling unit exposure, which are defined in Planning Code 140. This reduction in the dwelling unit exposure requirement is necessary to enable the construction of the project with the increased density provided by Government Code Section 65915(d).

G. **Street Frontage in Neighborhood Commercial Districts.** Planning Code Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor; that no more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new structure parallel to and facing a street shall be devoted to parking and loading ingress or egress; that space for active uses be provided within the first 25 feet of building depth on the ground floor; that non-residential uses have a minimum

floor-to-floor height of 14 feet; that the floors of street-fronting interior spaces housing non-residential active uses and lobbies be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces; and that frontages with active uses that are not residential or PDR be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level.

The Project meets the requirements of Planning Code Section 145.1. The Project does not possess off-street parking. The Project features active uses on the ground floor with a residential lobby, and retail space along Mission Street. The ground floor ceiling height of the non-residential uses are at least 14 feet tall and provide required ground level transparency and fenestration. Therefore, the Project complies with Planning Code Section 145.1.

H. **Bicycle Parking.** Planning Section 155.2 of the Planning Code requires one Class 1 bicycle parking space per dwelling unit and one Class 2 bicycle parking spaces for every 20 dwelling units. Additional bicycle parking requirements apply based on classification of non-residential uses; at least two Class 2 spaces are required for retail uses.

The Project includes 75 dwelling units; therefore, the Project is required to provide 75 Class 1 bicycle parking spaces and four Class 2 bicycle parking spaces for residential uses and one Class 1 bicycle space and three Class 2 bicycle parking spaces for the ground floor non-residential uses. The Project will provide seventy-six (76) Class 1 bicycle parking spaces and fourteen (14) Class 2 bicycle parking spaces, which exceeds the requirement. Therefore, the Project complies with Planning Code Section 155.2.

I. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior to Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 14 points.

The Project submitted a completed Environmental evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a target of 7 points. As currently proposed, the Project will achieve its required 7 points through the following TDM measures:

- *Bicycle Parking (Option A)*
- *On-site Affordable Housing (Option B)*
- *Parking Supply (Option K)*

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

For the 75 dwelling units, the Project is required to provide at least 30 two-bedroom units or 23 three-bedroom units. The Project provides 18 studios, 27 one-bedroom units and 30 two-bedroom. Therefore, the Project meets and exceeds the requirements for dwelling unit mix.

K. **Height and Bulk.** Planning Code Section 250 and 252 outlines the height and bulk districts within the City and County of San Francisco. The Project is located in three height and bulk districts: 45-X, 55-X and 65-B. Therefore, the proposed development is permitted up to a height of 45 to 55 feet with no bulk limit in the 45-X and 55-X Height and Bulk Districts, and up to a height of 65 feet and a 110 foot maximum length and 125 foot maximum diagonal for a height above 50 feet in the 65-B Height and Bulk District.

The Project would construct a new mixed-use development up to 84 feet, 8 inches tall and exceeds the height limits by approximately 20 feet. The portion of the Project located in the 65-B bulk district above 50 feet in height has a maximum length of 117 feet, exceeding the 110 foot limit, and a maximum diagonal dimension of 122 feet, 8 inches, complying with bulk restrictions. The total diagonal dimension of the Project above 50 feet is 146 feet, 1 inch, including the portion of the Project site zoned 45-X and 55-X, which is not subject to bulk limits.

Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for height and bulk, which are defined in Planning Codes 250, 252, and 270. These expansions beyond the height and bulk requirements are necessary to enable the construction of the project with the increased density provided by Government Code Section 65915(f)(2).

L. Narrow Streets. Planning Code Section 261.1 outlines height and massing requirements for projects that front onto a "narrow street", which is defined as a public right of way less than or equal to 40-feet in width. Osage Alley measures approximately 15-feet wide and is considered a narrow street. For the subject frontage along a narrow street, a 10 foot setback is required above a height of 31-feet, 4-inches. Subject frontage is defined as any building frontage more than 60-ft from an intersection with a street wider than 40-feet.

Along Osage Alley, the Project is setback at least 10-feet from the property line where the height is above 31-feet, 4-inches; therefore the Project complies with Planning Code Section 261.1.

M. **Shadow.** Planning Code Sections 147 and 295 restricts net new shadow, cast by structures exceeding a height of 40-feet, upon property under the jurisdiction of the Recreation and Park Commission. Any project in excess of 40-feet in height and found to cast net new shadow must be found by the Planning Commission, with comment from the General Manager of the Recreation and Parks Department, in consultation with the Recreation and Park Commission, to have no adverse impact upon the property under the jurisdiction of the Recreation and Park Commission.

The Planning Department prepared a preliminary shadow fan analysis and determined that the proposed project would not cast shadows on any parks or open spaces at any time during the year.

N. **Transportation Sustainability Fee.** Planning Code Section 411A is applicable to new development that results in more than twenty dwelling units.

The Project includes approximately 60,006 gsf of new residential use and 6,724 gsf of non-residential use. This square footage shall be subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A. The Project filed an environmental review application on or before July 21, 2015, thus the residential use will be subject to 50 percent of the applicable residential TSF.

O. **Residential Childcare Impact Fee.** Planning Code Section 414A is applicable to any residential development citywide that results in the addition of a residential unit.

The Project includes approximately 60,006 gsf of residential use. The proposed Project is subject to fees as outlined in Planning Code Section 414A.

P. **Inclusionary Affordable Housing Program in Mission Street NCT Zoning District.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to any housing project that consists of 10 or more units where an individual project or a phased project is to be undertaken and where the total undertaking comprises a project with 10 or more units, even if the development is on separate but adjacent lots. For any development project that submitted a complete Environmental Evaluation application on or prior to January 12, 2016, affordable units in the amount of 14.5 percent of the number of units shall be constructed on-site.

The Project Sponsor seeks to develop under the State Density Bonus Law, and therefore must include on-site affordable units in order to construct the Project at the requested density and with the requested waivers of development standards. The Project Sponsor submitted a complete Environmental Evaluation on July 21, 2015, thus is required to provide affordable units in the amount of 14.5 percent of the number of units constructed on site. The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Sections 415.5 and 415.6 and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing on-site affordable housing. The Project Sponsor is providing 14.5 percent of the base project units as affordable to satisfy the Inclusionary Affordable Housing Program obligation, which includes 8 units (2 studios, 3 one-bedroom and 3 two-bedroom) of the 75 units provided will be affordable units.

In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the projects on- or offsite units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and Community Development and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the

City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on July 24, 2017. The applicable percentage is dependent on the total number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted on July 21, 2015; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 14.5 percent of the total proposed dwelling units in the Base Project as affordable.

The Project Sponsor will satisfy the Inclusionary Housing requirements by providing seven units, or 11 percent of the total proposed dwelling units in the Base Project as affordable to very-low income households (as defined in California Health and Safety Code section 50105) and by providing one additional inclusionary unit at the affordability levels specified in the City's Inclusionary Housing Program or any successor program applicable to on-site below-market rate units, totaling 14.5% of the proposed dwelling units in the Base Project.. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative prior to issuance of the first construction document, this conditional use approval shall be deemed null and void. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative after construction, the City shall pursue any and all available remedies at law.

Q. **Eastern Neighborhood Infrastructure Impact Fee.** Planning Code Section 423 is applicable to any development project within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District that results in the addition of gross square feet of residential and non-residential space.

The Project includes approximately 67,314 gsf of new development consisting of approximately 60,006 sq. ft. of residential use and 6,724 sq. ft. of retail use. These uses are subject to Eastern Neighborhood Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees must be paid prior to the issuance of the building permit application.

7. **State Density Bonus Law:** Per California Government Code Section 65915-65918 and Planning Code section 206.6, the Project Sponsor has elected to utilize the State Density Bonus Law. The State Law permits a 35 percent density bonus if at least 11 percent of the "Base Project" units are affordable to very-low-income households (as defined in California Health and Safety Code section 50105). The "Base Project" includes the amount of residential development that could occur on the project site as of right without modifications to the physical aspects of the Planning Code (ex: open space, dwelling unit exposure, etc.). Under the State Density Bonus Law, the Project Sponsor is entitled to a specified number of concessions or incentives, as well as waivers for any development standard that would physically preclude construction of the project at the proposed density and with the concessions or incentives.

The Project is providing 11 percent of units in the Base Project as affordable to very-low income households (as defined in California Health and Safety Code section 50105) and is entitled to a 35 percent density bonus and three concessions or incentives under State Law. The Project also seeks waivers to the

development standards for: 1) Rear Yard (Planning Code Section 134); 2) Dwelling Unit Exposure (Planning Code Section 140); 3) Height (Planning Code Sections 250); and, 4) Bulk requirement (Planning Code Section 270), which are necessary to construct the Project at the proposed density.

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

   1) The proposed new uses and building, at the size and intensity contemplates and at the proposed location, will provide a development that is necessary of desirable, and compatible with, the neighborhood or the community.

      The Project will demolish a single-story commercial building that is currently occupied by a laundromat and associated surface parking lot, and construct a new eight-story mixed-use development with 75 dwelling units and ground floor retail space. Given the objectives of the Mission Area Plan, the Project is necessary and desirable in preserving the diversity and vitality of the Mission, while also maintaining and contributing to the important aspects of the existing neighborhood, such as providing new housing opportunities and minimizing displacement. Housing is a top priority for the City and County of San Francisco. The size and intensity of the proposed development is necessary and desirable for this neighborhood and the surrounding community because it will provide new opportunities for housing and add new site amenities that will contribute to the character of the surrounding neighborhood. The Project will also replace an underutilized site, while also providing new public amenities, including landscaping, sidewalk improvements and bicycle parking. The Project is consistent with the neighborhood uses, which include a mix of ground floor commercial uses with residential above, educational facilities, multi-family residential building and commercial uses. The influx of new residents will contribute to the economic vitality of the existing neighborhood by adding new patrons for the nearby retail uses. In summary, the Project is an appropriate urban invention and infill development.

   2) That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development on the vicinity, with respect to aspects including but not limited to the following:

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

         The Project site is a three-parcel, L-shaped lot with frontage on both Mission Street and Osage Alley, totaling 11,653 square feet in area. The site is currently developed with a 6,433 square foot surface parking lot and a 5,500 square foot commercial building containing a laundromat. The Project will consist of a single structure that maintains a street wall along all frontages at the ground floor, with a podium-level rear yard 18 to 40-feet deep fronting Osage Alley. The building massing is oriented towards the more prominent Mission Street frontage with the 6th(partial), 7th and 8th stories sculpted back. The building is also sculpted back on the 7th and 8th stories from Osage Alley and the

adjacent condominium building to the west of the property at 3421 25th Street. Overall, the Project, which would establish a new six- to eight-story building with ground floor retail in an existing mixed-use neighborhood, will be beneficial to the surrounding neighborhood.

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

The Project would not adversely affect public transit in the neighborhood. The Project site is located one block from the 24th Street BART Station and is close to several MUNI bus lines, including the 12, 14,14R, 27, 48, 49, 55, 67 and 800. The Project provides no off-street parking, which supports the City's transit first policies. Provision of bicycle storage areas along with the close proximity to mass transit is anticipated to encourage residents, employees and visitors to use alternate modes of transportation. The Project also incorporates an on-street loading zone in front of the building on Mission Street.

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

The Project will comply with Title 24 standards for noise insulation. The Project will also be subject to the standard conditions of approval for lighting and construction noise. Construction noise impacts would be less than significant because all construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, as amended November 2008). The SF Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Therefore, the Project would be required to follow specified practices to control construction dust and to comply with this ordinance. Overall, the Project is not expected to generate dust or odor impacts.

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

The Project will provide the required number of street trees and bicycle parking along the public-rights-of-way. The Project will also remove a curb cut along the Mission Street frontage and replace it with new sidewalk. These upgrades will be beneficial to the surrounding neighborhood because it will provide new street improvements, lighting and vegetation.

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

The Project complies with all relevant requirements and standards of the Planning Code, except for those requirements for which the Project Sponsor seeks a waiver under the State Density Bonus Law

(California Government Code Sections 65915-65918). The Commission finds that these waivers are required in order to construct the Project at the density allowed by State Law. The Project is consistent with objectives and policies of the General Plan as detailed below.

4) That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

Per Planning Code Section 754, the Mission St NCT Zoning District is described as:

> *This District has a mixed pattern of larger and smaller lots and businesses, as well as a sizable number of upper-story residential units. Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. New neighborhood-serving commercial development is encouraged mainly at the ground story. While offices and general retail sales uses may locate at the second story of new buildings under certain circumstances, most commercial uses are prohibited above the second story. Continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot but by requirements to supply a high percentage of larger units and by physical envelope controls. Existing residential units are protected by prohibitions on upper-story conversions and limitations on demolitions, mergers, and subdivisions. Accessory Dwelling Units are permitted within the district pursuant to subsection 207(c)(4) of this Code.*

The Project will be in conformity with the Mission Street NCT in that it will provide a mixed-use development that provides ground floor retail space with a continuous retail frontage and residential units above, consistent with surrounding neighborhood.

9. **Planning Code Section 121.1** establishes criteria for the Planning Commission to consider when reviewing applications for Developments of Large Lots In Neighborhood Commercial Districts. On balance, the project complies with said criteria in that:

a) The mass and facade of the proposed structure are compatible with the existing scale of the district.

The Project's design includes a mass and façade that borrows elements present in the surrounding neighborhood, such as traditional bay windows, painted plaster and terracotta cladding, to ensure a design that is of an appropriate scale for this larger development site. The Mission Street façade's massing is broken up horizontally by two large retail storefronts on the ground floor and differentiated exterior finished on the 8th floor. Vertically, the façade is broken up with a series of bay window projections with accent colors and varying wall planes.

b) The facade of the proposed structure is compatible with design features of adjacent facades that contribute to the positive visual quality of the district.

The Mission is one of the City's most distinctive neighborhoods as identified in the City's General Plan. The proposed facade design and architectural treatments with various vertical and horizontal elements and a pedestrian scale ground floor which is consistent with the unique identity of the Mission. The new building's character ensures the best design of the times with high-quality building materials (including terracotta cladding, glass reinforced concrete (GRC) cladding, painted plaster, and stone tile) that relate to the surrounding structures that make-up the Mission's distinct character while acknowledging and respecting the positive attributes of the older buildings. The Project also includes blind wall murals its northern and southern facades to be commissioned to local artists. It also provides an opportunity for an increased visual interest that enhances and creates a special identity with a unique image of its own in the neighborhood. Overall, the Project offers an architectural treatment, which provides for contemporary, yet contextual, architectural design that appears consistent and compatible with the surrounding neighborhood

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

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Policy 1.4
Ensure community based planning processes are used to generate land use controls.

Policy 1.6
Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

Policy 1.8
Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional, or other single use development projects.

Policy 1.10
Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a higher density mixed-use development on an underutilized lot along a primary vehicular transit corridor. The Project Site is an ideal infill site that is currently occupied by a commercial use (laundromat) and ancillary surface parking lot. The proposed Project would add 75 units of housing to the site with a dwelling unit mix of studio, one-bedroom, and two-bedroom units. The Project is consistent with the Mission Street NCT Zoning District, which encourages housing development in new buildings above the ground story and that is affordable to people with a wide range of incomes. The Project includes eight on-site affordable housing units for ownership, which complies with the Mission Street NCT District's goal to provide a higher level of affordability. As noted by the Project Sponsor, the Project is "affordable by design," since the Project incorporates economically efficient dwelling units, which average 402 sf for studios, 563 sf for one-bedrooms, and 818 sf for two-bedrooms. The Project does not possess any vehicular parking. The Project would satisfy its inclusionary affordable housing requirement by designating 8 on-site affordable housing units to satisfy the Inclusionary Affordable Housing obligation.

OBJECTIVE 4
FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1
Develop new housing, and encourage the remodeling of existing housing, for families with children.

Policy 4.4
Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Policy 4.5
Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

The Project will add 75 dwelling units to the City's housing stock, and meets the affordable housing requirements by providing for eight on-site permanently affordable units for rental, thus encouraging diversity among income levels within the new development.

OBJECTIVE 11
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1
Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2
Ensure implementation of accepted design standards in project approvals.

Policy 11.3
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4
Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6
Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8
Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

The Project responds to the site's location within a mixed-character neighborhood. The Project would construct a new eight-story mixed-use building on the west side of Mission Street. The scale of the Project is appropriate from an urban design perspective because it recognizes the significance of this location along the Mission Street transit corridor, one block from the 24th Street BART station. Overall, the Project's massing also recognizes the existing block pattern as it relates to the street frontage along Mission Street. The neighborhood is characterized by a wide variety of residential, commercial, retail and PDR uses. In addition, the Project includes projecting vertical and horizontal architectural elements, which provide vertical and horizontal modulation along the street facades and provides a high-quality material palate which invokes the traditional architecture found in the Mission.

OBJECTIVE 12
BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.2
Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing.

The Project is located in proximity to many neighborhood amenities. The Project is located on Mission Street between 25th and 26th Streets, which provide a variety of retail establishments, restaurants, small grocery stores, educational facilities and cafes. The Project is also located near the Mission Cultural Center and the 24th Street BART Station.

OBJECTIVE 13
PRIORITIZE SUSTAINABLE DEVELOPMENT IN PLANNING FOR AND CONSTRUCTING NEW HOUSING.

Policy 13.1
Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.3
Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The Project Site is located within a quarter mile of several local transit lines including MUNI lines 12, 14,14R, 27, 48, 49, 55, 67 and 800. The 24th Street Bart Station is on block away. Residential mixed-use development at this site would support a smart growth and sustainable land use pattern in locating new housing in the urban core close to jobs and transit. Furthermore, the bicycle network in the Mission District is highly developed and utilized. The Project provides 76 Class 1 bicycle parking spaces on-site in addition to14 Class 2 bicycle parking along the frontage.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 2:
INCREASE RECREATION AND OPEN SPACE TO MEET THE LONG-TERM NEEDS OF THE CITY AND BY REGION

Policy 2.11:
Assure that privately developed residential open spaces are usable, beautiful, and environmentally sustainable.

The Project proposes landscaped open space at the rear of the first residential level, and the roof deck has potential for planters and additional landscaping.

OBJECTIVE 3:
IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE

Policy 3.6:
Maintain, restore, expand and fund the urban forest.

The Project will add to the urban forest with the addition of street trees.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:
Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.4:

Preserve pedestrian-oriented building frontages.

The Project will install new street trees along Mission Street. Frontages are designed with transparent glass and intended for active spaces oriented at the pedestrian level.

OBJECTIVE 28:
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:
Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:
Provide parking facilities which are safe, secure, and convenient.

The Project includes 76 Class 1 and 14 Class 2 bicycle parking spaces in secure, convenient locations.

OBJECTIVE 34:
RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.3:
Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:
Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project does not provide any off-street vehicular parking, which complies with Planning Code Section 151.1. Further, the project will infill the existing curb cut on the project site along the Mission Street frontage.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 4:
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.4:
Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:
Improve pedestrian areas by providing human scale and interest.

Policy 4.15:
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

The Project does not provide any off-street vehicular parking; therefore, the Project limits conflicts with pedestrians and bicyclists. New street trees will be planted on Mission Street and an existing curb cut will be removed. Along the project site, the pedestrian experience will be greatly improved.

MISSION AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1
STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

Policy 1.1.7
Permit and encourage greater retail uses on the ground floor on parcels that front 16th Street to take advantage of transit service and encourage more mixed uses, while protecting against the wholesale displacement of PDR uses.

The Project will provide 6,724 square feet of retail space on the ground floor of the building while also providing new housing on a site where none currently exists. Therefore strengthening the mixed use character and maintaining the neighborhood as a place to live and work.

OBJECTIVE 1.2
IN AREAS OF THE MISSION WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

Policy 1.2.1
Ensure that in-fill housing development is compatible with its surroundings.

Policy 1.2.2
For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require ground floor commercial uses in new housing development. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

Policy 1.2.3
In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

The Project will replace a single-story commercial building and associated parking lot with a new mixed-use building with ground floor retail space and residential units above, consistent with the existing residential and commercial uses in the neighborhood. Additionally, the Project complies with the applicable the bedroom mix requirements and is seeking waivers from the height and bulk standards through utilization of the State Density Bonus Law.

Housing

OBJECTIVE 2.3
ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES.

Policy 2.3.3
Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

Policy 2.3.5
Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

Policy 2.3.6
Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

The Project includes 18 studios, 27 one-bedroom units and 30 two-bedroom units of which 8 will be Below Market Rate (BMR). Three of the BMR units will be two-bedroom units. Furthermore, the Project will be subject to the Eastern Neighborhood Impact Fee, Transportation Sustainability Fee and Residential Childcare Fee.

OBJECTIVE 2.6
CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND AVAILABILITY.

Policy 2.6.1
Continue and strengthen innovative programs that help to make both rental and ownership housing more affordable and available.

The Project will create seventy-five residential units, eight of which are BMR units, on a site where no housing currently exists, thus increasing affordable housing production and availability.

Built Form

OBJECTIVE 3.1
PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

Policy 3.1.6
New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project will replace an unremarkable single-story commercial building with a well-articulated, contemporary, mixed-use building. The Project will be constructed with high quality materials and within the allowed height limits for the zoning district to respect the surrounding buildings.

OBJECTIVE 3.2
PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

Policy 3.2.1
Require high quality design of street-facing building exteriors.

Policy 3.2.2
Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

Policy 3.2.3
Minimize the visual impact of parking.

Policy 3.2.4
Strengthen the relationship between a building and its fronting sidewalk.

The Project is largely residential, but includes a moderately-sized ground floor retail component along Mission Street, with a ceiling height for the retail is approximately of 16 feet, 6 inches. The Project provides the mix of uses encouraged by the Area Plan for this location. In addition, the Project includes the appropriate dwelling-unit mix, since 40% or 30 of the 75 units are two-bedroom dwelling units. The Mission is one of the City's most distinctive neighborhoods as identified in the City's General Plan. The new building's character ensures the best design of the times with high-quality building materials that relates to the surrounding structures that make-up the Mission's distinct character while acknowledging and respecting the positive attributes of the older buildings. It also provides an opportunity for an increased visual interest that enhances and creates a special identity with a unique image of its own in the neighborhood. Overall, the Project offers an architectural treatment that is contemporary, yet contextual, and that is consistent and compatible with the surrounding neighborhood. The Project does not include any off-street parking and will eliminate the existing curb cut along Mission Street.

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

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

Currently, the existing building on the Project Site is a one-story laundromat. Although the Project would remove this use, the Project does provide for 6,724 square feet of new retail space at the ground level. The Project improves the urban form of the neighborhood by adding new residents, visitors, and employees to the neighborhood, which would assist in strengthening nearby retail uses.

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

No housing exists on the Project Site. The Project will provide 75 new dwelling units, thus resulting in a significant increase in the neighborhood housing stock. The Project offers an architectural treatment that is contemporary, yet contextual, and an architectural design that is consistent and compatible with the surrounding neighborhood. For these reasons, the Project would protect and preserve the cultural and economic diversity of the neighborhood.

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

The Project will not displace any affordable housing because there is currently no housing on the site. The Project will comply with the City's Inclusionary Housing Program, therefore increasing the stock of affordable housing units in the City.

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

The Project Site is served by public transportation. Future residents would be afforded close proximity to bus or rail transit. The Project also provides bicycle parking for residents and their guests.

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

The Project is consistent with the Mission Area Plan, which encourages mixed-use development along Mission Street. The Project does not involve the creation of commercial office development. The Project would enhance opportunities for resident employment and ownership in retail sales and service sectors by providing for new housing and retail space, which will increase the diversity of the City's housing supply (a top priority in the City) and provide new potential neighborhood-serving uses and employment opportunities.

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

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

G. That landmarks and historic buildings be preserved.

There are no landmarks or historic buildings on the Project Site.

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

The Planning Department prepared a preliminary shadow fan analysis and determined that the proposed project would not cast shadows on any parks or open spaces at any time during the year.

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

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

13. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

14. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2014.0376CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated November 30, 2017, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

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

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 20066. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94012.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on November 30, 2017.

Jonas P. Ionin
Commission Secretary

AYES:	Fong, Johnson, Koppel and Richards
NAYS:	Melgar and Moore
ABSENT:	Hillis
ADOPTED:	November 30, 2017

EXHIBIT A

AUTHORIZATION

This authorization is a Conditional Use Authorization to allow the demolition of an existing 5,200 square-foot (sq. ft.), single-story, approximately 15-foot-tall commercial building and construction of an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units and 6,724 sq. ft. of ground floor retail located at 2918 Mission Street, Block 6529, Lots 002, 002A, 003, pursuant to Planning Code Sections 121.2, 303 and 754 and the Mission 2016 Interim Zoning Controls (Planning Commission Resolution No. 19865) within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District, and 45-X, 55-X and 65-B Height and Bulk Districts; in general conformance with plans, dated November 30, 2017, and stamped "EXHIBIT B" included in the docket for Record No. 2014.0376CUA and subject to conditions of approval reviewed and approved by the Commission on November 30, 2017 under Motion No. 20066. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on November 30, 2017 under Motion No. 20066.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 20066 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid up to two (2) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this two-year period.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

2. **Expiration and Renewal.** The Commission shall conduct a public hearing in order to consider the revocation of the Authorization and shall consider the project's progress and intent to construct/build. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than two (2) years have passed since this Authorization was approved.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014.0376ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the Project Sponsor.

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

DESIGN

7. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

8. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

9. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

10. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application.
    For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

11. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
    a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
    b. On-site, in a driveway, underground;
    c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;

d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org

PARKING AND TRAFFIC

12. **Bicycle Parking.** Pursuant to Planning Code Sections 155.2, the Project shall provide no fewer than 90 bicycle parking spaces (76 Class 1 spaces for the residential portion of the Project and 14 Class 2 spaces for both the residential and commercial/PDR portion of the Project).
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

13. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

14. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

15. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.
For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

16. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

17. **Child Care Fee - Residential.** The Project is subject to the Residential Child Care Fee, as applicable, pursuant to Planning Code Section 414A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

18. **Eastern Neighborhoods Infrastructure Impact Fee.** The Project is subject to the Eastern Neighborhoods Infrastructure Impact Fee, as applicable, pursuant to Planning Code Section 423.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING

19. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

20. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards. *For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, http://sfdpw.org/*

21. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

ENTERTAINMENT COMMISSION – NOISE ATTENUATION CONDITIONS

22. **Chapter 116 Residential Projects.** The Project Sponsor shall comply with the "Recommended Noise Attenuation Conditions for Chapter 116 Residential Projects," which were recommended by the Entertainment Commission on January 29, 2016. These conditions state:

    a) **Community Outreach.** Project Sponsor shall include in its community outreach process any businesses located within 300 feet of the proposed project that operate between the hours of 9PM-5AM. Notice shall be made in person, written or electronic form.

    b) **Sound Study.** Project sponsor shall conduct an acoustical sound study, which shall include sound readings taken when performances are taking place at the proximate Places of Entertainment, as well as when patrons arrive and leave these locations at closing time. Readings should be taken at locations that most accurately capture sound from the Place of Entertainment to best of their ability. Any recommendation(s) in the sound study regarding window glaze ratings and soundproofing materials including but not limited to walls, doors, roofing, etc. shall be given highest consideration by the project sponsor when designing and building the project.

    c) **Design Considerations.**

        i. During design phase, project sponsor shall consider the entrance and egress location and paths of travel at the Place(s) of Entertainment in designing the location of (a) any entrance/egress for the residential building and (b) any parking garage in the building.

        ii. In designing doors, windows, and other openings for the residential building, project sponsor should consider the POE's operations and noise during all hours of the day and night.

    d) **Construction Impacts.** Project sponsor shall communicate with adjacent or nearby Place(s) of Entertainment as to the construction schedule, daytime and nighttime, and consider how this schedule and any storage of construction materials may impact the POE operations.

    e) **Communication.** Project Sponsor shall make a cell phone number available to Place(s) of Entertainment management during all phases of development through construction. In addition, a line of communication should be created to ongoing building management throughout the occupation phase and beyond.

INCLUSIONARY HOUSING REQUIREMENTS

23. **Affordable Units.** The following Inclusionary Affordable Housing Requirements are those in effect at the time of Planning Commission action. In the event that the requirements change, the Project Sponsor shall comply with the requirements in place at the time of issuance of first construction document..

    a) **Number of Required Units.** Pursuant to Planning Code Section 415.3, the Project is currently required to provide 14.5% of the proposed dwelling units in the Base Project as affordable to qualifying households. The Project Sponsor has elected to satisfy the Inclusionary Affordable Housing obligation by providing on-site inclusionary units. The

Project Sponsor will fulfill this requirement by providing the 8 affordable units on-site. As required for the project to achieve a 35% density bonus under the State Density Bonus Law and Planning Code section 206.6, 7 (11%) of the eight required units shall be affordable for a term of 55 years to households earning less than 50% of area median income and, upon the expiration of the 55 year term, shall thereafter be rented at the rates specified in the inclusionary affordable housing program. The remaining inclusionary unit is subject to the requirements as set forth in Section 415. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD"), and in accordance with the State Density Bonus Program and Planning Code section 206.6.

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

b) **Unit Mix.** The Base Project contains 15 studios, 17 one-bedroom, and 23 two-bedroom units; therefore, the required affordable unit mix is 2 studios, 3 one-bedroom, and 3 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

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

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

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

d) **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than fourteen and one half percent (14.5%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.

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

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

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

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

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

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

(i) The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.

(ii) If the units in the building are offered for rent, seven (11%) of the affordable unit(s) shall be rented to very low-income households, as defined in California Health and Safety Code Section 50105 and/or California Government Code Sections 65915-65918, the State Density Bonus Law. Any remaining inclusionary units shall be rented to low-income households, as defined in the Planning Code and the Procedures Manual. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy, (ii) lease changes, and (iii) subleasing are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.

(iii) The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of

affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.

(iv) Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.

(v) Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.

(vi) The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and waivers (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document.

(vii) If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.

(viii) If the Project becomes ineligible for the On-site Affordable Housing Alternative prior to the issuance of the first construction permit, the approvals shall be null and void. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor or its successor shall pay the Affordable Housing Fee on the entirety of the project, including any additional density as allowed under State law, and shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable, and the City shall pursue any and all available remedies at law.

SAN FRANCISCO
PLANNING DEPARTMENT

Certificate of Determination
Community Plan Evaluation

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No.:	**2014-0376ENV**
Project Address:	2918-2924 Mission Street
Zoning:	Mission Neighborhood Commercial Transit (NCT) District 65-B/55-X, 65-B/55-X, and 65B/45-X Height and Bulk Districts
Block/Lot:	6529/002, 002A, 003
Lot Sizes:	2600, 2620, and 6433 sf; 11,653 sf total
Plan Area:	Mission Subarea of the Eastern Neighborhoods
Project Sponsor:	Mark Loper, Reuben, Junius & Rose, LLP 415-567-9000
Staff Contact:	Julie Moore, 415-575-8733 Julie.Moore@sfgov.org

PROJECT DESCRIPTION

The project site consists of three lots on the west side of Mission Street between 25th Street and 26th Street; the southernmost lot extends from Mission Street to Osage Alley. The proposed project would demolish an approximately 5,200-square-foot (sf), one story, commercial building and adjacent 6,400-sf surface parking lot to construct an eight-story, 85-foot-tall, residential building with ground floor retail. As proposed, the project would require waivers, concessions, and/or incentives from Planning Code physical development limitations pursuant to California Government Code section 65915, commonly known as the state density bonus law, including for a building height 20 feet above the 65-foot height limit.

(Continued on next page.)

CEQA DETERMINATION

The project is eligible for streamlined environmental review per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines and California Public Resources Code Section 21083.3

DETERMINATION

I do hereby certify that the above determination has been made pursuant to State and Local requirements.

Lisa Gibson
Environmental Review Officer

8/30/17
Date

cc: Mark Loper, Reuben, Junius & Rose LLP, Project Sponsor; Supervisor Hillary Ronen, District 9; Linda Ajello Hoagland, Current Planning Division; Virna Byrd, M.D.F.; Exemption/Exclusion File

PROJECT DESCRIPTION (continued)

The proposed 67,300-sf building would include 75 dwelling units (18 studio, 27 one-bedroom, and 30 two-bedroom). Two retail spaces, totaling about 6,700 sf, would front Mission Street on either side of the building lobby. A 44-foot-long white loading zone would be provided in front of the lobby and the existing parking lot curb cut would be replaced with sidewalk. A bicycle storage room with 76 class 1 bicycle spaces would be accessed through the lobby area and from Osage Alley. Six street trees and seven bicycle racks (14 class 2 bicycle parking spaces) would be installed on Mission Street.[1] Open space would be provided by common terraces on the second floor and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf of private decks. The proposed building would include an elevator and stair penthouse approximately 9 feet in height above the 85-foot-tall roof.

PROJECT APPROVAL

The project requires a conditional use authorization per Planning Code section 121.1 for new construction on a large lot. Planning Commission approval of the conditional use authorization would constitute the *approval* action for the proposed project. The approval action date establishes the start of the 30-day appeal period for this CEQA determination pursuant to section 31.04(h) of the San Francisco Administrative Code.

COMMUNITY PLAN EVALUATION OVERVIEW

California Public Resources Code section 21083.3 and CEQA Guidelines section 15183 provide that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an environmental impact report (EIR) was certified, shall not be subject to additional environmental review except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site. Section 15183 specifies that examination of environmental effects shall be limited to those effects that: a) are peculiar to the project or parcel on which the project would be located; b) were not analyzed as significant effects in a prior EIR on the zoning action, general plan or community plan with which the project is consistent; c) are potentially significant off-site and cumulative impacts that were not discussed in the underlying EIR; or d) are previously identified in the EIR, but which, as a result of substantial new information that was not known at the time that the EIR was certified, are determined to have a more severe adverse impact than that discussed in the underlying EIR. Section 15183(c) specifies that if an impact is not peculiar to the parcel or to the proposed project, then an EIR need not be prepared for the project solely on the basis of that impact.

This determination evaluates the potential project-specific environmental effects of the 2918-2924 Mission Street project described above, and incorporates by reference information contained in the Programmatic EIR for the Eastern Neighborhoods Rezoning and Area Plans (PEIR)[2]. Project-specific studies were

[1] Section 155.1(a) of the planning code defines class 1 bicycle spaces as "spaces in secure, weather-protected facilities intended for use as long-term, overnight, and work-day bicycle storage by dwelling unit residents, nonresidential occupants, and employees" and defines class 2 bicycle spaces as "spaces located in a publicly-accessible, highly visible location intended for transient or short-term use by visitors, guests, and patrons to the building or use."

[2] Planning Department Case No. 2004.0160E and State Clearinghouse No. 2005032048

prepared for the proposed project to determine if the project would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

After several years of analysis, community outreach, and public review, the Eastern Neighborhoods PEIR was adopted in December 2008. The Eastern Neighborhoods PEIR was adopted in part to support housing development in some areas previously zoned to allow industrial uses, while preserving an adequate supply of space for existing and future production, distribution, and repair (PDR) employment and businesses. The Eastern Neighborhoods PEIR also included changes to existing height and bulk districts in some areas, including the project site at 2918 – 2924 Mission Street.

The Planning Commission held public hearings to consider the various aspects of the proposed Eastern Neighborhoods Rezoning and Area Plans and related planning code and zoning map amendments. On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors.[3,4]

In December 2008, after further public hearings, the Board of Supervisors approved and the Mayor signed the Eastern Neighborhoods Rezoning and Planning Code amendments. New zoning districts include districts that would permit PDR uses in combination with commercial uses; districts mixing residential and commercial uses and residential and PDR uses; and new residential-only districts. The districts replaced existing industrial, commercial, residential single-use, and mixed-use districts.

The Eastern Neighborhoods PEIR is a comprehensive programmatic document that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternative scenarios. The Eastern Neighborhoods Draft EIR evaluated three rezoning alternatives, two community-proposed alternatives which focused largely on the Mission District, and a "No Project" alternative. The alternative selected, or the Preferred Project, represents a combination of Options B and C. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR. The Eastern Neighborhoods PEIR estimated that implementation of the Eastern Neighborhoods Plan could result in approximately 7,400 to 9,900 net dwelling units and 3,200,000 to 6,600,0000 square feet of net non-residential space (excluding PDR loss) built in the plan area throughout the lifetime of the plan (year 2025). The Eastern Neighborhoods PEIR projected that this level of development would result in a total population increase of approximately 23,900 to 33,000 people throughout the lifetime of the plan.[5]

A major issue of discussion in the Eastern Neighborhoods rezoning process was the degree to which existing industrially-zoned land would be rezoned to primarily residential and mixed-use districts, thus reducing the availability of land traditionally used for PDR employment and businesses. Among other topics, the Eastern Neighborhoods PEIR assesses the significance of the cumulative land use effects of the rezoning by analyzing its effects on the City's ability to meet its future PDR space needs as well as its ability to meet its housing needs as expressed in the City's General Plan.

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[3] San Francisco Planning Department. Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (FEIR), Planning Department Case No. 2004.0160E, certified August 7, 2008. Available online at: http://www.sf-planning.org/index.aspx?page=1893, accessed August 17, 2012.

[4] San Francisco Planning Department. San Francisco Planning Commission Motion 17659, August 7, 2008. Available online at: http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=1268, accessed August 17, 2012.

[5] Table 2 Forecast Growth by Rezoning Option Chapter IV of the Eastern Neighborhoods Draft EIR shows projected net growth based on proposed rezoning scenarios. A baseline for existing conditions in the year 2000 was included to provide context for the scenario figures for parcels affected by the rezoning.

As a result of the Eastern Neighborhoods rezoning process, the project site has been rezoned to NC-T (Neighborhood Commercial - Transit) District. The NC-T District is intended to promote high-density housing and a flexible mix of smaller neighborhood-serving retail and commercial uses. Restrictions on the size of non-residential uses would prohibit the development of large scale retail and office uses, and most PDR uses. The proposed project and its relation to PDR land supply and cumulative land use effects is discussed further in the community plan evaluation (CPE) initial study, under Land Use. The 2918 – 2924 Mission Street site, which is located in the Mission District of the Eastern Neighborhoods, was designated as a site with building up to 45 to 65 feet in height.

Individual projects that could occur in the future under the Eastern Neighborhoods Rezoning and Area Plans will undergo project-level environmental evaluation to determine if they would result in further impacts specific to the development proposal, the site, and the time of development and to assess whether additional environmental review would be required. This determination concludes that the proposed project at 2918–2924 Mission Street is consistent with and was encompassed within the analysis in the Eastern Neighborhoods PEIR, including the Eastern Neighborhoods PEIR development projections. This determination also finds that the Eastern Neighborhoods PEIR adequately anticipated and described the impacts of the proposed 2918–2924 Mission Street project, and identified the mitigation measures applicable to the 2918–2924 Mission Street project. The proposed project is also consistent with the zoning controls and the provisions of the Planning Code applicable to the project site.[6,7] Therefore, no further CEQA evaluation for the 2918–2924 Mission Street project is required. In sum, the Eastern Neighborhoods PEIR and this certificate of determination and accompanying project-specific initial study comprise the full and complete CEQA evaluation necessary for the proposed project.

PROJECT SETTING

The project site is located on a block bounded by Mission Street to the east, Osage Alley to the west, 25th Street to the north and 26th Street to the south. The project area along Mission Street is primarily zoned Mission NC-T and characterized by two and three story buildings with ground floor retail. West of the site in the Residential Transit Oriented-Mission (RTO-M) zoning between Osage Alley and Orange Alley, the uses are predominantly residential buildings, two to four stories in height; with a seven-story apartment building at the northwest corner of Osage Alley and 25th Street. Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two and three story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east. The western boundary of the Calle 24 Latino Cultural District is located along the eastern side of Mission Street; the boundary of the Calle 24 Special Use District is situated generally one block further east on Lilac Street.

The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site, as are several MUNI bus lines including the 14-Mission, 14R-Mission Rapid, 48-Quintary/24th Street, 49-Van

[6] San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Citywide Planning and Policy Analysis, 2918-2924 Mission Street, April 19, 2017. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, as part of Case File No. 2014.0376ENV.

[7] San Francisco Planning Department, Community Plan Evaluation Eligibility Determination, Current Planning Analysis, 2918-2924 Mission Street, June 1, 2017.

Ness/Mission and the 67-Bernal Heights. Access to U.S. 101 is less than one mile southeast of the site via Cesar Chavez Street.

POTENTIAL ENVIRONMENTAL EFFECTS

The Eastern Neighborhoods PEIR included analyses of environmental issues including: land use; plans and policies; visual quality and urban design; population, housing, business activity, and employment (growth inducement); transportation; noise; air quality; parks, recreation and open space; shadow; archeological resources; historic architectural resources; hazards; and other issues not addressed in the previously issued initial study for the Eastern Neighborhoods Rezoning and Area Plans. The proposed 2918-2924 Mission Street project is in conformance with the height, use and density for the site described in the Eastern Neighborhoods PEIR and would represent a small part of the growth that was forecast for the Eastern Neighborhoods plan areas. Thus, the plan analyzed in the Eastern Neighborhoods PEIR considered the incremental impacts of the proposed 2918-2924 Mission Street project. As a result, the proposed project would not result in any new or substantially more severe impacts than were identified in the Eastern Neighborhoods PEIR.

Significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for the following topics: land use, historic architectural resources, transportation and circulation, and shadow. The proposed project would not displace an existing PDR use and, therefore, would not contribute to the significant and unavoidable land use impact. The proposed project would not impact a CEQA historical resource and would therefore not contribute to the significant and unavoidable historic architectural resources impact. The proposed project would not generate cumulatively considerable new transit trips and would therefore not contribute to the significant and unavoidable transportation impacts. The proposed project would not cast new shadow that would negatively affect the use and enjoyment of a recreational resource, and therefore would not contribute to the significant and unavoidable shadow impacts described in the Eastern Neighborhoods PEIR.

The Eastern Neighborhoods PEIR identified feasible mitigation measures to address significant impacts related to noise, air quality, archeological resources, historical resources, hazardous materials, and transportation. **Table 1** below lists the mitigation measures identified in the Eastern Neighborhoods PEIR and states whether each measure would apply to the proposed project.

Table 1 – Eastern Neighborhoods PEIR Mitigation Measures

Mitigation Measure	Applicability	Compliance
F. Noise		
F-1: Construction Noise (Pile Driving)	Applicable	The project sponsor has agreed to predrill piles where feasible and to use noise shielding devices.
F-2: Construction Noise	Applicable: temporary construction noise from use of heavy equipment	The project sponsor has agreed to develop and implement a set of noise attenuation measures during construction.
F-3: Interior Noise Levels	Not Applicable: CEQA no longer requires consideration	N/A

Mitigation Measure	Applicability	Compliance
	of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels.	
F-4: Siting of Noise-Sensitive Uses	Not Applicable: CEQA no longer requires consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels.	N/A
F-5: Siting of Noise-Generating Uses	Not Applicable: the project does not include any noise-generating uses	N/A
F-6: Open Space in Noisy Environments	Not Applicable: CEQA no longer requires consideration of the effects of the existing environment on a proposed project's future users or residents where that project would not exacerbate existing noise levels.	N/A
G. Air Quality		
G-1: Construction Air Quality	Not Applicable: these requirements have been superseded by the San Francisco Dust Control Ordinance	The proposed project would be required to comply with the San Francisco Dust Control Ordinance and Article 22A
G-2: Air Quality for Sensitive Land Uses	Not Applicable: superseded by Article 38 requirements	N/A
G-3: Siting of Uses that Emit DPM	Not Applicable: the proposed residential and retail uses are not expected to emit substantial levels of DPM.	N/A
G-4: Siting of Uses that Emit other TACs	Not Applicable: the proposed project would not include a backup diesel generator or	N/A

Mitigation Measure	Applicability	Compliance
	other sources of TACs	
J. Archeological Resources		
J-1: Properties with Previous Studies	Not Applicable: no archeological studies are on file for this site	N/A
J-2: Properties with no Previous Studies	Applicable: the project would require excavation.	The project sponsor has agreed to implement measures for the accidental discovery of archeological resources
J-3: Mission Dolores Archeological District	Not Applicable: the project is not located in the Mission Dolores Archeological District	N/A
K. Historical Resources		
K-1: Interim Procedures for Permit Review in the Eastern Neighborhoods Plan area	Not Applicable: plan-level mitigation completed by Planning Department	N/A
K-2: Amendments to Article 10 of the Planning Code Pertaining to Vertical Additions in the South End Historic District (East SoMa)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
K-3: Amendments to Article 10 of the Planning Code Pertaining to Alterations and Infill Development in the Dogpatch Historic District (Central Waterfront)	Not Applicable: plan-level mitigation completed by Planning Commission	N/A
L. Hazardous Materials		
L-1: Hazardous Building Materials	Applicable: project includes demolition of an existing structure	Project sponsor has agreed to implement measures for handling and disposal of hazardous building materials
E. Transportation		
E-1: Traffic Signal Installation	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-2: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A

Mitigation Measure	Applicability	Compliance
E-3: Enhanced Funding	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-4: Intelligent Traffic Management	Not Applicable: automobile delay removed from CEQA analysis	N/A
E-5: Enhanced Transit Funding	Not Applicable: plan level mitigation by SFMTA	N/A
E-6: Transit Corridor Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-7: Transit Accessibility	Not Applicable: plan level mitigation by SFMTA	N/A
E-8: Muni Storage and Maintenance	Not Applicable: plan level mitigation by SFMTA	N/A
E-9: Rider Improvements	Not Applicable: plan level mitigation by SFMTA	N/A
E-10: Transit Enhancement	Not Applicable: plan level mitigation by SFMTA	N/A
E-11: Transportation Demand Management	Not Applicable: plan level mitigation by SFMTA	N/A

Please see the attached Mitigation Monitoring and Reporting Program (MMRP) for the complete text of the applicable mitigation measures. With implementation of these mitigation measures the proposed project would not result in significant impacts beyond those analyzed in the Eastern Neighborhoods PEIR.

PUBLIC NOTICE AND COMMENT

A "Notification of Project Receiving Environmental Review" was mailed on September 30, 2016 to adjacent occupants and owners of properties within 300 feet of the project site. Comments were received from 19 individuals or entities. Overall, environmental concerns and issues raised by the public in response to the notice were taken into consideration and incorporated in the environmental review as appropriate for CEQA analysis. Commenters expressed concern regarding noise and air quality during construction, hazardous materials in soil, shading on the childcare center's play yards and nearby properties, pedestrian safety on Osage Alley, lack of sufficient parking, and the scale of the project relative to the neighborhood buildings. Additional comments noted the need for more affordable housing and expressed concerns regarding displacement and gentrification in the vicinity, impacts on the Calle 24 Latino Cultural District, and cumulative air quality and greenhouse gas effects from additional traffic in the vicinity. As shown in the project-specific initial study, the proposed project would not result in significant adverse environmental impacts associated with the issues identified by the public beyond those identified in the Eastern Neighborhoods PEIR.

CEQA generally does not require the analysis of social or economic impacts. As stated in CEQA Guidelines section 15131(a), "economic or social effects of a project shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes." In general, analysis of the potential adverse physical impacts resulting from economic activities has been concerned with the question of whether an economic change would lead to physical deterioration in a community. The construction of 2918-2924 Mission Street would not create an economic change that would lead to the physical deterioration of the surrounding neighborhood.

The Eastern Neighborhoods PEIR included an extensive analysis of the socioeconomic effects of the area plans and rezoning generally concluding that: (1) the rezoning would have secondary socioeconomic effects, (2) these effects would be more severe without the rezoning, and (3) these socioeconomic effects would not in turn lead to significant physical environmental impacts. The PEIR identifies improvement measures to address less than significant effects of potential displacement of some neighborhood-serving uses. Thus, the concerns about the socioeconomic effects of development under the area plans and rezoning are not new and were not overlooked by the plan-level EIR.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses in the Mission can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature establishes empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement.

The department also conducted additional analysis to evaluate whether the proposed project would cause or contribute to significant impacts on the physical environment related to population growth, such as transportation, air quality, and greenhouse gas emissions, beyond those identified in the Eastern Neighborhoods PEIR. This analysis, like that previously provided in the community plan evaluations prepared for the project, is based on current data and modelling and uses the Planning Department's latest environmental impact analysis standards and methodologies. This analysis shows that cumulative impacts on traffic congestion are the same or slightly less severe than anticipated in the Eastern Neighborhoods PEIR. In addition, current data provided by the San Francisco Municipal Transportation Agency ("SFMTA") show that transit capacity on most lines serving the Eastern Neighborhoods is better than previously anticipated. This is due largely to SFMTA's implementation of a number of major transportation system improvements that were assumed to be infeasible at the time that the Eastern Neighborhoods PEIR was certified. Thus, there is no evidence that transportation and related air quality, greenhouse gas, and other impacts in the Eastern Neighborhoods plan areas are substantially more severe than the Eastern Neighborhoods PEIR disclosed.

CONCLUSION

As summarized above and further discussed in the CPE Checklist[8]:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;

2. The proposed project would not result in effects on the environment that are peculiar to the project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;

3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;

4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and

5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate project-related significant impacts.

Therefore, no further environmental review shall be required for the proposed project pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183.

[8] The CPE Checklist is available for review at the Planning Department, 1650 Mission Street, Suite 400, San Francisco, in Case File No. 2014.0375ENV.

MITIGATION MONITORING AND REPORTING PROGRAM
2918-2924 Mission Street (Case No. 2014.0376ENV)

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Mitigation Reporting Responsibility	Monitoring Schedule
MITIGATION MEASURES AGREED TO BY PROJECT SPONSOR					
CULTURAL AND PALEONTOLOGICAL RESOURCES					
Project Mitigation Measure 1 – Accidental Discovery (Eastern Neighborhoods PEIR Mitigation Measure J-2) The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in CEQA Guidelines Section 15064.5(a) and (c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.	Project sponsor	Prior to any soil disturbing activities	Distribute Planning Department Archeological Resource "ALERT" sheet to Prime Contractor, sub-contractors and utilities firms	Project sponsor, archaeologist and Environmental Review Officer (ER0)	Submit signed affidavit of distribution to ERO
Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.	Head Foreman and/or project sponsor	Accidental discovery	Suspend any soils disturbing activity	Notify ERO of accidental discovery	ERO to determine additional measures
If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of an archaeological consultant from the pool of qualified archaeological consultants maintained by the Planning Department archaeologist. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the	Project Sponsor	In case of accidental discovery	If ERO determines an archeological resource may be present, services of a qualified		Considered complete upon implementation of any measures

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Mitigation Reporting Responsibility	Monitoring Schedule
archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.	Archeological consultant		archeological consultant to be retained. Identify and evaluate archeological resources	Make recommendation to the ERO	requested by ERO
Measures might include: preservation in situ of the archeological resource; an archaeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Environmental Planning (EP) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.	Project Sponsor	After determination by the ERO of appropriate action to be implemented following evaluation of accidental discovery.	Implementation of Archeological measure required by ERO		Considered complete upon implementation of any measures requested by ERO
The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.	Project Sponsor	Following completion of any required archeological field program.	Submittal of Draft/Final FARR to ERO		
Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound copy, one unbound copy and one unlocked, searchable PDF copy on CD three copies of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.	Project Sponsor		Distribution of Final FARR.		

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Mitigation Reporting Responsibility	Monitoring Schedule
NOISE					
Project Mitigation Measure 2 – Pile Driving Noise (Eastern Neighborhoods PEIR Mitigation Measure F-1). The project sponsor shall ensure that piles be pre-drilled wherever feasible to reduce construction-related noise and vibration. No impact pile drivers shall be used unless absolutely necessary. Contractors would be required to use pile-driving equipment with state-of-the-art noise shielding and muffling devices. To reduce noise and vibration impacts, sonic or vibratory sheetpile drivers, rather than impact drivers, shall be used wherever sheetpiles are needed. The project sponsor shall also require that contractors schedule pile-driving activity for times of the day that would minimize disturbance to neighbors.	Project sponsor; project contractor(s)	During construction period	Prepare and submit monthly report during construction.	San Francisco Planning Department and the Department of Building Inspection	Considered complete on submittal of final monthly report.
Project Mitigation Measure 3 – Construction Noise (Eastern Neighborhoods PEIR Mitigation Measure F-2. The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation will be achieved. These attenuation measures shall include as many of the following control strategies as feasible: • Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses; • Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site; • Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses; • Monitor the effectiveness of noise attenuation measures by taking noise	Project sponsor; project contractor(s)	Prior to construction activities During construction period	Prepare and submit a Noise Control Plan Prepare and submit monthly noise reports.	San Francisco Planning Department and the Department of Building Inspection	Considered complete on submittal of final monthly report.

Adopted Mitigation Measures	MONITORING AND REPORTING PROGRAM				
	Responsibility for Implementation	Mitigation Schedule	Mitigation Action	Mitigation Reporting Responsibility	Monitoring Schedule
measurements; and • Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed.					
HAZARDOUS MATERIALS					
Project Mitigation Measure 4 – Hazardous Building Materials (Eastern Neighborhoods PEIR Mitigation Measure L-1) The project sponsor shall ensure that any existing equipment containing polychlorinated biphenyls (PCBs) or di (2-ethylhexyl)phthalate (DEPH), such as fluorescent light ballasts (that may be present within the existing buildings on the project site), are removed and property disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any fluorescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.	Planning Department and Department of Public Health (DPH)	Prior to approval of project	Comply with applicable laws during removal and disposal of any equipment containing PCBs or DEPH and document this process	Planning Department, in consultation with DPH; where Site Mitigation Plan is required, Project Sponsor or contractor shall submit a monitoring report to DPH, with a copy to Planning Department and DBI, at end of construction	Considered complete upon receipt of final monitoring report at completion of construction

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Initial Study – Community Plan Evaluation

Date of Preparation:	August 30, 2017
Case No.:	**2014-0376ENV**
Project Address:	2918-2924 Mission Street
Zoning:	Mission Neighborhood Commercial Transit (NCT) District 65-B/55-X, 65-B/55-X, and 65B/45-X Height and Bulk Districts
Block/Lot:	6529/002, 002A, 003
Lot Sizes:	2600, 2620, and 6433 sf; 11,653 sf total
Plan Area:	Mission Subarea of the Eastern Neighborhoods
Project Sponsor:	Mark Loper, Reuben, Junius & Rose, LLP 415-567-9000
Staff Contact:	Julie Moore, 415-575-8733 Julie.Moore@sfgov.org

PROJECT DESCRIPTION

The project site consists of three lots on the west side of Mission Street between 25th Street and 26th Street; the southernmost lot extends from Mission Street to Osage Alley. The proposed project would demolish an approximately 5,200-square-foot (sf), one story, commercial building and adjacent 6,400-sf surface parking lot to construct an eight-story, 85-foot-tall, residential building with ground floor retail. As proposed, the project would require waivers, concessions, and/or incentives from Planning Code physical development limitations pursuant to California Government Code section 65915, commonly known as the state density bonus law, including for a building height 20 feet above the 65-foot height limit.

The proposed approximately 67,300-sf building would include 75 dwelling units (18 studio, 27 one-bedroom, and 30 two-bedroom). Two retail spaces, totaling about 7,000 sf, would front Mission Street on either side of the building lobby. A 44-foot-long white loading zone would be provided in front of the lobby and the existing parking lot curb cut would be removed. A bicycle storage room with 76 class 1 bicycle spaces would be accessed through the lobby area and from Osage Alley. Six street trees and seven bicycle racks (14 class 2 bicycle parking spaces)[1] would be installed on Mission Street. Open space would be provided by common terraces on the second floor and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf of private decks. The proposed building would include an elevator and stair penthouse approximately 9 feet in height above the 85-foot-tall roof.

Construction of the proposed building would generally involve excavation of about 3 feet of soil over the entire project site and up to an estimated 17 feet deep at the location of two areas of known soil

[1] Section 155.1(a) of the planning code defines class 1 bicycle spaces as "spaces in secure, weather-protected facilities intended for use as long-term, overnight, and work-day bicycle storage by dwelling unit residents, nonresidential occupants, and employees" and defines class 2 bicycle spaces as "spaces located in a publicly-accessible, highly visible location intended for transient or short-term use by visitors, guests, and patrons to the building or use."

contamination, resulting in removal of about 2,100 cubic yards of soil. The building slab would be constructed on top of an impermeable vapor barrier placed over a gravel layer and a passive ventilation system. Project construction is estimated to take approximately 20 months, which includes about two to three months for demolition, excavation, and pile driving, which would be the most intensive phases of construction.

Adjacent properties include a commercial bank to the north at the corner of Mission and 25th Street, the Zaida T. Rodriguez Early Education School to the south, and a residential apartment building and parking garage to the west. The Zaida T. Rodriguez annex child development center on Bartlett Street is across Osage Alley from the project site, as are two to three-story residences. The local vicinity on Mission Street is characterized by a wide variety of commercial, retail, public and residential uses. Across from the project site, the eastern side of Mission Street is the western boundary of the Calle 24 Latino Cultural District; the Calle 24 Special Use District begins one block further east on Lilac Street. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site, as are several MUNI bus lines. Access to U.S. 101 is less than one mile southeast of the site via Cesar Chavez Street.

Figure 1 shows the proposed project's location; Figure 2 shows the site plan; Figure 3 shows the ground floor plan; Figures 4 – 10 show the plans for levels 2 through 8; Figure 11 shows the roof plan; and Figure 12 shows the building elevation.

The proposed 2918-2924 Mission Street project would require the following approvals:

Actions by the Planning Commission

- Conditional Use Authorization per Planning Code section 121.1 for new construction on a large lot

Actions by other City Departments

- Building Permit for demolition of existing building – Department of Building Inspection
- Building Permit for construction of new building – Department of Building Inspection
- San Francisco Entertainment Commission Review for Residential Projects within 300 feet of a Place of Entertainment per Chapter 116 of Administrative Code
- San Francisco Department of Public Health – Review for Compliance with Article 22A of the San Francisco Health Code

Figure 1. Project Site Location

Figure 2. Site Plan

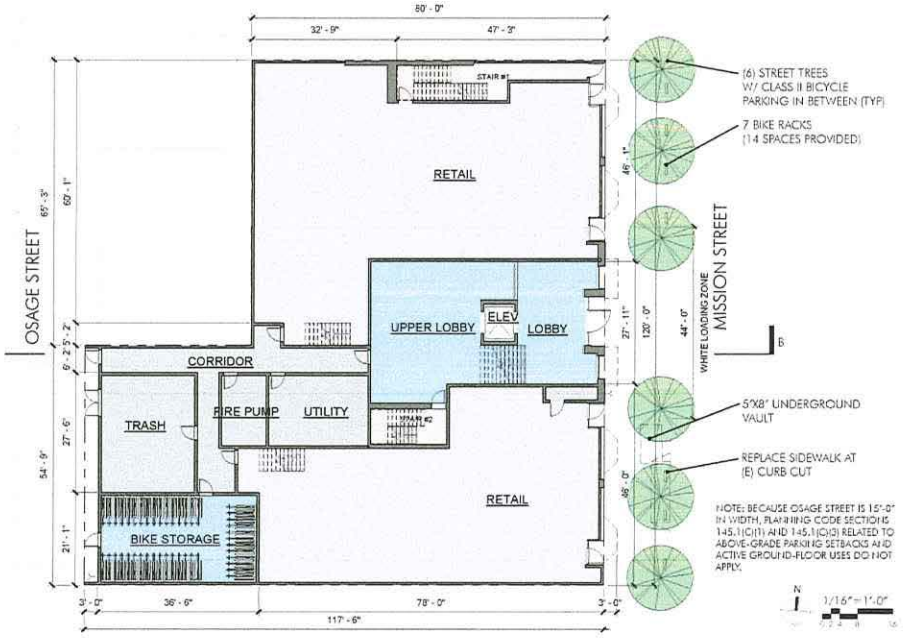

Figure 3. Ground Floor Plan

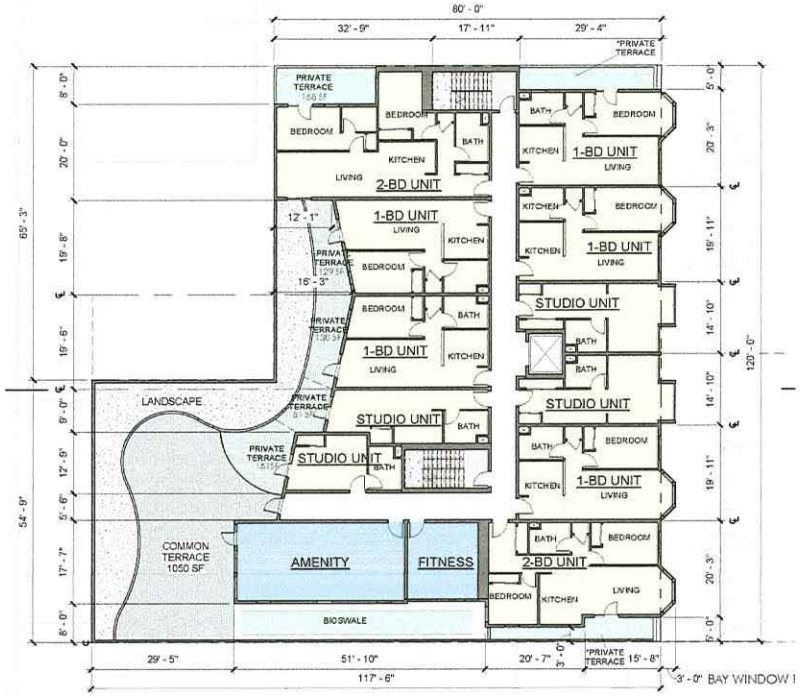

Figure 4. Second Floor Plan

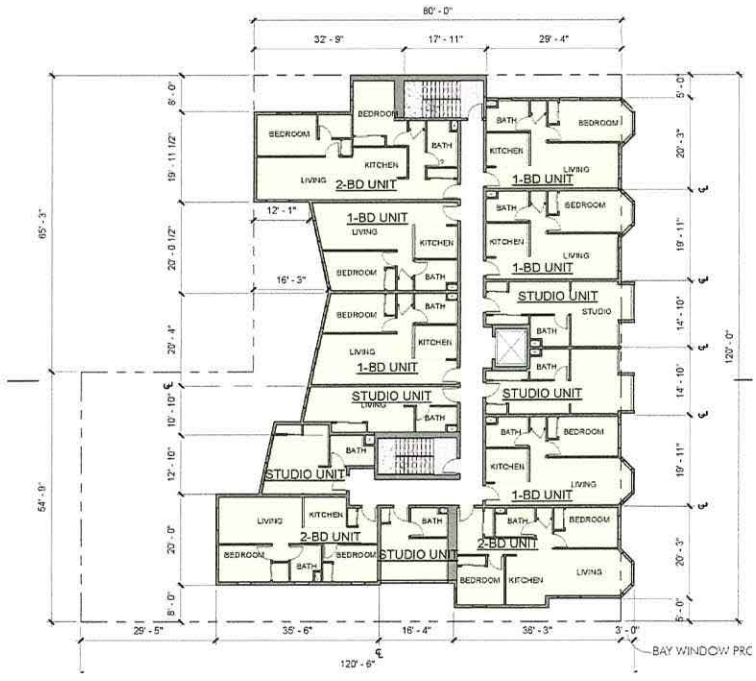

Figure 5. Third Floor Plan

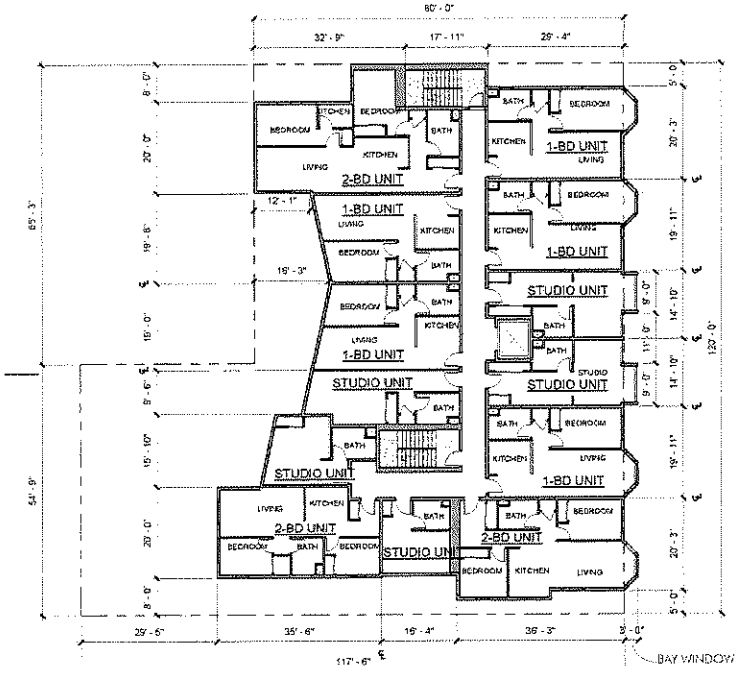

Figure 6. Fourth Floor Plan

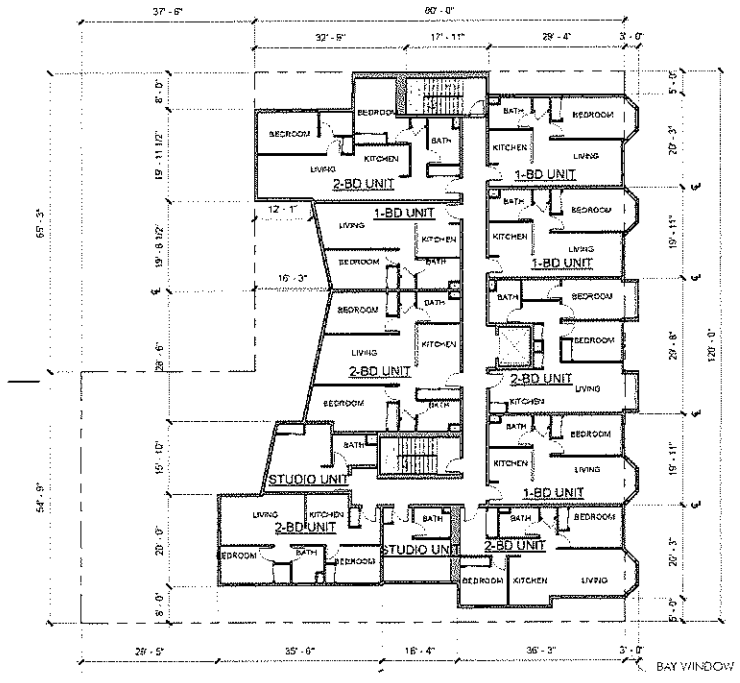

Figure 7. Fifth Floor Plan

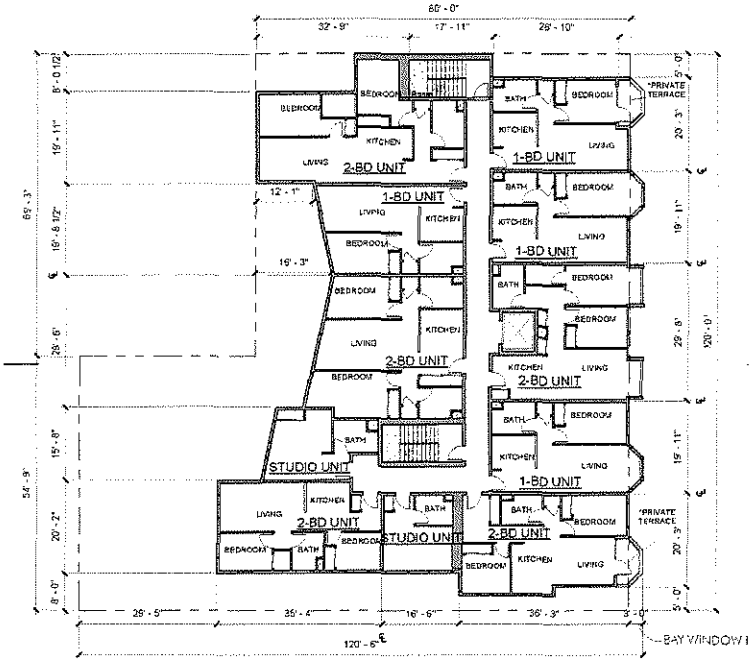

Figure 8. Sixth Floor Plan

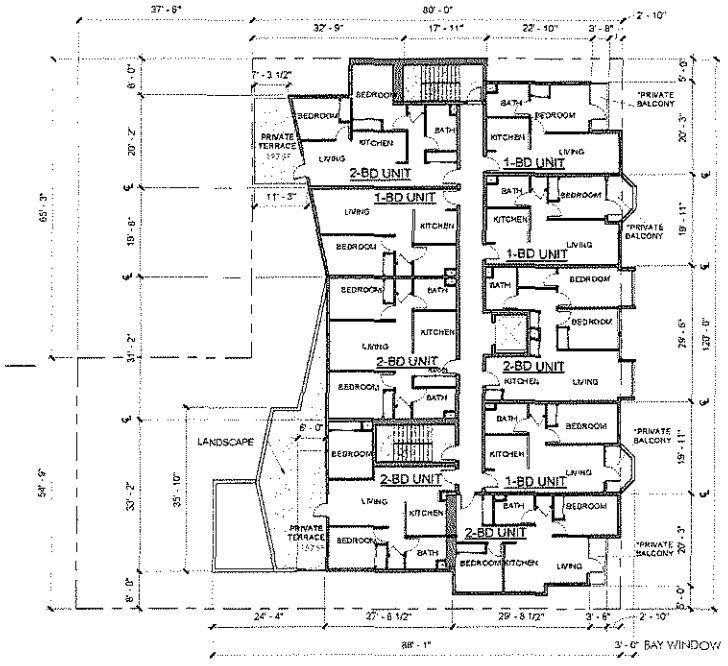

Figure 9. Seventh Floor Plan

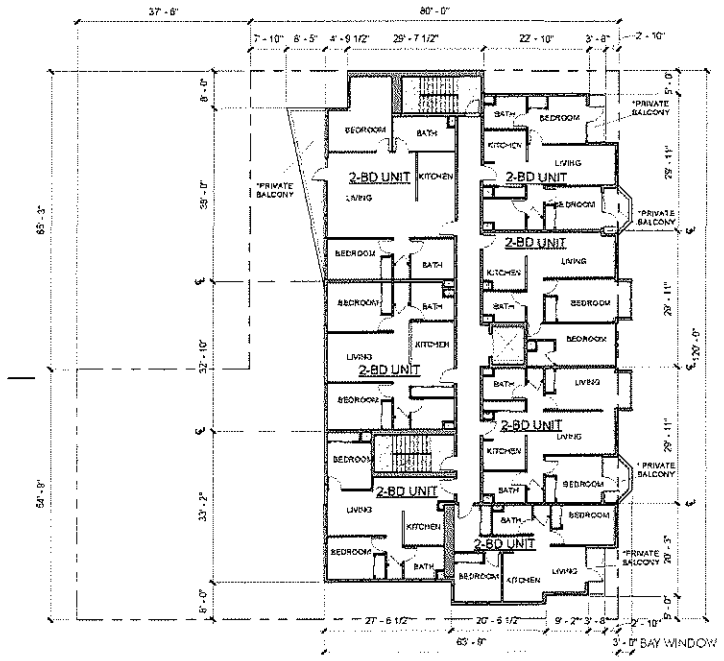

Figure 10. Eighth Floor Plan

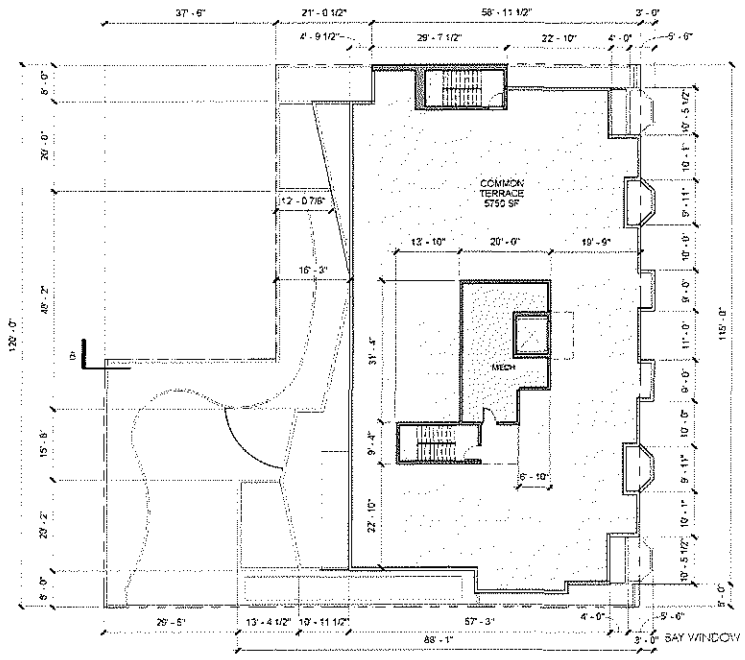

Figure 11. Roof Plan

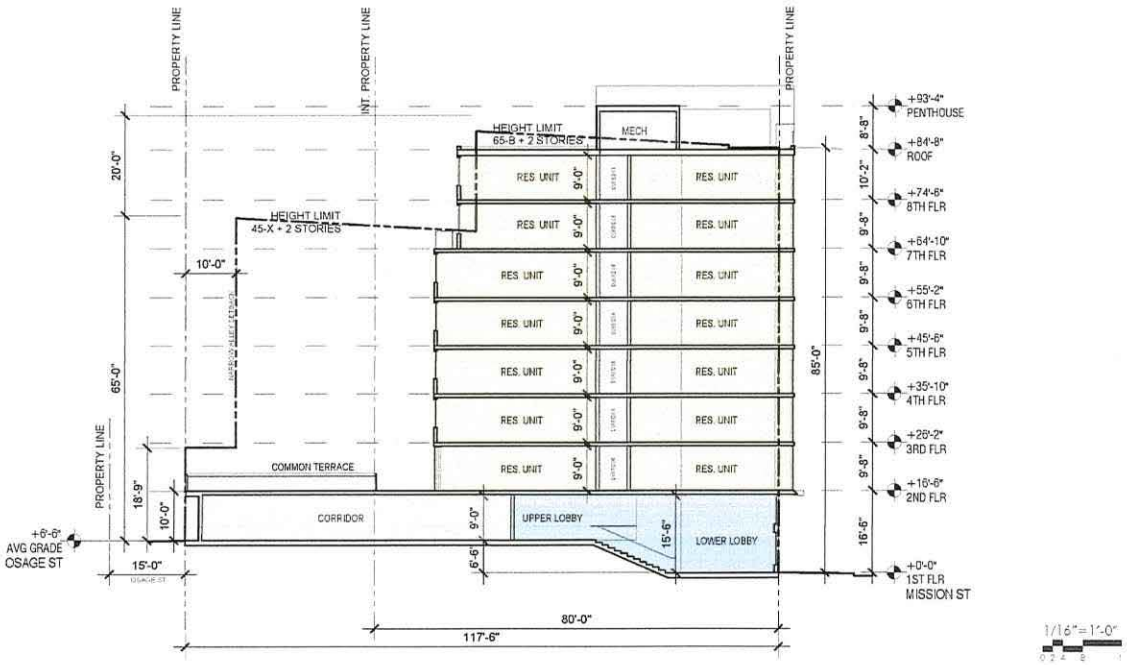

Figure 12. Building Elevation

EVALUATION OF ENVIRONMENTAL EFFECTS

This initial study evaluates whether the environmental impacts of the proposed project are addressed in the Programmatic Environmental Impact Report for the Eastern Neighborhoods Rezoning and Area Plans (Eastern Neighborhoods PEIR).[2] The initial study indicates whether the proposed project would result in significant impacts that: (1) are peculiar to the project or project site; (2) were not identified as significant project-level, cumulative, or off-site effects in the PEIR; or (3) are previously identified significant effects, which as a result of substantial new information that was not known at the time that the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR. Such impacts, if any, will be evaluated in a project-specific mitigated negative declaration or environmental impact report. If no such impacts are identified, no further environmental review shall be required for the project beyond that provided in the Eastern Neighborhoods PEIR and this project-specific initial study in accordance with Public Resources Code section 21083.3 and CEQA Guidelines section 15183.

Mitigation measures identified in the PEIR are discussed under each topic area, and measures that are applicable to the proposed project are provided under the Mitigation Measures Section at the end of this initial study.

The Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified

[2] San Francisco Planning Department, Eastern Neighborhoods Rezoning and Area Plans Final Environmental Impact Report (PEIR), Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048, certified August 7, 2008. Available online at: http://www.sf-planning.org/index.aspx?page=1893, accessed August 17, 2012.

significant cumulative impacts related to land use, transportation, and cultural resources. Mitigation measures were identified for the above impacts and reduced all impacts to less-than-significant except for those related to land use (cumulative impacts on Production, Distribution, and Repair (PDR) use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven Muni lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

The proposed project would include construction of an eight-story building with 75 dwelling units and ground floor retail space. As discussed below in this initial study, the proposed project would not result in new, significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR.

CHANGES IN THE REGULATORY ENVIRONMENT

Since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that affect the physical environment and/or environmental review methodology for projects in the Eastern Neighborhoods plan areas. As discussed in each topic area referenced below, these policies, regulations, statutes, and funding measures have implemented or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include:

- State statute regarding Aesthetics, Parking Impacts, effective January 2014, and state statute and Planning Commission resolution regarding automobile delay, and vehicle miles traveled, (VMT) effective March 2016 (see "CEQA section 21099" heading below);
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through April 14, 2017;
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, the Transportation Sustainability Program process(see initial study section "Transportation");
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment effective June 2015 (see initial study section "Noise");
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see initial study section "Air Quality");
- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see initial study section "Recreation");
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see initial study section "Utilities and Service Systems"); and
- Article 22A of the Health Code amendments effective August 2013 (see initial study section "Hazardous Materials").

Aesthetics and Parking

In accordance with CEQA section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics and parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, this initial study does not consider aesthetics or parking in determining the significance of project impacts under CEQA.[3] Project elevations are included in the project description.

Automobile Delay and Vehicle Miles Traveled

In addition, CEQA section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that "promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." CEQA section 21099(b)(2) states that upon certification of the revised guidelines for determining transportation impacts pursuant to section 21099(b)(1), automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*[4] recommending that transportation impacts for projects be measured using a vehicle miles traveled (VMT) metric. On March 3, 2016, in anticipation of the future certification of the revised CEQA Guidelines, the San Francisco Planning Commission adopted OPR's recommendation to use the VMT metric instead of automobile delay to evaluate the transportation impacts of projects (Resolution 19579). (Note: the VMT metric does not apply to the analysis of project impacts on non-automobile modes of travel such as riding transit, walking, and bicycling.) Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this initial study, including PEIR Mitigation Measures E-1: Traffic Signal Installation, E-2: Intelligent Traffic Management, E-3: Enhanced Funding, and E-4: Intelligent Traffic Management. Instead, a VMT analysis is provided in the Transportation section.

[3] San Francisco Planning Department. Eligibility Checklist: CEQA section 21099 – Modernization of Transportation Analysis for 2918-2924 Mission Street, April 13, 2016. This document (and all other documents cited in this report, unless otherwise noted), is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400 as part of Case File No. 2014.0376ENV.

[4] This document is available online at: https://www.opr.ca.gov/s_sb743.php.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
1. LAND USE AND LAND USE PLANNING—Would the project:				
a) Physically divide an established community?	☐	☐	☐	☒
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒
c) Have a substantial impact upon the existing character of the vicinity?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that adoption of the rezoning and area plans would result in an unavoidable significant impact on land use due to the cumulative loss of PDR. The proposed project would not remove any existing PDR uses and would therefore not contribute to any impact related to loss of PDR uses that was identified in the Eastern Neighborhoods PEIR. In addition, the project site was zoned NC-3 (Neighborhood Commercial) prior to the rezoning of Eastern Neighborhoods, which did not encourage PDR uses and the rezoning of the project site did not contribute to the significant impact.

The Eastern Neighborhoods PEIR determined that implementation of the rezoning and area plans would not create any new physical barriers in the Easter Neighborhoods because the rezoning and area plans do not provide for any new major roadways, such as freeways that would disrupt or divide the plan area or individual neighborhoods or subareas.

The Citywide Planning and Current Planning Divisions of the Planning Department have determined that the proposed project is permitted in the Mission Neighborhood Commercial Transit (NCT) District and is consistent with bulk and density limits under the state density bonus law (California Government Code section 65915). The project is consistent with objectives of the Mission Area Plan by maximizing development potential in keeping with neighborhood character, providing a variety of dwelling unit mixes to satisfy an array of housing needs, and providing bicycle parking. The Mission NCT District requires that at least 40 percent of all dwelling units contain two or more bedrooms or 30 percent of all dwelling units contain three or more bedrooms. The Mission NCT permits commercial uses up to 5,999 sf per use as principally permitted uses. The project proposes 75 dwelling units, 40 percent of which are two-bedroom units, as well as two separate ground floor retail spaces totaling 6,700 sf, each of which is below the 5,999-sf permitted use size limitation. The project is seeking a height concession pursuant to the state density bonus law to exceed the applicable 45 and 65-foot height limits. As proposed, with the allowable height concession pursuant to the state density bonus, the project is permitted in the Mission NCT District and is consistent with the development density as envisioned in the Mission Area Plan.[5,6]

[5] San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Citywide Planning and Policy Analysis, 2918-2924 Mission Street, April 19, 2017.

[6] San Francisco Planning Department, Community Plan Exemption Eligibility Determination, Current Planning Analysis, 2918-2924 Mission Street, June 1, 2017.

Because the proposed project is consistent with the development density established in the Eastern Neighborhoods Rezoning and Area Plans, implementation of the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to land use and land use planning, and no mitigation measures are necessary.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
2. POPULATION AND HOUSING— Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☐	☒
b) Displace substantial numbers of existing housing units or create demand for additional housing, necessitating the construction of replacement housing?	☐	☐	☐	☒
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒

One of the objectives of the Eastern Neighborhoods area plans is to identify appropriate locations for housing in the City's industrially zoned land to meet the citywide demand for additional housing. The PEIR assessed how the rezoning actions would affect housing supply and location options for businesses in the Eastern Neighborhoods and compared these outcomes to what would otherwise be expected without the rezoning, assuming a continuation of development trends and *ad hoc* land use changes (such as allowing housing within industrial zones through conditional use authorization on a case-by-case basis, site-specific rezoning to permit housing, and other similar case-by-case approaches). The PEIR concluded that adoption of the rezoning and area plans: "would induce substantial growth and concentration of population in San Francisco." The PEIR states that the increase in population expected to occur as a result of the proposed rezoning and adoption of the area plans would not, in itself, result in adverse physical effects, and would serve to advance key City policy objectives, such as providing housing in appropriate locations next to Downtown and other employment generators and furthering the City's transit first policies. It was anticipated that the rezoning would result in an increase in both housing development and population in all of the area plan neighborhoods. The Eastern Neighborhoods PEIR determined that the anticipated increase in population and density would not directly result in significant adverse physical effects on the environment. However, the PEIR identifies significant cumulative impacts on the physical environment that would result indirectly from growth afforded under the rezoning and area plans, including impacts on land use, traffic and transportation, air quality, noise, public services, utilities, and recreational resources. The PEIR contains detailed analyses of these secondary effects under each of the relevant resource topics, and identifies mitigation measures to address significant impacts.

The PEIR determined that implementation of the rezoning and area plans would not have a significant impact from the direct displacement of existing residents, and that each of the rezoning options

considered in the PEIR would result in less displacement as a result of unmet housing demand than would be expected under the No-Project scenario because the addition of new housing would provide some relief to housing market pressure without directly displacing existing residents. However, the PEIR also noted that residential displacement is not solely a function of housing supply, and that adoption of the rezoning and area plans could result in indirect, secondary effects on neighborhood character through gentrification that could displace some residents. The PEIR discloses that the rezoned districts could transition to higher-value housing, which could result in gentrification and displacement of lower-income households, and states moreover that lower-income residents of the Eastern Neighborhoods, who also disproportionally live in crowded conditions and in rental units, are among the most vulnerable to displacement resulting from neighborhood change.

Pursuant to CEQA section 21082.2 and CEQA Guidelines section 15064, economic and social changes such as gentrification and displacement are only considered under CEQA where these effects would cause substantial adverse physical impacts on the environment. Only where economic or social effects have resulted in adverse physical changes in the environment, such as "blight" or "urban decay" have courts upheld environmental analysis that considers such effects. But without such a connection to an adverse physical change, consideration of social or economic impacts "shall not be considered a significant effect" per CEQA Guidelines section 15382. While the Eastern Neighborhoods PEIR disclosed that adoption of the Eastern Neighborhoods Rezoning and Area Plans could contribute to gentrification and displacement, it did not determine that these potential socio-economic effects would result in significant adverse physical impacts on the environment.

The proposed project includes 75 dwellings units, which would result in an increase of about 185 residents.[7] The proposed project would not result in the displacement or elimination of any existing residential dwelling units. These direct effects of the proposed project on population and housing would not result in new or substantially more severe significant impacts on population and housing beyond those identified in the Eastern Neighborhoods PEIR. The project's contribution to indirect effects of population growth identified in the Eastern Neighborhoods PEIR on land use, transportation, air quality, noise, public services, utilities, and recreational resources are evaluated under each of those topics in this initial study below.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
3. CULTURAL AND PALEONTOLOGICAL RESOURCES—Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5, including those resources listed in Article 10 or Article 11 of the San Francisco *Planning Code*?	☐	☐	☐	☒

[7] Estimated number of new residents based on average household size (2.47) of occupied housing units in the Census Tract 209 per the 2010 U.S. Census Bureau Profile of General Population and Housing Characteristics (DP-1) summary data and the proposed project's 75 new dwelling units [75 * 2.47 = 185 residents]. Available at http://factfinder.census.gov. Accessed May 27, 2016.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	☐	☐	☐	☒
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d) Disturb any human remains, including those interred outside of formal cemeteries?	☐	☐	☐	☒

Historic Architectural Resources

Pursuant to CEQA Guidelines sections 15064.5(a)(1) and 15064.5(a)(2), historical resources are buildings or structures that are listed, or are eligible for listing, in the California Register of Historical Resources or are identified in a local register of historical resources, such as Articles 10 and 11 of the San Francisco Planning Code. The Eastern Neighborhoods PEIR determined that future development facilitated through the changes in use districts and height limits under the Eastern Neighborhoods Area Plans could have substantial adverse changes on the significance of both individual historical resources and on historical districts within the Plan Areas. The PEIR determined that approximately 32 percent of the known or potential historical resources in the Plan Areas could potentially be affected under the preferred alternative. The Eastern Neighborhoods PEIR found this impact to be significant and unavoidable. This impact was addressed in a Statement of Overriding Considerations with findings and adopted as part of the Eastern Neighborhoods Rezoning and Area Plans approval on January 19, 2009.

The commercial building at 2918-2922 Mission Street was constructed in 1924. It was included in the *South Mission Historic Resource Survey*[8] and was given a rating of 6L, indicating that the property is ineligible for National Register, California Register of Historical Resources, or local designation through survey evaluation. Further, the building is not located within a historic district. As such, the building would not be considered a historic resource pursuant to CEQA. Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR, and no historic resource mitigation measures would apply to the proposed project.

The project site is located across Mission Street from the Calle 24 Latino Cultural Heritage District.[9] A cultural heritage district is defined as a region and community linked together by similar cultural or heritage assets, and offering visitor experiences that showcase those resources. The purpose of the Latino Cultural Heritage District is to recognize, promote and preserve cultural assets of the district. While there may be properties within the Calle 24 Latino Cultural Heritage District that qualify as historic resources, the district itself is not a historic district under CEQA. Therefore, the proposed project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR, and no historic resource mitigation measures would apply to the proposed project.

[8] San Francisco Planning Department, *South Mission Historic Resources Survey*, adopted by Historic Preservation Commission Motion 0093, November 17, 2010.

[9] Board of Supervisors Resolution, File No. 140421, May 28, 2014.

Archeological Resources

The Eastern Neighborhoods PEIR determined that implementation of the Area Plan could result in significant impacts on archeological resources and identified three mitigation measures that would reduce these potential impacts to a less-than-significant level. Eastern Neighborhoods PEIR Mitigation Measure J-1 applies to properties for which a final archeological research design and treatment plan is on file at the Northwest Information Center and the Planning Department. Mitigation Measure J-2 applies to properties for which no archeological assessment report has been prepared or for which the archeological documentation is incomplete or inadequate to serve as an evaluation of potential effects on archeological resources under CEQA. Mitigation Measure J-3, which applies to properties in the Mission Dolores Archeological District, requires that a specific archeological testing program be conducted by a qualified archeological consultant with expertise in California prehistoric and urban historical archeology.

The proposed project would involve approximately 2,100 cubic yards of excavation to depths up to 17 feet in an area where no previous archeological studies have been prepared. Therefore, the proposed project is subject to Eastern Neighborhoods PEIR Mitigation Measure J-2, which requires preparation of a Preliminary Archeological Sensitivity Study. The Planning Department's archeologist conducted a preliminary archeological review of the project site in conformance with the study requirements of Mitigation Measure J-2 and determined that the Planning Department's first standard archeological mitigation measure (accidental discovery) applies to the proposed project.[10] The Preliminary Archeological Review and its requirements (e.g., accidental discovery measure) are consistent with Mitigation Measure J-2 from the Eastern Neighborhoods PEIR. With implementation of this project mitigation measure, impacts related to archeological resources would be less than significant. In accordance with the Eastern Neighborhoods PEIR requirements, the project sponsor has agreed to implement Project Mitigation Measure 1, as updated in the Mitigation Measures section below.

For these reasons, the proposed project would not result in significant impacts on archeological resources that were not identified in the Eastern Neighborhoods PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
4. TRANSPORTATION AND CIRCULATION—Would the project:				
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	☐	☐	☐	☒

[10] Planning Department Archeologist, Randall Dean, *Preliminary Archeological Review 2918-2924 Mission Street*, June 3, 2016.

Topics:		Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
b)	Conflict with an applicable congestion management program, including but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	☐	☐	☐	☒
c)	Result in a change in air traffic patterns, including either an increase in traffic levels, obstructions to flight, or a change in location, that results in substantial safety risks?	☐	☐	☐	☒
d)	Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses?	☐	☐	☐	☒
e)	Result in inadequate emergency access?	☐	☐	☐	☒
f)	Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes would not result in significant impacts related to pedestrians, bicyclists, loading, emergency access, or construction transportation. The PEIR states that in general, the analyses of pedestrian, bicycle, loading, emergency access, and construction traffic impacts are specific to individual development projects, and that project-specific analyses would need to be conducted for future development projects under the Eastern Neighborhoods Rezoning and Area Plans.

Accordingly, the planning department conducted project-level analysis of the pedestrian, bicycle, loading, emergency access, and construction transportation impacts of the proposed project as discussed below.[11] Based on this project-level review, the department determined that the proposed project would not have significant impacts that are peculiar to the project or the project site.

The Eastern Neighborhoods PEIR anticipated that growth resulting from the zoning changes could result in significant impacts on transit ridership, and identified seven transportation mitigation measures, which are described further below in the Transit sub-section. Even with mitigation, however, it was anticipated that the significant adverse cumulative impacts on transit lines could not be reduced to a less than significant level. Thus, these impacts were found to be significant and unavoidable.

As discussed above under Automobile Delay and Vehicle Miles Traveled, in response to state legislation that called for removing automobile delay from CEQA analysis, the Planning Commission adopted resolution 19579 replacing automobile delay with a VMT metric for analyzing transportation impacts of a project. Therefore, impacts and mitigation measures from the Eastern Neighborhoods PEIR associated with automobile delay are not discussed in this initial study.

[11] San Francisco Planning Department, Transportation Study Determination, Case No. 2014.0376ENV, 2918 Mission Street, January 29, 2016.

The Eastern Neighborhoods PEIR did not evaluate vehicle miles traveled or the potential for induced automobile travel. The VMT analysis presented below evaluate the project's transportation effects using the VMT metric.

The project site is not located within an airport land use plan area, or in the vicinity of a private airstrip. Therefore, the Initial Study Checklist topic 4c is not applicable.

Vehicle Miles Traveled (VMT) Analysis

Many factors affect travel behavior. These factors include density, diversity of land uses, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development at great distance from other land uses, located in areas with poor access to non-private vehicular modes of travel, generate more automobile travel compared to development located in urban areas, where a higher density, mix of land uses, and travel options other than private vehicles are available.

Given these travel behavior factors, San Francisco has a lower VMT ratio than the nine-county San Francisco Bay Area region. In addition, some areas of the City have lower VMT ratios than other areas of the City. These areas of the City can be expressed geographically through transportation analysis zones. Transportation analysis zones are used in transportation planning models for transportation analysis and other planning purposes. The zones vary in size from single city blocks in the downtown core, multiple blocks in outer neighborhoods, to even larger zones in historically industrial areas like the Hunters Point Shipyard.

The San Francisco County Transportation Authority (Transportation Authority) uses the San Francisco Chained Activity Model Process (SF-CHAMP) to estimate VMT by private automobiles and taxis for different land use types. Travel behavior in SF-CHAMP is calibrated based on observed behavior from the California Household Travel Survey 2010-2012, Census data regarding automobile ownership rates and county-to-county worker flows, and observed vehicle counts and transit boardings. SF-CHAMP uses a synthetic population, which is a set of individual actors that represents the Bay Area's actual population, who make simulated travel decisions for a complete day. The Transportation Authority uses tour-based analysis for office and residential uses, which examines the entire chain of trips over the course of a day, not just trips to and from the project. For retail uses, the Transportation Authority uses trip-based analysis, which counts VMT from individual trips to and from the project (as opposed to entire chain of trips). A trip-based approach, as opposed to a tour-based approach, is necessary for retail projects because a tour is likely to consist of trips stopping in multiple locations, and the summarizing of tour VMT to each location would over-estimate VMT. [12,13]

For residential development, the existing regional average daily VMT per capita is 17.2.[14] For retail development, regional average daily retail VMT per employee is 14.9.[15] Average daily VMT for

[12] To state another way: a tour-based assessment of VMT at a retail site would consider the VMT for all trips in the tour, for any tour with a stop at the retail site. If a single tour stops at two retail locations, for example, a coffee shop on the way to work and a restaurant on the way back home, then both retail locations would be allotted the total tour VMT. A trip-based approach allows us to apportion all retail-related VMT to retail sites without double-counting.

[13] San Francisco Planning Department, Executive Summary: Resolution Modifying Transportation Impact Analysis, Appendix F, Attachment A, March 3, 2016.

[14] Includes the VMT generated by the households in the development.

residential and retail land uses is projected to decrease in future 2040 cumulative conditions. Refer to Table 1: Daily Vehicle Miles Traveled, which includes the transportation analysis zone in which the project site is located, 129.

Table 1. Daily Vehicle Miles Traveled

Land Use	Existing			Cumulative 2040		
	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 129	Bay Area Regional Average	Bay Area Regional Average minus 15%	TAZ 129
Households (Residential)	17.2	14.6	7.2	16.1	13.7	6.3
Employment (Retail)	14.9	12.6	9.2	14.6	12.4	9.3

A project would have a significant effect on the environment if it would cause substantial additional VMT. The State Office of Planning and Research's (OPR) *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA* ("proposed transportation impact guidelines") recommends screening criteria to identify types, characteristics, or locations of projects that would not result in significant impacts to VMT. If a project meets one of the three screening criteria provided (Map-Based Screening, Small Projects, and Proximity to Transit Stations), then it is presumed that VMT impacts would be less than significant for the project and a detailed VMT analysis is not required. Map-Based Screening is used to determine if a project site is located within a transportation analysis zone (TAZ) that exhibits low levels of VMT[16]; Small Projects are projects that would generate fewer than 100 vehicle trips per day; and the Proximity to Transit Stations criterion includes projects that are within a half mile of an existing major transit stop, have a floor area ratio of greater than or equal to 0.75, vehicle parking that is less than or equal to that required or allowed by the Planning Code without conditional use authorization, and are consistent with the applicable Sustainable Communities Strategy.

The proposed project would include 75 dwelling units and ground-floor retail space. Existing average daily VMT per capita is 7.2 for residential uses in the transportation analysis zone the project site is located in, TAZ 129. This is 58 percent below the existing regional average daily VMT per capita of 17.2. Future 2040 average daily VMT per capita is 6.3 for TAZ 129. This is 61 percent below the future 2040 regional average daily VMT per capita of 16.1. The existing average daily VMT per retail employee is 9.2 for TAZ 129, which is 37 percent below the existing regional average of 14.82. Future 2040 VMT per

[15] Retail travel is not explicitly captured in SF-CHAMP, rather, there is a generic "Other" purpose which includes retail shopping, medical appointments, visiting friends or family, and all other non-work, non-school tours. The retail efficiency metric captures all of the "Other" purpose travel generated by Bay Area households. The denominator of employment (including retail; cultural, institutional, and educational; and medical employment; school enrollment, and number of households) represents the size, or attraction, of the zone for this type of "Other" purpose travel.

[16] According to the guidelines, a low level of VMT would be 15 percent less than the regional average VMT, as shown in Table 1.

employee is projected to be 9.3 for TAZ 129, which is 36 percent below the future regional average of 14.58.[17] Therefore, the proposed project would not cause substantial additional VMT and impacts would be less-than-significant impact.

Trip Generation

The proposed project would include 45 studios/one-bedroom units and 30 two-bedroom units, approximately 6,700 sf of retail space, and 76 class 1 bicycle parking spaces

Localized trip generation of the proposed project was calculated using a trip-based analysis and information in the *2002 Transportation Impacts Analysis Guidelines for Environmental Review* (SF Guidelines) developed by the San Francisco Planning Department.[18] The proposed project would generate an estimated 1,681 person trips (inbound and outbound) on a weekday daily basis, consisting of 859 person trips by auto, 429 transit trips, 294 walk trips and 99 trips by other modes. During the p.m. peak hour, the proposed project would generate an estimated 204 person trips, consisting of 93 person trips by auto (61 vehicle trips accounting for vehicle occupancy data for this census tract), 64 transit trips, 32 walk trips and 16 trips by other modes.

Transit

Mitigation Measures E-5 through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Plan with uncertain feasibility to address significant transit impacts. These measures are not applicable to the proposed project, as they are plan-level mitigations to be implemented by City and County agencies. In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding transit and complete streets. In addition, San Francisco Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).[19] The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. The proposed project would be subject to the fee. The City is also currently conducting outreach regarding Mitigation Measures E-5: Enhanced Transit Funding. In compliance with Mitigation Measure E-11: Transportation Demand Management, the San Francisco Board of Supervisors approved amendments to the San Francisco Planning Code to create a Transportation Demand Management (TDM) Program for all new projects of certain sizes, in all zoning districts (Ordinance No. 34-17, effective March 19, 2017).[20] Both the Transportation Sustainability Fee and the TDM program are part of the Transportation Sustainability Program.[21] In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing the Transit Effectiveness Project, which was approved by the SFMTA Board of Directors in March 2014. This program (now called Muni Forward) includes system-wide review, evaluation, and recommendations to improve service and

[17] San Francisco Planning Department. Eligibility Checklist: CEQA section 21099 – Modernization of Transportation Analysis for 2918-2924 Mission Street, September 21, 2016.

[18] San Francisco Planning Department, Transportation Calculations for 2918-2924 Mission Street, September 21, 2016.

[19] Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

[20] https://sfgov.legistar.com/View.ashx?M=F&ID=4979626&GUID=D19B15D5-5169-4ADE-8C32-0966CE4201C8.

[21] http://tsp.sfplanning.org

increase transportation efficiency. Examples of transit priority and pedestrian safety improvements within the Eastern Neighborhoods Plan area as part of Muni Forward include the 14 Mission Rapid Transit Project, the 22 Fillmore Extension along 16th Street to Mission Bay (expected construction between 2017 and 2020), and the Travel Time Reduction Project on Route 9 San Bruno (initiation in 2015). In addition, Muni Forward includes service improvements to various routes with the Eastern Neighborhoods Plan area; for instance the implemented new Route 55 on 16th Street.

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Boulevard. The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in section 138.1 of the Planning Code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size. Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan area include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

The project site is located within a quarter mile of several local transit lines including Muni lines 14-Mission, 14R-Mission Rapid, 12-Folsom/Pacific, 27-Bryant, 36-Teresita, 48-Quintara, 49-Van Ness/Mission, 67-Bernal Heights, and the Bay Area Rapid Transit (BART). The proposed project would be expected to generate 429 daily transit trips, including 64 during the p.m. peak hour. Given the wide availability of nearby transit, the addition of 64 p.m. peak hour transit trips would be accommodated by existing capacity. As such, the proposed project would not result in unacceptable levels of transit service or cause a substantial increase in delays or operating costs such that significant adverse impacts in transit service could result.

Each of the rezoning options in the Eastern Neighborhoods PEIR identified significant and unavoidable cumulative impacts relating to increases in transit ridership on Muni lines, with the Preferred Project having significant impacts on seven lines. Of those lines, the project site is located within a quarter-mile of Muni lines 27-Bryant, 48-Quintara, and 49-Van Ness/Mission. The proposed project would not contribute considerably to these conditions as its minor contribution of 64 p.m. peak hour transit trips would not be a substantial proportion of the overall additional transit volume generated by Eastern Neighborhood projects. The proposed project would also not contribute considerably to 2025 cumulative transit conditions and thus would not result in any significant cumulative transit impacts.

Conclusion

For the above reasons, the proposed project would not result in significant impacts that were not identified in the Eastern Neighborhoods PEIR related to transportation and circulation and would not contribute considerably to cumulative transportation and circulation impacts that were identified in the Eastern Neighborhoods PEIR.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
5. NOISE—Would the project:				
a) Result in exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☐	☐	☒
b) Result in exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?	☐	☐	☐	☒
c) Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
d) Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☐	☒
e) For a project located within an airport land use plan area, or, where such a plan has not been adopted, in an area within two miles of a public airport or public use airport, would the project expose people residing or working in the area to excessive noise levels?	☐	☐	☐	☒
f) For a project located in the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
g) Be substantially affected by existing noise levels?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that implementation of the Eastern Neighborhoods Area Plans and Rezoning would result in significant noise impacts during construction activities and due to conflicts between noise-sensitive uses in proximity to noisy uses such as PDR, retail, entertainment, cultural/institutional/educational uses, and office uses. The Eastern Neighborhoods PEIR also determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant. The Eastern Neighborhoods PEIR identified six noise mitigation measures, three of which may be applicable to subsequent development projects.[22] These mitigation measures would reduce noise impacts from construction and noisy land uses to less-than-significant levels.

[22] Eastern Neighborhoods PEIR Mitigation Measures F-3, F-4, and F-6 address the siting of sensitive land uses in noisy environments. In a decision issued on December 17, 2015, the California Supreme Court held that CEQA does not generally require an agency to consider the effects of existing environmental conditions on a proposed project's future users or residents except where a project or its residents may exacerbate existing environmental hazards (*California Building Industry Association v. Bay Area Air Quality Management District*, December 17, 2015, Case No. S213478. Available at: http://www.courts.ca.gov/opinions/documents/S213478.PDF). As noted above, the *Eastern Neighborhoods PEIR* determined that incremental increases in traffic-related noise attributable to implementation of the Eastern Neighborhoods Area Plans and Rezoning would be less than significant, and thus would not exacerbate the existing noise environment. Therefore, Eastern Neighborhoods Mitigation Measures F-3, F-4, and F-6 are not applicable. Nonetheless, for all noise sensitive uses, the general requirements for adequate interior noise levels of Mitigation Measures F-3 and F-4 are met by compliance with the acoustical standards required under the California Building Standards Code (California Code of Regulations Title 24).

Construction Noise

Eastern Neighborhoods PEIR Mitigation Measures F-1 and F-2 relate to construction noise. Mitigation Measure F-1 addresses individual projects that include pile-driving, and Mitigation Measure F-2 addresses individual projects that include particularly noisy construction procedures (including pile-driving). The geotechnical investigation (see Geology and Soils Section below) prepared for the project provides recommendations for the use and installation of various types of foundations (spread footings, a mat foundation, and deep foundations such as drilled piers, micropiles, or auger-cast-in-place piles). Because deep piers may require pile driving for installation of steel casing, Eastern Neighborhoods PEIR Mitigation Measure F-1 would apply, and is included in the Mitigation Measures Section as Project Mitigation Measure 2.

Construction of the proposed project would result in temporary elevated noise levels at nearby residences and schools. The Zaida T. Rodriguez Early Education School is located adjacent to the south of the project site at 2950 Mission Street and across Osage Alley at 421 Bartlett Street. Project construction phases would include demolition, shoring and excavation, foundation installation, structural framing, interior framing, and exterior and interior finishes. The noisiest of these activities is typically excavation and foundation installation, estimated to take around two to three months of the 20-month construction period, when heavy machinery would be in use. Accordingly, Eastern Neighborhoods PEIR Mitigation Measure F-2 would apply to the project and is included in the Mitigation Measures Section as Project Mitigation Measure 3. This measure requires that site-specific construction noise attenuation measures are developed by a qualified acoustical consultant to achieve maximum feasible noise attenuation. The project sponsor has prepared a noise and vibration mitigation plan.[23] According to the mitigation plan, ambient noise and construction noise measurements would be taken at noise sensitive locations in the vicinity of the project site during construction. Construction noise reduction may be achieved by various methods of equipment source noise reduction, noise barriers, and sensitive receptor noise reduction. These methods could include the following: providing intake and exhaust mufflers on pneumatic impact tools and equipment; using noise-attenuating shields, shrouds or portable barriers; using electric instead of diesel or gasoline-powered equipment; providing enclosures for stationary items of equipment and noise barriers around particularly noisy areas at the project site; minimizing noisy activities during the most noise sensitive hours; installing noise control curtains; and installing removable secondary acoustic window inserts to existing windows in sensitive receptor buildings. The noise mitigation plan measures would be subject to review by the Department of Building Inspection prior to construction. Compliance with this mitigation measure would result in a less-than-significant impact with regard to construction noise.

In addition, all construction activities for the proposed project (approximately 20 months) would be subject to and required to comply with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code). Construction noise is regulated by the noise ordinance. The noise ordinance requires construction work to be conducted in the following manner: (1) noise levels of construction equipment, other than impact tools, must not exceed 80 dBA at a distance of 100 feet from the source (the equipment generating the noise); (2) impact tools must have intake and exhaust mufflers that are approved by the Director of Public Works or the Director of the Department of Building Inspection to best accomplish maximum noise reduction; and (3) if the noise from the construction work would exceed the ambient

[23] Clearwater Group, *Site Mitigation Plan, 2918-2924 Mission Street*, May 26, 2016.

noise levels at the site property line by 5 dBA, the work must not be conducted between 8:00 p.m. and 7:00 a.m. unless public works authorizes a special permit for conducting the work during that period.

The building department is responsible for enforcing the noise ordinance for private construction projects during normal business hours (8 a.m. to 5 p.m.). The police department is responsible for enforcing the noise ordinance during all other hours. Nonetheless, during the construction period for the proposed project of approximately 20 months, occupants of the nearby properties could be disturbed by construction noise. Times may occur when noise could interfere with indoor activities in nearby residences and other businesses near the project site. The increase in noise in the project area during project construction would not be considered a significant impact of the proposed project, because the construction noise would be temporary, intermittent, and restricted in occurrence and level, as the contractor would be required to comply with the noise ordinance and Eastern Neighborhoods PEIR Mitigation Measures F-1 and F-2 (Project Mitigation Measures 2 and 3), which would reduce construction noise impacts to a less-than-significant level.

Operational Noise

Eastern Neighborhoods PEIR Mitigation Measure F-5 addresses impacts related to individual projects that include uses that would be expected to generate noise levels in excess of ambient noise in the project vicinity. The proposed project's residential and retail uses would be similar to that of the surrounding vicinity and are not expected to generate noise levels in excess of ambient noise, therefore PEIR Mitigation Measure F-5 would not apply.

The proposed project would be subject to the following interior noise standards, which are described for informational purposes. The California Building Standards Code (Title 24) establishes uniform noise insulation standards. The Title 24 acoustical requirement for residential structures is incorporated into section 1207 of the San Francisco Building Code and requires these structures be designed to prevent the intrusion of exterior noise so that the noise level with windows closed, attributable to exterior sources, shall not exceed 45 dBA in any habitable room. Title 24 allows the project sponsor to choose between a prescriptive or performance-based acoustical requirement for non-residential uses. Both compliance methods require wall, floor/ceiling, and window assemblies to meet certain sound transmission class or outdoor-indoor sound transmission class ratings to ensure that adequate interior noise standards are achieved. In compliance with Title 24, the building department would review the final building plans to ensure that the building wall, floor/ceiling, and window assemblies meet Title 24 acoustical requirements. If determined necessary by the building department, a detailed acoustical analysis of the exterior wall and window assemblies may be required.

Additionally, the proposed project would be subject to the Noise Regulations Relating to Residential Uses Near Places of Entertainment (Ordinance 70-15, effective June 19, 2015). The intent of these regulations is to address noise conflicts between residential uses in noise critical areas, such as in proximity to highways and other high-volume roadways, railroads, rapid transit lines, airports, nighttime entertainment venues or industrial areas. In accordance with the adopted regulations, residential structures to be located where the day-night average sound level (Ldn) or community noise equivalent level (CNEL) exceeds 60 decibels shall require an acoustical analysis with the application of a building permit showing that the proposed design would limit exterior noise to 45 decibels in any habitable room. Furthermore, the regulations require the Planning Department and Planning Commission to consider the compatibility of uses when approving residential uses adjacent to or near existing permitted places of entertainment and take all reasonably available means through the City's design review and approval

processes to ensure that the design of new residential development projects take into account the needs and interests of both the places of entertainment and the future residents of the new development.

The project site is not located within an airport land use plan area, within two miles of a public airport, or in the vicinity of a private airstrip. Therefore, topic 12e and f from the CEQA Guidelines, Appendix G is not applicable.

For the above reasons, the proposed project would not result in significant noise impacts that were not identified in the Eastern Neighborhoods PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
6. AIR QUALITY—Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☐	☒
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal, state, or regional ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	☐	☒
d) Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☒
e) Create objectionable odors affecting a substantial number of people?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR identified potentially significant air quality impacts resulting from construction activities and impacts to sensitive land uses[24] as a result of exposure to elevated levels of diesel particulate matter (DPM) and other toxic air contaminants (TACs). The Eastern Neighborhoods PEIR identified four mitigation measures that would reduce these air quality impacts to less-than-significant levels and stated that with implementation of identified mitigation measures, the Area Plan would be consistent with the Bay Area 2005 Ozone Strategy, the applicable air quality plan at that time. All other air quality impacts were found to be less than significant.

[24] The Bay Area Air Quality Management District (BAAQMD) considers sensitive receptors as: children, adults or seniors occupying or residing in: 1) residential dwellings, including apartments, houses, condominiums, 2) schools, colleges, and universities, 3) daycares, 4) hospitals, and 5) senior care facilities. BAAQMD, Recommended Methods for Screening and Modeling Local Risks and Hazards, May 2011, page 12.

Eastern Neighborhoods PEIR Mitigation Measure G-1 addresses air quality impacts during construction, and PEIR Mitigation Measures G-3 and G-4 address proposed uses that would emit DPM and other TACs.[25]

Construction Dust Control

Eastern Neighborhoods PEIR Mitigation Measure G-1 Construction Air Quality requires individual projects involving construction activities to include dust control measures and to maintain and operate construction equipment so as to minimize exhaust emissions of particulates and other pollutants. The San Francisco Board of Supervisors subsequently approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008). The intent of the Construction Dust Control Ordinance is to reduce the quantity of fugitive dust generated during site preparation, demolition, and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the building department. Project-related construction activities would result in construction dust, primarily from ground-disturbing activities. In compliance with the Construction Dust Control Ordinance, the project sponsor and contractor responsible for construction activities at the project site would be required to control construction dust on the site through a combination of watering disturbed areas, covering stockpiled materials, street and sidewalk sweeping and other measures.

In addition, compliance with article 22A of the San Francisco Health Code and section 106.3.2.4 of the building code, a site mitigation plan (which includes a dust control plan) has been prepared for project construction and approved by the San Francisco Department of Public Health. Dust control measures set forth include installation of wind screens on the perimeter security fences to reduce potential dust migration to off-site areas and a dust monitoring program that triggers additional engineering controls or halting work if dust levels in excess of action levels or visible dust are observed.[26]

The regulations and procedures set forth by the San Francisco Dust Control Ordinance would ensure that construction dust impacts would not be significant. These requirements supersede the dust control provisions of PEIR Mitigation Measure G-1. Therefore, the portion of PEIR Mitigation Measure G-1 Construction Air Quality that addresses dust control is no longer necessary to reduce construction-related dust impacts of the proposed project.

Criteria Air Pollutants

While the Eastern Neighborhoods PEIR determined that at a program-level the Eastern Neighborhoods Rezoning and Area Plans would not result in significant regional air quality impacts, the PEIR states that "Individual development projects undertaken in the future pursuant to the new zoning and area plans would be subject to a significance determination based on the BAAQMD's quantitative thresholds for individual projects."[27] The BAAQMD's *CEQA Air Quality Guidelines* (Air Quality Guidelines) provide

[25] The Eastern Neighborhoods PEIR also includes Mitigation Measure G-2, which has been superseded by Health Code Article 38, as discussed below, and is no longer applicable.

[26] San Francisco Department of Public Health, Environmental Health, SFHC Article 22a Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco. EHB-SAM Case No: 1296, June 15, 2016.

[27] San Francisco Planning Department, Eastern Neighborhood's Rezoning and Area Plans Final Environmental Impact Report. See page 346. Available online at: http://www.sf-planning.org/Modules/ShowDocument.aspx?documentid=4003. Accessed June 4, 2014.

screening criteria[28] for determining whether a project's criteria air pollutant emissions would violate an air quality standard, contribute to an existing or projected air quality violation, or result in a cumulatively considerable net increase in criteria air pollutants. Pursuant to the Air Quality Guidelines, projects that meet the screening criteria do not have a significant impact related to criteria air pollutants. Criteria air pollutant emissions during construction and operation of the proposed project would meet the Air Quality Guidelines screening criteria. The project would entail demolition of an existing one-story commercial building and construction of an eight-story, 85-foot-tall mixed-use residential building with 75 dwelling units and about 6,700-sf of ground-floor retail space. Criteria air pollutant emissions during construction and operation of the proposed project would meet the Air Quality Guidelines screening criteria as the proposed 75-unit residential building would be below the 240 dwelling unit construction criteria pollutant screening size and 451 dwelling unit operational criteria pollutant screening size. Therefore, the project would not have a significant impact related to criteria air pollutants, and a detailed air quality assessment is not required.

Health Risk

Since certification of the PEIR, San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Enhanced Ventilation Required for Urban Infill Sensitive Use Developments or Health Code, Article 38 (Ordinance 224-14, amended December 8, 2014)(Article 38). The purpose of Article 38 is to protect the public health and welfare by establishing an Air Pollutant Exposure Zone and imposing an enhanced ventilation requirement for all urban infill sensitive use development within the Air Pollutant Exposure Zone. The Air Pollutant Exposure Zone as defined in Article 38 are areas that, based on modeling of all known air pollutant sources, exceed health protective standards for cumulative $PM_{2.5}$ concentration, cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. Projects within the Air Pollutant Exposure Zone require special consideration to determine whether the project's activities would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality.

Since certification of the PEIR, San Francisco Board of Supervisors approved a series of amendments to the San Francisco Building and Health Codes, generally referred to as the Enhanced Ventilation Required for Urban Infill Sensitive Use Developments or Health Code, Article 38 (Ordinance 224-14, amended December 8, 2014)(Article 38). The purpose of Article 38 is to protect the public health and welfare by establishing an Air Pollutant Exposure Zone and imposing an enhanced ventilation requirement for all urban infill sensitive use development within the Air Pollutant Exposure Zone. The Air Pollutant Exposure Zone as defined in Article 38 are areas that, based on modeling of all known air pollutant sources, exceed health protective standards for cumulative $PM_{2.5}$ concentration, cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. Projects within the Air Pollutant Exposure Zone require special consideration to determine whether the project's activities would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality.

The project site is not located within an identified Air Pollutant Exposure Zone. Therefore, the ambient health risk to sensitive receptors from air pollutants is not considered substantial and the remainder of Mitigation Measure G-1 that requires the minimization of construction exhaust emissions is not

[28] Bay Area Air Quality Management District, CEQA Air Quality Guidelines, updated May 2011. See pp. 3-2 to 3-3.

applicable to the proposed project. The proposed project would not be expected to generate 100 trucks per day or 40 refrigerated trucks per day. Therefore, Eastern Neighborhoods PEIR Mitigation Measure G-3 is not applicable. In addition, the proposed project would not include any sources, such as backup generators, that would emit DPM or other TACs. Therefore, Eastern Neighborhoods PEIR Mitigation Measure G-4 is not applicable and impacts related to siting new sources of pollutants would be less than significant.

Conclusion

For the above reasons, none of the Eastern Neighborhoods PEIR air quality mitigation measures are applicable to the proposed project and the project would not result in significant air quality impacts that were not identified in the PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
7. GREENHOUSE GAS EMISSIONS—Would the project:				
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☐	☒
b) Conflict with any applicable plan, policy, or regulation of an agency adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR assessed the GHG emissions that could result from rezoning of the Mission Area Plan under the three rezoning options. The Eastern Neighborhoods Rezoning Options A, B, and C are anticipated to result in GHG emissions on the order of 4.2, 4.3 and 4.5 metric tons of CO_2E[29] per service population,[30] respectively. The Eastern Neighborhoods PEIR concluded that the resulting GHG emissions from the three options analyzed in the Eastern Neighborhoods Area Plans would be less than significant. No mitigation measures were identified in the PEIR.

The BAAQMD has prepared guidelines and methodologies for analyzing GHGs. These guidelines are consistent with CEQA Guidelines sections 15064.4 and 15183.5 which address the analysis and determination of significant impacts from a proposed project's GHG emissions and allow for projects that are consistent with an adopted GHG reduction strategy to conclude that the project's GHG impact is less than significant. San Francisco's *Strategies to Address Greenhouse Gas Emissions*[31] presents a comprehensive assessment of policies, programs, and ordinances that collectively represent San Francisco's GHG

[29] CO_2E, defined as equivalent Carbon Dioxide, is a quantity that describes other greenhouse gases in terms of the amount of Carbon Dioxide that would have an equal global warming potential.

[30] Memorandum from Jessica Range to Environmental Planning staff, Greenhouse Gas Analyses for Community Plan Exemptions in Eastern Neighborhoods, April 20, 2010. This memorandum provides an overview of the GHG analysis conducted for the Eastern Neighborhoods PEIR and provides an analysis of the emissions using a service population (equivalent of total number of residents and employees) metric.

[31] San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco*, November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

reduction strategy in compliance with the BAAQMD and CEQA guidelines. These GHG reduction actions have resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels,[32] exceeding the year 2020 reduction goals outlined in the BAAQMD's *2010 Clean Air Plan,*[33] Executive Order S-3-05[34], and Assembly Bill 32 (also known as the Global Warming Solutions Act).[35,36] In addition, San Francisco's GHG reduction goals are consistent with, or more aggressive than, the long-term goals established under Executive Orders S-3-05[37] and B-30-15.[38,39] Therefore, projects that are consistent with San Francisco's GHG Reduction Strategy would not result in GHG emissions that would have a significant effect on the environment and would not conflict with state, regional, and local GHG reduction plans and regulations.

The proposed project would increase the intensity of use of the site with the demolition of the existing 5,200-sf commercial building and the construction of an eight-story, approximately 67,300-sf mixed use building that includes 75 residential dwelling units and approximately 6,700 sf of retail space. Therefore, the proposed project would contribute to annual long-term increases in GHGs as a result of increased vehicle trips (mobile sources) and residential and commercial operations that result in an increase in energy use, water use, wastewater treatment, and solid waste disposal. Construction activities would also result in temporary increases in GHG emissions.

The proposed project would be subject to regulations adopted to reduce GHG emissions as identified in the GHG reduction strategy. As discussed below, compliance with the applicable regulations would reduce the project's GHG emissions related to transportation, energy use, waste disposal, wood burning, and use of refrigerants.

Compliance with the City's Transportation Sustainability Fee, bicycle parking requirements, and car sharing requirements would reduce the proposed project's transportation-related emissions. These regulations reduce GHG emissions from single-occupancy vehicles by promoting the use of alternative transportation modes with zero or lower GHG emissions on a per capita basis.

The proposed project would be required to comply with the energy efficiency requirements of the City's Green Building Code, Stormwater Management Ordinance, Water Conservation and Irrigation ordinances, and Energy Conservation Ordinance, which would promote energy and water efficiency,

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[32] ICF International, *Technical Review of the 2012 Community-wide Inventory for the City and County of San Francisco,* January 21, 2015.

[33] Bay Area Air Quality Management District, *Clean Air Plan,* September 2010. Available at http://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans, accessed March 3, 2016.

[34] Office of the Governor, *Executive Order S-3-05,* June 1, 2005. Available at https://www.gov.ca.gov/news.php?id=1861, accessed March 3, 2016.

[35] California Legislative Information, *Assembly Bill 32,* September 27, 2006. Available at http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf, accessed March 3, 2016.

[36] Executive Order S-3-05, Assembly Bill 32, and the Bay Area 2010 Clean Air Plan set a target of reducing GHG emissions to below 1990 levels by year 2020.

[37] Executive Order S-3-05 sets forth a series of target dates by which statewide emissions of GHGs need to be progressively reduced, as follows: by 2010, reduce GHG emissions to 2000 levels (approximately 457 million $MTCO_2E$); by 2020, reduce emissions to 1990 levels (approximately 427 million $MTCO_2E$); and by 2050 reduce emissions to 80 percent below 1990 levels (approximately 85 million $MTCO_2E$).

[38] Office of the Governor, *Executive Order B-30-15, April 29, 2015.* Available at https://www.gov.ca.gov/news.php?id=18938, accessed March 3, 2016. Executive Order B-30-15 sets a state GHG emissions reduction goal of 40 percent below 1990 levels by the year 2030.

[39] San Francisco's GHG reduction goals are codified in section 902 of the Environment Code and include: (i) by 2008, determine City GHG emissions for year 1990; (ii) by 2017, reduce GHG emissions by 25 percent below 1990 levels; (iii) by 2025, reduce GHG emissions by 40 percent below 1990 levels; and by 2050, reduce GHG emissions by 80 percent below 1990 levels.

thereby reducing the proposed project's energy-related GHG emissions.[40] Additionally, the project would be required to meet the renewable energy criteria of the Green Building Code, further reducing the project's energy-related GHG emissions.

The proposed project's waste-related emissions would be reduced through compliance with the City's Recycling and Composting Ordinance, Construction and Demolition Debris Recovery Ordinance, and Green Building Code requirements. These regulations reduce the amount of materials sent to a landfill, reducing GHGs emitted by landfill operations. These regulations also promote reuse of materials, conserving their embodied energy[41] and reducing the energy required to produce new materials.

Compliance with the City's Street Tree Planting requirements would serve to increase carbon sequestration. The project would not include new commercial refrigeration systems or wood burning fireplaces, which would reduce emissions of GHGs and black carbon, respectively. Regulations requiring low-emitting finishes would reduce volatile organic compounds (VOCs).[42] Thus, the proposed project was determined to be consistent with San Francisco's GHG reduction strategy.[43]

Therefore, the proposed project's GHG emissions would not conflict with state, regional, and local GHG reduction plans and regulations. Furthermore, the proposed project is within the scope of the development evaluated in the PEIR and would not result in impacts associated with GHG emissions beyond those disclosed in the PEIR. For the above reasons, the proposed project would not result in significant GHG emissions that were not identified in the Eastern Neighborhoods PEIR and no mitigation measures are necessary.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
8. WIND AND SHADOW—Would the project:				
a) Alter wind in a manner that substantially affects public areas?	☐	☐	☐	☒
b) Create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas?	☐	☐	☐	☒

Wind

Based upon experience of the Planning Department in reviewing wind analyses and expert opinion on other projects, it is generally (but not always) the case that projects under 80 feet in height do not have the potential to generate significant wind impacts. Based on the height and location of the proposed

[40] Compliance with water conservation measures reduce the energy (and GHG emissions) required to convey, pump and treat water required for the project.

[41] Embodied energy is the total energy required for the extraction, processing, manufacture and delivery of building materials to the building site.

[42] While not a GHG, VOCs are precursor pollutants that form ground level ozone. Increased ground level ozone is an anticipated effect of future global warming that would result in added health effects locally. Reducing VOC emissions would reduce the anticipated local effects of global warming.

[43] San Francisco Planning Department, *Greenhouse Gas Analysis: Compliance Checklist for 2918-2924 Mission Street*, September 21, 2016.

approximately 85-foot-tall building, a pedestrian wind assessment was prepared by a qualified wind consultant for the proposed project.[44] The objective of the wind assessment was to provide a screening-level evaluation of the potential wind impacts of the proposed development, to assess the need for further detailed modelling and analysis. The wind assessment found that the existing wind conditions on the adjacent streets are expected to be below the 26-mile-per-hour wind hazard criterion as outlined in the San Francisco Planning Code section 148 throughout the year. The wind assessment also found that the proposed building would not cause winds that would reach or exceed the 26-mile-per-hour wind hazard criterion at all pedestrian areas on and around the proposed development and that wind speeds at building entrances and public sidewalks would be suitable for the intended pedestrian usage.

Shadow

Planning Code section 295 generally prohibits new structures above 40 feet in height that would cast additional shadows on open space that is under the jurisdiction of the San Francisco Recreation and Park Commission between one hour after sunrise and one hour before sunset, at any time of the year, unless that shadow would not result in a significant adverse effect on the use of the open space. Under the Eastern Neighborhoods Rezoning and Area Plans, sites surrounding parks could be redeveloped with taller buildings without triggering section 295 of the Planning Code because certain parks are not subject to section 295 of the Planning Code (i.e., under jurisdiction of departments other than the Recreation and Parks Department or privately owned). The Eastern Neighborhoods PEIR could not conclude if the rezoning and community plans would result in less-than-significant shadow impacts because the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time. Therefore, the PEIR determined shadow impacts to be significant and unavoidable. No mitigation measures were identified in the PEIR.

The proposed project would construct an approximately 85-foot-tall building; therefore, the Planning Department prepared a preliminary shadow fan analysis a shadow analysis to determine whether the project would have the potential to cast new shadow on nearby parks.[45] The preliminary shadow fan analysis indicates that the proposed project would not cast shadows on any neighborhood parks or recreational resources subject to Planning Code section 295. In addition, the proposed project would not cast shadows on the play yard of the Zaida T. Rodriguez early education school adjacent to the south of the site.

The proposed project would shade portions of nearby streets, sidewalks, and properties at times within the project vicinity. Shadows upon streets and sidewalks would not exceed levels commonly expected in urban areas and would be considered a less-than-significant effect under CEQA. Although occupants of nearby property may regard the increase in shadow as undesirable, the limited increase in shading of private properties as a result of the proposed project would not be considered a significant impact under CEQA.

For the above reasons, the proposed project would not result in significant impacts related to shadow that were not identified in the Eastern Neighborhoods PEIR.

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[44] RWDI, *Screening-Level Wind Analysis, 2918 Mission Street, RWDI #1604031,* September 8, 2016.

[45] San Francisco Planning Department, Preliminary Shadow Fan, August 10, 2017.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
9. RECREATION—Would the project:				
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would occur or be accelerated?	☐	☐	☐	☒
b) Include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment?	☐	☐	☐	☒
c) Physically degrade existing recreational resources?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR concluded that implementation of the Eastern Neighborhoods Rezoning and Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment. No mitigation measures related to recreational resources were identified in the Eastern Neighborhoods PEIR. However, the PEIR identified Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities. This improvement measure calls for the City to implement funding mechanisms for an ongoing program to repair, upgrade and adequately maintain park and recreation facilities to ensure the safety of users.

As part of the Eastern Neighborhoods adoption, the City adopted impact fees for development in Eastern Neighborhoods that goes towards funding recreation and open space. Since certification of the PEIR, the voters of San Francisco passed the 2012 San Francisco Clean and Safe Neighborhood Parks Bond providing the Recreation and Parks Department an additional $195 million to continue capital projects for the renovation and repair of parks, recreation, and open space assets. This funding is being utilized for improvements and expansion to Garfield Square, South Park, Potrero Hill Recreation Center, Warm Water Cove Park, and Pier 70 Parks Shoreline within the Eastern Neighborhoods Plan area. The impact fees and the 2012 San Francisco Clean and Safe Neighborhood Parks Bond are funding measures similar to that described in PEIR Improvement Measure H-1: Support for Upgrades to Existing Recreation Facilities.

An update of the Recreation and Open Space Element (ROSE) of the General Plan was adopted in April 2014. The amended ROSE provides a 20-year vision for open spaces in the City. It includes information and policies about accessing, acquiring, funding, and managing open spaces in San Francisco. The amended ROSE identifies areas within the Eastern Neighborhoods Plan area for acquisition and the locations where new open spaces and open space connections should be built, consistent with PEIR Improvement Measure H-2: Support for New Open Space. Two of these open spaces, Daggett Park and the In Chan Kaajal Park at 17th and Folsom, have opened. . In addition, the amended ROSE identifies the role of both the Better Streets Plan (refer to "Transportation" section for description) and the Green Connections Network in open space and recreation. Green Connections are special streets and paths that connect people to parks, open spaces, and the waterfront, while enhancing the ecology of the street environment. Six routes identified within the Green Connections Network cross the Eastern Neighborhoods Plan area: Mission to Peaks (Route 6); Noe Valley to Central Waterfront (Route 8), a

portion of which has been conceptually designed; Tenderloin to Potrero (Route 18); Downtown to Mission Bay (Route 19); Folsom, Mission Creek to McLaren (Route 20); and Shoreline (Route 24).

Furthermore, the Planning Code requires a specified amount of new usable open space (either private or common) for each new residential unit. Some developments are also required to provide privately owned, publicly accessible open spaces. The Planning Code open space requirements would help offset some of the additional open space needs generated by increased residential population to the project area.

As the proposed project would not degrade recreational facilities and is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on recreation beyond those analyzed in the Eastern Neighborhoods PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
10. UTILITIES AND SERVICE SYSTEMS—Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
d) Have sufficient water supply available to serve the project from existing entitlements and resources, or require new or expanded water supply resources or entitlements?	☐	☐	☐	☒
e) Result in a determination by the wastewater treatment provider that would serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒
g) Comply with federal, state, and local statutes and regulations related to solid waste?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact to the provision of water, wastewater collection and treatment, and solid waste collection and disposal. No mitigation measures were identified in the PEIR.

Since certification of the PEIR, the San Francisco Public Utilities Commission (SFPUC) adopted the 2010 Urban Water Management Plan in June 2011. The plan update includes city-wide demand projections to the year 2035, compares available water supplies to meet demand and presents water demand

management measures to reduce long-term water demand. Additionally, the plan update includes a discussion of the conservation requirement set forth in Senate Bill 7 passed in November 2009 mandating a statewide 20% reduction in per capita water use by 2020. The Urban Water Management Plan includes a quantification of the SFPUC's water use reduction targets and plan for meeting these objectives. The plan projects sufficient water supply in normal years and a supply shortfall during prolonged droughts. Plans are in place to institute varying degrees of water conservation and rationing as needed in response to severe droughts.

In addition, the SFPUC is in the process of implementing the Sewer System Improvement Program, which is a 20-year, multi-billion dollar citywide upgrade to the City's sewer and stormwater infrastructure to ensure a reliable and seismically safe system. The program includes planned improvements that will serve development in the Eastern Neighborhoods Plan area including at the Southeast Treatment Plant, the Central Bayside System, and green infrastructure projects, such as the Mission and Valencia Green Gateway.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on utilities and service systems beyond those analyzed in the Eastern Neighborhoods PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
11. PUBLIC SERVICES—Would the project:				
a) Result in substantial adverse physical impacts associated with the provision of, or the need for, new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any public services such as fire protection, police protection, schools, parks, or other services?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a substantial adverse physical impacts associated with the provision of or need for new or physically altered public services, including fire protection, police protection, and public schools. No mitigation measures were identified in the PEIR.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, the project would not result in new or substantially more severe impacts on the physical environment associated with the provision of public services beyond those analyzed in the Eastern Neighborhoods PEIR.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
12. BIOLOGICAL RESOURCES—Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☒
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?	☐	☐	☐	☒
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☐	☒

As discussed in the Eastern Neighborhoods PEIR, the Eastern Neighborhoods Plan area is in a developed urban environment that does not provide native natural habitat for any rare or endangered plant or animal species. There are no riparian corridors, estuaries, marshes, or wetlands in the plan area that could be affected by the development anticipated under the area plan. In addition, development envisioned under the Eastern Neighborhoods Area Plan would not substantially interfere with the movement of any resident or migratory wildlife species. For these reasons, the PEIR concluded that implementation of the area plan would not result in significant impacts on biological resources, and no mitigation measures were identified.

The project site is a fully developed lot covered by a building and asphalt-paved parking lot located within the Mission Plan area of the Eastern Neighborhoods Area Plan and does not support habitat for any candidate, sensitive or special status species. As such, implementation of the proposed project would not result in significant impacts to biological resources not identified in the Eastern Neighborhoods PEIR.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
13. GEOLOGY AND SOILS—Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:	☐	☐	☐	☒
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? (Refer to Division of Mines and Geology Special Publication 42.)	☐	☐	☐	☒
ii) Strong seismic ground shaking?	☐	☐	☐	☒
iii) Seismic-related ground failure, including liquefaction?	☐	☐	☐	
iv) Landslides?	☐	☐	☐	☒
b) Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
c) Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	☐	☐	☐	☒
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code, creating substantial risks to life or property?	☐	☐	☐	☒
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	☒
f) Change substantially the topography or any unique geologic or physical features of the site?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR concluded that implementation of the plan would indirectly increase the population that would be subject to an earthquake, including seismically induced ground-shaking, liquefaction, and landslides. The PEIR also noted that new development is generally safer than comparable older development due to improvements in building codes and construction techniques. Compliance with applicable codes and recommendations made in project-specific geotechnical analyses would not eliminate earthquake risks, but would reduce them to an acceptable level, given the seismically active characteristics of the Bay Area. Thus, the PEIR concluded that implementation of the Plan would not result in significant impacts with regard to geology, and no mitigation measures were identified in the Eastern Neighborhoods PEIR.

A geotechnical investigation was prepared for the proposed project to inform excavation and construction with regard to potential geologic hazards.[46] Three soil borings drilled to depths up to 50 feet

[46] Langan Treadwell Rollo, *Geotechnical Investigation, 2918 Mission Street*, May 6, 2016.

below ground surface indicate that subsurface conditions consist of sand with varying amounts of silt and clay. Groundwater was encountered at depths between 27 and 30 feet. The site is adjacent to the BART subsurface easement (tunnels and tracks) along Mission Street. Because the project site is within the BART zone of influence, project design and construction are subject to BART's design requirements, review and approval.[47] These guidelines inform the geotechnical investigation recommendations for building foundations to avoid adverse effects on the adjacent BART structures.

The geotechnical investigation states that the proposed project is not located in an Alquist-Priolo Earthquake Fault zone and notes that the nearest active fault, the North San Andreas Fault, is about 5 miles to the west. Additionally, there are no mapped active faults crossing the project site and there is a low risk of surface rupture that could damage the structure. However, the project site is located within a seismically active area, as is the entire Bay Area, and will be subject to strong ground shaking during a major earthquake on a nearby fault, which could result in seismic hazards such as that associated with soil liquefaction, lateral spreading, and seismic densification. The study states that the potential for these hazards is low, but that a moderate to large earthquake on a nearby fault could cause settlement on the order of ¼ to ½-inch.

The geological investigation concludes that the proposed project is feasible with incorporation of the recommended measures. Detailed recommendations with regard to selection of the appropriate foundation(s) to support the proposed structure within the BART zone of influence, support of temporary slopes and neighboring structures in compliance with BART requirements during excavation, and underpinning the adjacent buildings are provided. Additional recommendations regarding site preparation, shoring, floor slabs, below-grade retaining walls, site drainage, seismic design criteria, and construction monitoring are also provided.

The project is required to conform to the San Francisco Building Code, which ensures the safety of all new construction in the City. The building department will review the project-specific geotechnical report during its review of the building permit for the project. In addition, the building department may require additional site specific soils report(s) through the building permit application process, as needed. The building department requirement for a geotechnical report and review of the building permit application pursuant to the building code would ensure that the proposed project would have no significant impacts related to soils, seismic or other geological hazards.

In light of the above, the proposed project would not result in a significant effect related to seismic and geologic hazards. Therefore, the proposed project would not result in significant impacts related to geology and soils that were not identified in the Eastern Neighborhoods PEIR, and no mitigation measures are necessary.

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[47] BART, *General Guidelines for Design and Construction Over or Adjacent to BART's Subway Structures*, July 23, 2003.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
14. HYDROLOGY AND WATER QUALITY—Would the project:				
a) Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☒
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?	☐	☐	☐	☒
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner that would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner that would result in flooding on- or off-site?	☐	☐	☐	☒
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☐	☒
f) Otherwise substantially degrade water quality?	☐	☐	☐	☒
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other authoritative flood hazard delineation map?	☐	☐	☐	☒
h) Place within a 100-year flood hazard area structures that would impede or redirect flood flows?	☐	☐	☐	☒
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒
j) Expose people or structures to a significant risk of loss, injury or death involving inundation by seiche, tsunami, or mudflow?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that the anticipated increase in population would not result in a significant impact on hydrology and water quality, including the combined sewer system and the potential for combined sewer outflows. No mitigation measures were identified in the PEIR.

The project site is currently occupied by a one-story structure and an asphalt-paved parking lot; the proposed project would also occupy the entire project site and there would not be any change in the amount of impervious surface coverage, which in turn, could increase the amount of drainage and runoff. In accordance with the Stormwater Management Ordinance (Ordinance No. 64-16) and Public Works

Code section 147, the proposed project would be subject to and would comply with the San Francisco Public Utilities Commission (SFPUC) Stormwater Management Requirements and Design Guidelines, incorporating low impact design approaches and stormwater management systems into the project. Adherence to these requirements would ensure that stormwater is managed appropriately so as to not adversely affect drainage systems and water quality.

Stormwater runoff during construction must comply with the Construction Site Runoff Ordinance (Ordinance No. 260-13) and the Public Works Code section 146. Construction activities that disturbs 5,000 sf or more, such as the project, must submit an erosion and sediment control plan to the SFPUC for review and approval prior to construction. The plan would outline the best management practices to be implemented during construction to prevent the discharge of sediment, non-stormwater, and waste runoff from the project site.

The proposed project would not expose people or structures to flooding risks or hazards, or impede or redirect flood flows in a 100-year flood hazard area, because the project site is not located within a 100-year flood zone. Because the project site is not located within a flood hazard zone or near a water reservoir with a dam or levee, the proposed project would not expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam. Similarly, the project site also is not located within a tsunami hazard zone and would not expose people or structures to a significant risk of loss, injury, or death involving inundation by seiche or tsunami.[48]

Therefore, the proposed project would not result in any significant impacts related to hydrology and water quality that were not identified in the Eastern Neighborhoods PEIR.

Topics:	*Significant Impact Peculiar to Project or Project Site*	*Significant Impact not Identified in PEIR*	*Significant Impact due to Substantial New Information*	*No Significant Impact not Previously Identified in PEIR*
15. HAZARDS AND HAZARDOUS MATERIALS—Would the project:				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒

[48] San Francisco Planning Department, *San Francisco General Plan, Community Safety Element.* (Map 05, Tsunami Hazard Zones, page 15). October 2012. Available online at: http://www.sf-planning.org/ftp/General_Plan/Community_Safety_Element_2012.pdf, accessed November 13, 2014.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
h) Expose people or structures to a significant risk of loss, injury, or death involving fires?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR noted that implementation of any of the proposed project's rezoning options would encourage construction of new development within the project area. The PEIR found that there is a high potential to encounter hazardous materials during construction activities in many parts of the project area because of the presence of 1906 earthquake fill, previous and current land uses associated with the use of hazardous materials, and known or suspected hazardous materials cleanup cases. However, the PEIR found that existing regulations for facility closure, underground storage tank closure, and investigation and cleanup of soil and groundwater would ensure implementation of measures to protect workers and the community from exposure to hazardous materials during construction.

Hazardous Building Materials

The Eastern Neighborhoods PEIR determined that future development in the plan area may involve demolition or renovation of existing structures containing hazardous building materials. Some building materials commonly used in older buildings could present a public health risk if disturbed during an accident or during demolition or renovation of an existing building. Hazardous building materials addressed in the PEIR include asbestos, electrical equipment such as transformers and fluorescent light ballasts that contain PCBs or di (2 ethylhexyl) phthalate (DEHP), fluorescent lights containing mercury vapors, and lead-based paints. Asbestos and lead based paint may also present a health risk to existing building occupants if they are in a deteriorated condition. If removed during demolition of a building, these materials would also require special disposal procedures. The Eastern Neighborhoods PEIR identified a significant impact associated with hazardous building materials including PCBs, DEHP, and mercury and determined that that Mitigation Measure L-1: Hazardous Building Materials, as outlined below, would reduce effects to a less-than-significant level. Because the proposed development includes demolition of an existing building, Mitigation Measure L-1 would apply to the proposed project and is included as Mitigation Measure 4 in the Mitigation Measures Section below. With implementation of Mitigation Measure 4, there would be a less-than-significant impact on the environment with respect to hazardous building materials.

Soil and Groundwater Contamination

Since certification of the PEIR, article 22A of the Health Code, also known as the Maher Ordinance, was expanded to include properties throughout the City where there is potential to encounter hazardous materials, primarily industrial zoning districts, sites with industrial uses or underground storage tanks, sites with historic bay fill, and sites in close proximity to freeways or underground storage tanks. The over-arching goal of the Maher Ordinance is to protect public health and safety by requiring appropriate handling, treatment, disposal and when necessary, remediation of contaminated soils that are encountered in the building construction process. Projects that disturb 50 cubic yards or more of soil that are located on sites with potentially hazardous soil or groundwater are subject to this ordinance. The Maher Ordinance requires the project sponsor to retain the services of a qualified professional to prepare a *phase I environmental site assessment* that meets the requirements of Health Code section 22.A.6. The site assessment would determine the potential for site contamination and level of exposure risk associated with the project. Based on that information, the project sponsor may be required to conduct soil and/or groundwater sampling and analysis. Where such analysis reveals the presence of hazardous substances in excess of state or federal standards, the project sponsor is required to submit a *site mitigation plan* to the Department of Public Health or other appropriate state or federal agency(ies), and to remediate site contamination in accordance with an approved site mitigation plan prior to the issuance of any building permit.

The proposed project would excavate approximately 2,100 cubic yards of soil from a site formerly used as an automobile service station and listed on the California State Water Resources Control Board's Leaking Underground Storage Tank list due to a release from a 1,000-gallon unleaded gasoline storage tank removed in 2006.[49] The water board case was closed in November 2006.[50,51] Therefore, the project is subject to the Maher Ordinance. In compliance with the Maher Ordinance, the project sponsor has submitted a Maher Application to the health department for oversight of site investigation and cleanup. As required, the sponsor's consultant has prepared a phase I site assessment, submitted a work plan for subsurface investigation to the health department for review and approval,[52] performed a *phase II subsurface investigation,*[53] and received health department approval of its proposed site mitigation plan.[54,55] The phase I site assessment indicates that the site was used for automobile sales and service for about four decades, from 1935 to the mid-1970s, and would likely have used petroleum hydrocarbon fuels, oils, lubricants, degreasers, and solvents. Later site uses may have included dry cleaner operations, based on a permit from 1991, which could have used chlorinated solvents on-site. The results of the soil, soil vapor, and groundwater sampling and analysis indicate that contaminants are present in subsurface soil, soil vapor, and groundwater at the site. Contaminants include petroleum hydrocarbons, volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polycyclic aromatic hydrocarbons

[49] Clearwater Group, *Phase I Environmental Site Assessment, Wash Club Laundry, 2918-2920-2922-2924 Mission Street,* July 12, 2015.

[50] California State Water Resources Control Board, GeoTracker Database Search, Available online at http://geotracker.waterboards.ca.gov. Accessed September 22, 2016.

[51] San Francisco Department of Public Health, *Remedial Action Completion Certification, Underground Storage Tank Case, Wash Club Laundry, 2922 Mission Street, LOP Case Number: 11769,* November 2, 2006.

[52] Clearwater Group, *Work Plan for Subsurface Investigation, Wash Club Laundry, 2918-2924 Mission Street,* March 7, 2016.

[53] Clearwater Group, *Subsurface Investigation Report, San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, Local Oversight Program Site Number: 11769, EHB-SAM Case Number 1296,* May 24, 2016.

[54] Clearwater Group, Site Mitigation Plan, *San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, Local Oversight Program Site Number: 11769, EHB-SAM Case Number 1296,* May 26, 2016.

[55] San Francisco Department of Public Health, Environmental Health, *SFHC Article 22A Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, EHB-SAM Case Number: 1296.* June 15, 2016.

(PAHs), asbestos, and various metals, some at concentrations exceeding the San Francisco Bay Regional Water Quality Control Board's *environmental screening levels* for residential use. Screening levels are levels of commonly-found contaminants below which the presence of the chemical in soil, soil gas, or groundwater can be assumed not to pose a significant threat to human health, water resources, or the environment under most circumstances.[56]

Project construction would require excavation of the top 3 feet of soil over most of the site for foundation construction, and excavation to 7.5 feet below ground surface for the elevator pit. The site mitigation plan proposes over-excavation of soil in areas where soil vapor contamination exceeds applicable screening levels, and post-excavation confirmatory soil sampling to verify that impacted areas have been removed. In addition, additional investigation of the extent of lead in soil would be performed and removed, as needed. According to the site mitigation plan, all soil contaminants above screening levels, except for arsenic (which is attributable to background conditions in the Bay Area), would be removed during the excavation activities prior to project construction. Excavated materials would be hauled for disposal at an appropriate landfill facility. To reduce the potential hazards that could result from exposure to hazardous materials in soil during the excavation, handling, transportation and disposal of excavated soil, the site mitigation plan includes eight mitigation plans and procedures for project construction. These include the following: waste management and disposal plan; dust control plan; stormwater pollution protection plan; soil management and handling procedures plan; health and safety plan; vapor screening plan; excavation management waste plan; and noise and vibration mitigation plan.[57]

Groundwater was encountered at a depth of approximately 27-30 feet below ground surface. Groundwater sampling indicates that total petroleum hydrocarbons (as motor oil) and phenol are present at concentrations above the default tier 1 environmental screening levels[58] and are not considered a risk for residential use based on the nature of the contaminants and depth to groundwater.[59] This is corroborated by the Tier 2 screening levels, which consider site-specific conditions (i.e., depth to groundwater, subsurface materials, and presence of a building slab) in determining the screening levels and indicate that contaminant concentrations at the project site are well below the Tier 2 screening levels that are protective of residential uses.[60] Thus, no remediation of groundwater would be required.[61] In addition, the site mitigation plan states that the building design would include a vapor barrier and passive venting system to reduce the upward migration of water vapor, residual VOCs, or SVOCs in the subsurface. As discussed above, the site mitigation plan has been reviewed and approved by the City health department.

The proposed project would be required to remediate potential soil contamination described above in accordance with Article 22A of the Health Code. Therefore, the proposed project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

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[56] San Francisco Bay Regional Water Quality Control Board, *User's Guide: Derivation and Application of Environmental Screening Levels (ESLs), Interim Final*, February 2016.

[57] Clearwater Group, Site Mitigation Plan, *San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, Local Oversight Program Site Number: 11769, EHB-SAM Case Number 1296*, May 26, 2016.

[58] Tier 1 ESLs are based on a conservative default site scenario to protect sites with unrestricted land and water use, shallow soil and groundwater contamination, and permeable soil. Tier 2s are based on a site-specific conceptual site model based on the subsurface conditions at the project site.

[59] Ibid.

[60] San Francisco Bay Regional Water Quality Control Board, *Environmental Screening Levels (ESLs), ESL Workbook*, February 2016.

[61] San Francisco Department of Public Health, Stephanie Cushing, personal communication, October 4, 2016.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
16. MINERAL AND ENERGY RESOURCES—Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒
c) Encourage activities which result in the use of large amounts of fuel, water, or energy, or use these in a wasteful manner?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that the area plan would facilitate the construction of both new residential units and commercial buildings. Development of these uses would not result in use of large amounts of fuel, water, or energy in a wasteful manner or in the context of energy use throughout the City and region. The energy demand for individual buildings would be typical for such projects and would meet, or exceed, current state and local codes and standards concerning energy consumption, including title 24 of the California Code of Regulations enforced by the Department of Building Inspection. The plan area does not include any natural resources routinely extracted and the rezoning does not result in any natural resource extraction programs. Therefore, the Eastern Neighborhoods PEIR concluded that implementation of the area plan would not result in a significant impact on mineral and energy resources. No mitigation measures were identified in the PEIR.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and area plans, there would be no additional impacts on mineral and energy resources beyond those analyzed in the Eastern Neighborhoods PEIR.

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
17. AGRICULTURE AND FOREST RESOURCES:—Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☐	☒
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒

Topics:	Significant Impact Peculiar to Project or Project Site	Significant Impact not Identified in PEIR	Significant Impact due to Substantial New Information	No Significant Impact not Previously Identified in PEIR
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code Section 12220(g)) or timberland (as defined by Public Resources Code Section 4526)?	☐	☐	☐	☒
d) Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or forest land to non-forest use?	☐	☐	☐	☒

The Eastern Neighborhoods PEIR determined that no agricultural resources exist in the Area Plan; therefore the rezoning and community plans would have no effect on agricultural resources. No mitigation measures were identified in the PEIR. The Eastern Neighborhoods PEIR did not analyze the effects on forest resources.

As the proposed project is consistent with the development density established under the Eastern Neighborhoods Rezoning and Area Plans, there would be no additional impacts on agriculture and forest resources beyond those analyzed in the Eastern Neighborhoods PEIR.

MITIGATION MEASURES

Project Mitigation Measure 1 – Accidental Discovery of Archeological Resources (Mitigation Measure J-2 of the Eastern Neighborhoods PEIR)

The following mitigation measure is required to avoid any potential adverse effect from the proposed project on accidentally discovered buried or submerged historical resources as defined in *CEQA Guidelines* section 15064.5(a) and (c). The project sponsor shall distribute the Planning Department archeological resource "ALERT" sheet to the project prime contractor; to any project subcontractor (including demolition, excavation, grading, foundation, pile driving, etc. firms); or utilities firm involved in soils disturbing activities within the project site. Prior to any soils disturbing activities being undertaken each contractor is responsible for ensuring that the "ALERT" sheet is circulated to all field personnel including, machine operators, field crew, pile drivers, supervisory personnel, etc. The project sponsor shall provide the Environmental Review Officer (ERO) with a signed affidavit from the responsible parties (prime contractor, subcontractor(s), and utilities firm) to the ERO confirming that all field personnel have received copies of the Alert Sheet.

Should any indication of an archeological resource be encountered during any soils disturbing activity of the project, the project Head Foreman and/or project sponsor shall immediately notify the ERO and shall immediately suspend any soils disturbing activities in the vicinity of the discovery until the ERO has determined what additional measures should be undertaken.

If the ERO determines that an archeological resource may be present within the project site, the project sponsor shall retain the services of an archeological consultant from the pool of qualified archeological

consultants maintained by the Planning Department archeologist. The archeological consultant shall advise the ERO as to whether the discovery is an archeological resource, retains sufficient integrity, and is of potential scientific/historical/cultural significance. If an archeological resource is present, the archeological consultant shall identify and evaluate the archeological resource. The archeological consultant shall make a recommendation as to what action, if any, is warranted. Based on this information, the ERO may require, if warranted, specific additional measures to be implemented by the project sponsor.

Measures might include: preservation in situ of the archeological resource; an archeological monitoring program; or an archeological testing program. If an archeological monitoring program or archeological testing program is required, it shall be consistent with the Environmental Planning (EP) division guidelines for such programs. The ERO may also require that the project sponsor immediately implement a site security program if the archeological resource is at risk from vandalism, looting, or other damaging actions.

The project archeological consultant shall submit a Final Archeological Resources Report (FARR) to the ERO that evaluates the historical significance of any discovered archeological resource and describing the archeological and historical research methods employed in the archeological monitoring/data recovery program(s) undertaken. Information that may put at risk any archeological resource shall be provided in a separate removable insert within the final report.

Copies of the Draft FARR shall be sent to the ERO for review and approval. Once approved by the ERO, copies of the FARR shall be distributed as follows: California Archaeological Site Survey Northwest Information Center (NWIC) shall receive one (1) copy and the ERO shall receive a copy of the transmittal of the FARR to the NWIC. The Environmental Planning division of the Planning Department shall receive one bound copy, one unbound copy and one unlocked, searchable PDF copy on CD of the FARR along with copies of any formal site recordation forms (CA DPR 523 series) and/or documentation for nomination to the National Register of Historic Places/California Register of Historical Resources. In instances of high public interest or interpretive value, the ERO may require a different final report content, format, and distribution than that presented above.

Project Mitigation Measure 2 – Construction Noise - Pile Driving (Mitigation Measure F-1 of the Eastern Neighborhoods PEIR)

The project sponsor shall ensure that piles be pre-drilled wherever feasible to reduce construction-related noise and vibration. No impact pile drivers shall be used unless absolutely necessary. Contractors would be required to use pile-driving equipment with state-of-the-art noise shielding and muffling devices. To reduce noise and vibration impacts, sonic or vibratory sheetpile drivers, rather than impact drivers, shall be used wherever sheetpiles are needed. The project sponsor shall also require that contractors schedule pile-driving activity for times of the day that would minimize disturbance to neighbors.

Project Mitigation Measure 3 – Construction Noise (Mitigation Measure F-2 of the Eastern Neighborhoods PEIR)

The project sponsor shall develop a set of site-specific noise attenuation measures under the supervision of a qualified acoustical consultant. Prior to commencing construction, a plan for such measures shall be submitted to the Department of Building Inspection to ensure that maximum feasible noise attenuation

will be achieved. These attenuation measures shall include as many of the following control strategies as feasible:

- Erect temporary plywood noise barriers around a construction site, particularly where a site adjoins noise-sensitive uses;
- Utilize noise control blankets on a building structure as the building is erected to reduce noise emission from the site;
- Evaluate the feasibility of noise control at the receivers by temporarily improving the noise reduction capability of adjacent buildings housing sensitive uses;
- Monitor the effectiveness of noise attenuation measures by taking noise measurements; and
- Post signs on-site pertaining to permitted construction days and hours and complaint procedures and who to notify in the event of a problem, with telephone numbers listed.

Project Mitigation Measure 4 – Hazardous Building Materials (Eastern Neighborhoods Mitigation Measure L-1)

In order to minimize impacts to public and construction worker health and safety during demolition of the existing structure, the sponsor shall ensure that any equipment containing PCBs or DEPH, such as fluorescent light ballasts, are removed and property disposed of according to applicable federal, state, and local laws prior to the start of renovation, and that any florescent light tubes, which could contain mercury, are similarly removed and properly disposed of. Any other hazardous materials identified, either before or during work, shall be abated according to applicable federal, state, and local laws.

EXHIBIT B

EXHIBIT B

EXHIBIT B

Exhibit B

Link to November 30, 2017 Hearing Re: 2918 Mission Street

http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290

(Starts at 2:14:24

Link to Eastern Neighborhoods Plan EIR

http://sf-planning.org/AREA-PLAN-EIRS

(scroll down)

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E07051/39235 (11/12) 636520 Rev 3/11

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Teague, Corey (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	SUPPLEMENTAL APPEAL RESPONSE: Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on June 19, 2018
Date:	Monday, June 11, 2018 1:58:18 PM
Attachments:	image001.png

Greetings,

Please find linked below a supplemental appeal response received by the Office of the Clerk of the Board from the Planning Department, regarding the Community Plan Evaluation Appeal for the proposed project at 2918-2924 Mission Street.

Planning Supplemental Appeal Response - June 11, 2018

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on June 19, 2018.

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Lisa Lew
San Francisco Board of Supervisors
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Appeal of Community Plan Evaluation
2918-2924 Mission Street Project
Supplemental Responses

DATE: June 11, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032

Chris Kern, Principal Environmental Planner – (415) 575-9037

Julie Moore, Senior Environmental Planner – (415) 575-8733

RE: Board of Supervisors File No. 180019, Planning Department Case No. 2014.0376ENV – Appeal of the Community Plan Evaluation for the 2918-2924 Mission Street Project. Block/Lots: 6529/002, 002A, and 003

PROJECT SPONSOR: Mark Loper, Reuben, Junius & Rose, on behalf of RRTI, Inc. – (415) 567-9000

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of Calle 24 Latino Cultural District Council – (415) 317-0832

HEARING DATE: June 19, 2018

ATTACHMENTS[1]:

D – ICF, *Historic Resource Evaluation, 2918-2922 Mission Street, San Francisco*, May 29, 2018

E – Planning Department, *Historic Resource Evaluation Response, 2918-2922 Mission Street, San Francisco*, May 31, 2018

F – Fehr&Peers, *2918 Mission Analysis Memorandum*, June 4, 2018

G – RWDI, *Shadow Analysis 2918 Mission Street*, February 2, 2018

H – ALH Urban & Regional Economics, *Socioeconomic Effects of 2918 Mission Street Market-Rate Development*, June 2018

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[1] Attachments A, B, and C are included in the Department's February 5, 2018 appeal response.

INTRODUCTION

On January 2, 2018, J. Scott Weaver on behalf of the Calle 24 Latino Cultural District Council ("the Appellant") filed an appeal of the Planning Department's (the "Department") issuance of a Community Plan Evaluation ("CPE") under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report* ("Eastern Neighborhoods PEIR or PEIR")[2] pursuant to the California Environmental Quality Act ("CEQA") for the 2918-2924 Mission Street Project (the "Project"). The Clerk of the Board of Supervisors scheduled the appeal for hearing at the Board's February 13, 2018 meeting, and on February 5, 2018, the Department provided a response to the CEQA appeal, Planning Appeal Response - February 5, 2018. The entire file is available in Board of Supervisors File No. 180019.

Shortly prior to the February 13, 2018 appeal hearing date, the Department received new information indicating the potential for the existing building on the project site at 2918-2922 Mission Street to be considered a historic resource for its association with the Mission Coalition of Organizations during the late 1960s and early 1970s. This information was not considered in the CPE initial study, and the Department determined that additional research was required to assess whether the proposed Project would result in a significant impact to a historic resource that is peculiar to the project or its site and that was not disclosed as a significant effect in the Eastern Neighborhoods PEIR.

On February 13, 2018, the Board of Supervisors opened a hearing on the appeal of the CPE and voted to continue the hearing to June 19, 2018, to allow additional time for the Department to prepare an analysis of potential historic resources effects of the Project.

This memorandum and the attached documents are supplements to the Department's February 5, 2018 responses to the appeal letter. This memorandum presents the findings of the Historic Resource Evaluation of the 2918-2922 Mission Street building, as well as the findings of new analyses of transportation, shadow, and socioeconomic effects.

The decision before the Board is whether to uphold the Department's determination that the Project is not subject to further environmental review (beyond that conducted in the CPE Initial Study and the PEIR) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 and deny the appeal, or to overturn the Department's CPE determination for the Project and return the Project to the Department for additional environmental review. The Board's decision must be based on substantial evidence in the record. (See CEQA Guidelines section 15183(b) and (c).)

[2] The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E, State Clearinghouse No. 2005032048) on August 7, 2008. The Project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

HISTORIC RESOURCE EVALUATION

In order to assess whether the building at 2918-2922 Mission Street is a historic resource pursuant to CEQA, the Department required that a qualified historic resource consultant prepare a historic resource evaluation (HRE) of the project site building (ICF, *2918-2922 Mission Street, San Francisco, Historic Resource Evaluation Part 1*, May 29, 2018, included as **Attachment D**). The Department directed the scope of work and provided oversight of the work product. The Department's preservation staff have reviewed this report and concur with its findings (Planning Department, *Historic Resource Evaluation Response*, May 31, 2018, included as **Attachment E)**.

As further discussed below, the HRE found that, although the 2918-2922 Mission Street building is significant under the California Register of Historical Resources ("California Register") Criterion 1 for events, it lacks sufficient integrity to convey its identified historic significance under Criterion 1 and, therefore, is not eligible for listing in the California Register of Historical Resources. The building is not eligible under any other criteria. As such, the Department has determined that the building is not a historic resource as defined under CEQA Guidelines section 15064.5.

As discussed in Attachments A and B, 2918-2922 Mission Street appears eligible for listing on the California Register under Criterion 1 for its association with "headquarters and offices of prominent organizations associated with struggles for inclusion," as defined in the California Office of Historic Preservation's *Latinos in Twentieth Century California: National Register of Historic Places Context Statement* (2015). As a shared workspace of several organizations (Mission Hiring Hall Inc., Mission Housing Development Corporation, Mission Model Neighborhood Corporation, Mission Childcare Consortium Inc., and Mission Community Legal Defense Fund), the subject property is representative of community-based activism and service in the Mission District. Born out of the Mission Coalition Organization, a locally organized and federally-funded Model Cities program with a history of neighborhood-based activism, the subject organizations represented and served the Mission District's Latino population, providing services such as legal guidance, childcare, job placement, and housing/tenant assistance, in Spanish and English, while also assisting residents overcome racial barriers and discrimination. The property was also the former site of Latinoamerica, a celebrated mural by local Latina artists group, Mujeres Muralistas. The mural represented the vibrant Mission community and further underscored the relationship of the organizations housed at 2918-2922 Mission Street to the community. The period of significance for the building encompasses the years that the subject organizations occupied the building, 1973-1985.

The 2918-2922 Mission Street building does not appear eligible for listing on the California Register under Criterion 2 (association with the lives of persons important in our local, regional, or national past), Criterion 3 (distinctive architectural characteristics), or Criterion 4 (information potential for prehistory or history); nor is the building a contributor or non-contributor to an eligible historic district.

To be a historic resource for the purposes of CEQA, a property must not only be shown to be significant under the California Register criteria, but it must also have integrity. Integrity is defined as "the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's period of significance." Integrity is comprised of seven qualities: location, association, design, workmanship, setting, feeling, and materials. For a property to retain integrity it is not necessary for all seven qualities to be present; however, the overall sense of past time and place must be evident to illustrate significant aspects of the property's past. Of these qualities, only the location and setting of the 2918-2922 building remain. Significant interior and exterior alterations to the subject property that occurred after the period of significance have eliminated the property's qualities of association, design, workmanship, feeling, and materials for the period of historical significance. Exterior changes to the building after 1985 included the addition of mullions to the doors and windows, the installation of a cloth awning along the length of the front façade, and painting over of the Latinoamerica mural on the south elevation. Interior office partitions and finishes constructed by the community organizations that occupied the building were later removed to create large, open interior spaces for a laundromat and retail use. Additional changes for the new uses included new mechanical systems and infrastructure to support banks of laundry machines, construction of new partitions for maintenance halls, and all new finishes. These alterations have resulted in a lack of integrity in workmanship, materials, and design, and have rendered the property unable to convey integrity of association and feeling as an administrative hub for the above-mentioned Mission community organizations.

In conclusion, the historic resource evaluation has determined that the 2918-2922 Mission Street building is not a historic resource under CEQA. Therefore, the proposed demolition of this building would not result in significant impacts on historic resources that are peculiar to the Project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR. This information supplements and confirms the findings of the CPE/Initial Study dated August 30, 2017, which found that the proposed Project would not result in significant environmental impacts peculiar to the Project or its site and beyond those disclosed in the PEIR.

TRANSPORTATION

In bullet item 3 of the Appeal Letter, the Appellant contends that "[t]he CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District… including… increased traffic due to reverse commutes and shuttle busses." The appellant has not provided any evidence in support of these claims. The Department's appeal response dated February 5, 2018 (pages 15-17) and supporting documentation in Attachment A (Appeal of Community Plan Exemption for 2675 Folsom Street, March 13, 2017) and Attachment B (Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends, January 2017 and Updated Eastern Neighborhood Traffic Counts, April 2017) provide evidence to the contrary based on updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission. Observed traffic volumes in 2016 were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. Updated

traffic counts were conducted in April 2017 at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR show that overall there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to the PEIR traffic volume projections for 2017.

To further evaluate the concerns raised by the appellant that traffic volumes in the Calle 24 Latino Cultural District are higher than anticipated in the Eastern Neighborhoods PEIR, the Department conducted additional transportation analysis. At the direction of Department transportation staff, consultants performed traffic counts at the Potrero Avenue/23rd Street and Mission Street/24th Street intersections on April 10, 2018 (*Fehr&Peers, 2918 Mission Transportation Analysis Memorandum, June 4, 2018* – see **Attachment F**). These counts were then compared to the Eastern Neighborhoods PEIR 2018 projected traffic volume that would be expected based on the total change in housing units constructed in the Mission from 2011 to 2018. The traffic count data show that observed traffic volumes were 5 percent lower at the Potrero Avenue/23rd Street intersection and 44 percent lower at the Mission Street/24th Street intersection than would be expected based on projected volumes in the Eastern Neighborhoods PEIR. In fact, the total traffic volume had decreased from the 2000 baseline data used for the PEIR transportation impact analysis.

Regardless, as discussed on the Department's February 5, 2018 appeal response page 24, automobile delay, as described solely by level of service or similar measures of traffic congestion, is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579, and the CPE initial study evaluates whether the proposed project would result in significant impacts due to an increase in vehicle miles traveled (VMT), the metric that the City adopted for evaluating traffic impacts under CEQA in 2016.

The additional transportation analysis also evaluates changes to transit reliability in the vicinity of the project site by examining transit speeds on Mission Street. Three bus routes run along Mission Street: the 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Between 2007 and 2017, transit travel speeds have generally increased between 11 to 35 percent, with the exception of the northbound direction in the morning peak period. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the a.m. peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the p.m. peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the a.m. peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the p.m. peak period. Increases in speed occurred throughout the ten-year study period, and are not attributable solely to the installation of bus-only lanes on Mission Street in 2015. Thus, the appellant's claims that new development and changed circumstances such as commuter shuttles and TNCs have resulted in unanticipated impacts on transit operations are not supported by the available evidence.

Overall, the available evidence does not support the appellant's claims that new development under the Eastern Neighborhoods Area Plan has resulted in significant transportation impacts that were not anticipated under the Eastern Neighborhoods PEIR.

SHADOW

Although not required by CEQA, in San Francisco the environmental review of projects includes an analysis of whether new shadow from a proposed project would affect the use and enjoyment of parks or open spaces that are publically accessible.

There are 143 public schools and approximately 110 private schools in San Francisco.[3,4] In general, schoolyards are not considered to be publically accessible, as they are only accessible to the students, faculty, and staff associated with the school. As such, shadow on schoolyards is typically not evaluated as part of CEQA review in San Francisco. However, over 40 public schools citywide are currently enrolled in the San Francisco Shared Schoolyard Project. Information on the Shared Schoolyard Project may be found at http://www.sfsharedschoolyard.org/. Only schoolyards that are enrolled in the Shared Schoolyard Project are considered to be publically accessible, and participating schoolyards are included as public open spaces within the shadow analysis for CEQA review. The Zaida T. Rodriguez School located next to the Project site is not a participating schoolyard; thus, shadow effects of the proposed project on the Zaida T. Rodriguez schoolyard are not considered environmental impacts under CEQA. This issue is further discussed in the Department's February 5, 2018 appeal response (pages 28 and 29). Accordingly, the CPE initial study did not find any significant shadow impacts that are peculiar to the Project or Project site that were not previously disclosed in the Eastern Neighborhoods PEIR.

Although shadow effects of the Project on non-publically accessible schoolyards are not considered environmental impacts under CEQA, the Project sponsor retained a shadow consultant to prepare a quantitative shadow analysis in accordance with the Department's shadow analysis methodology that evaluates the shadow effects of the project on the two nearby schoolyards for informational purposes (*RWDI, Shadow Analysis 2918 Mission Street, February 7, 2018* – included as **Attachment G**). The Zaida T. Rodriguez School is comprised of two campuses. The 2950 Mission Street main campus is located to the south of the Project site, and includes an approximately 4,500-square-foot schoolyard located on the western side of the building fronting Osage Alley. The 421 Bartlett Street annex is located across Osage Alley to the west of the Project site, with its approximately 2,000-square-foot schoolyard located on the eastern side of the building, also fronting Osage Alley, as shown in the figure below.

[3] San Francisco Unified School District, http://www.sfusdjobs.org/about-sfusd, June 2018.

[4] https://www.privateschoolreview.com/california/san-francisco, June 2018.

The shadow analysis shows that the proposed Project would not cast any new shadows on the 2950 Mission Street campus schoolyard between 8:59 a.m. and 4:44 p.m. on any day of the year. Outside of these hours, morning and evening shadows would fall on the northeastern corner of the schoolyard area; however, this location is used for staff parking and storage and not as a play area. With respect to the 421 Bartlett Street annex, the proposed Project would cast new shadows on the schoolyard in the morning throughout the year. Shadows would range in duration from 143 minutes to 273 minutes and would not occur after 11:51 a.m. on any day of the year. The duration of shadow varies with the time of year. In general, the maximum area of shading occurs before 9 a.m., and by 11 a.m., one quarter of the schoolyard or less would be shadowed. Mature trees on the schoolyard currently shade portions of the schoolyard during the mornings.

Development projects located in proximity to schools is not an unusual circumstance in San Francisco. As discussed above, shadow on schoolyards that are not publicly accessible open space is not an environmental impact under CEQA. Accordingly, environmental review of other development projects

that shade schoolyards throughout the city have determined that such effects are not physical environmental impacts.[5] Accordingly, the CPE initial study did not find any significant shadow impacts that are peculiar to the Project or Project site that were not previously disclosed in the Eastern Neighborhoods PEIR.

SOCIOECONOMIC EFFECTS

As discussed in the Department's appeal response (pages 20 to 23; Attachments A and C), for the purpose of CEQA environmental impact analysis, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental effects. The CPE initial study and the additional Department analysis have considered, and do not identify adverse physical environmental effects due to gentrification and displacement of business, residents, or nonprofits as alleged by the appellant.

Socioeconomic effects are not considered environmental impacts in the absence of adverse physical environment effects. The available evidence does not support the appellant's claims that development under the Eastern Neighborhoods rezoning and area plans, such as the 2918-2924 Mission Street project is responsible for residential or commercial displacement. The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement. (See the Department's February 5, 2018 appeal response Attachment C for the March 2017 ALH technical study). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, fundamental changes in the retail sector, and a preference for urban lifestyles and shorter commutes.

In response to this appeal and under the direction of the Department, ALH Economics prepared an updated study encompassing the following: (1) project-specific analysis to evaluate whether the residential projects that are in the Department pipeline within ¾-mile of the 2918-2924 Mission Street Project site could result in commercial market shifts, such as the displacement of existing commercial

[5] 1601 Mariposa EIR, Case No. 2012.1398E, certified November 12, 2015; 600 Van Ness Avenue Preliminary Mitigated Negative Declaration, Case No. 2015-012729ENV, June 8, 2018.

establishments; (2) an overview of pricing trends in the San Francisco rental housing market to evaluate whether market-rate apartment production at and around 2918-2924 Mission Street may affect rents of existing properties in the vicinity; and (3) a review of recent academic literature on the relationship between housing production and housing costs, and residential displacement. This report - *Socioeconomic Effects of 2918 Mission Street Market-Rate Development* – is presented as **Attachment E**. The findings of this study further support the previous analyses that indicate that, based on the preponderance of available evidence and studies to date, there is no demonstrated causation between market rate development in the Mission District and commercial and residential displacement.

Pipeline Effects on Displacement of Commercial Establishments

According to the Department's most recent development pipeline report, a total of 710 net new residential units are proposed (including the proposed project) within one-half mile of the project site. Of these, 564 units are market rate, and 146 are below market rate affordable units. These projects propose a total of 27,480 square feet of net new retail space. Within an additional one-quarter mile radius, there are four proposed residential development projects comprising a total of 97 net new units, including 86 market rate units, 11 affordable units, and 7,258 square feet of net new retail. In total, the pipeline identifies 807 net new residential units, with 650 market rate and 157 (19 percent) affordable, and 34,738 square feet of net new retail space proposed within three-quarters of a mile of the Project site.[6]

The projects in the pipeline, if constructed, would result in a relatively small increase over the existing residential and retail development in the project and plan areas. At present, there are approximately 11,275 households and 1.4 million square feet of retail space within one-half mile of the project site, and approximately 15,659 households and 3 million square feet of retail space within the Mission District as a whole. Thus, the projects in the pipeline would result in an approximately 5.9 percent increase in households and 2.0 percent increase in retail space within a one-half mile radius of the project site and an approximately 4.3 percent increase in households and 0.9 percent increase in retail space for the Mission District as a whole.

The estimated retail demand generated by future residents of projects in the pipeline within a three-quarter-mile radius of the project site is 28,900 square feet. As stated above, the projects in the pipeline would provide a total of 34,738 square feet of net new retail space. Because the projects in the pipeline would provide slightly more net new retail space than needed to support the estimated demand for neighborhood-serving retail generated by the related population increase, and because this demand is a small fraction of the existing neighborhood retail available in the project area, it is unlikely that the residential development in the pipeline would exert substantial pressure on the existing retail base within the one-half mile radius around the project site.

[6] ALH Economics, Socioeconomic Effects of 2918 Mission Street Market-Rate Development, June 18, Tables 1 and 2.

This analysis is reinforced by the existing balance between retail supply and demand in the one-half mile radius area as well as the Mission District. Retail demand analyses indicate that residents within a one-half mile radius are estimated to support approximately 920,900 square feet of retail services of which 354,300 square feet is neighborhood-oriented retail services, while the existing retail inventory in this area is approximately 1,363,000 square feet. Similarly, Mission District residents are estimated to generate demand for approximately 1,246,300 square feet of retail services of which 479,500 square feet is neighborhood-oriented retail services, and there is approximately 3 million square feet of retail inventory in the Mission.[7] These demand estimates indicate that the supply of retail in the Mission as a whole outstrips locally-generated demand. In the Mission, the total retail supply is 2.4 times the amount of retail supportable by its residents, and 6.3 times the neighborhood-oriented demand generated by district residents. Within a one-half mile radius of the project site, the total supply of retail area also exceeds the amount supportable by residents, but to a lesser extent than the Mission District as a whole. The one-half mile area total retail supply is 1.5 times the amount of retail supportable by its residents, and 3.8 times the neighborhood-oriented demand. This suggests the area is a retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area.

Given the estimated number of existing Mission District households and the number needed to support the Mission District retail base, an additional 22,320 to 83,056 households would be needed to fully support the Mission District retail base. The potential 775 pipeline households would comprise only 0.9 to 3.5 percent of this amount, indicating that new pipeline households would have a very insignificant effect on the Mission District retail base.[8]

In summary, retail supply and demand analysis for the one-half mile area around the 2918-2924 Mission Street Project site, and in particular for the Mission District as a whole, demonstrates that both areas are regional shopping destinations, providing substantially more retail supply than can be supported by the residents of the Mission. Accordingly, it appears that (1) broad socioeconomic changes and trends in the retail industry have greater influence on commercial uses in the Mission than the composition of the immediate population of the neighborhood; (2) new residential development in the Mission has a relatively insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a broader citywide as well as a regional clientele; and (3) changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development given the scale of the existing stock relative to new development.

[7] Ibid, Table 6

[8] Ibid, Table 7. The range indicates the number of households to capture only neighborhood-oriented retail demand to all retail demand.

Effects on residential rents and displacement

ALH Economics reviewed case study as well as academic and related literature to probe whether market-rate apartment production at and around 2918 Mission Street would affect residential rents of existing properties, thereby making housing less affordable for existing residents. The findings generally conclude that housing production itself does not result in increased costs of the existing housing base, but rather helps suppress increases in home prices and rents in existing buildings. The literature shows that failure to increase housing stock to accommodate demand resulting from job and wage growth and a generally increasing population results in greater competition for existing housing, with higher income households outbidding lower income households and otherwise exerting upward price pressure on existing housing. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement.

A recent study by researchers at UC Berkeley and UCLA commissioned by the California Air Resources Board[9] found that, while gentrification and displacement was occurring in neighborhoods near transit stations, such displacement was largely taking place in areas that did not experience significant new residential development. The authors note that:

> "Gentrification in Los Angeles and the Bay Area transit neighborhoods cannot be attributed to new residential development, as the vast majority of transit neighborhoods in both Los Angeles and the Bay Area experienced relatively little residential development from 2000 to 2013" (p. 91).

Furthermore, the study finds that limiting market-rate housing development near transit is likely to increase regional vehicle miles traveled (VMT). The report stresses that:

> "[A] policy that reduced market-rate housing development in locations that encourage lower auto use, even if the policy reduced displacement and preserved affordable housing, would likely result in a net regional increase in VMT compared to a policy that increased the production of (dense) housing near transit" (p. 180).

In summary, the available evidence does not support the appellant's claims that the 2918-2924 Mission Street project would cause commercial or residential displacement. Nor does the evidence support the appellant's attempts to link gentrification and displacement to significant adverse impacts on the environment beyond those identified in the Eastern Neighborhoods PEIR. Thus, the appellant has not demonstrated that the Department's determination that in the proposed project would not result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is not supported by substantial evidence in the record.

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[9] California Air Resources Board, 2017. "Developing a New Methodology for Analyzing Potential Displacement". https://www.arb.ca.gov/research/apr/past/13-310.pdf

CONCLUSION

As discussed in the CEQA Guidelines section (page 6) of the Department's Appeal Response dated February 5, 2018, CEQA section 21083.3 and CEQA Guidelines section 15183 **mandate** that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, **shall not** require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

CEQA Guidelines section 15064(f) provides that the determination of whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15604(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

The Appellant has not provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The Planning Department conducted necessary studies and analyses necessary to make an informed decision about the environmental effects of the project, based on substantial evidence in the record, in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board of Supervisors uphold the Department's CPE and reject the appeal.

Attachment D

Historic Resource Evaluation

2918-2922 Mission Street

May 29, 2018

FINAL DRAFT

2918-2922 MISSION STREET, SAN FRANCISCO
HISTORIC RESOURCE EVALUATION PART I

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May 2018

ICF. 2018. *2918-2922 Mission Street Historic Resource Evaluation Part I*. Final Draft. May 2018. (ICF 00070.18.) San Francisco, CA. Prepared for RRTI, Inc., Sausalito, CA.

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Acronyms and Abbreviations

1976 DCP Survey	San Francisco Department of City Planning Architectural Survey of 1976
APN	Assessor's Parcel Number
AWOC	Agricultural Workers Unionizing Committee
BART	Bay Area Rapid Transit
California Register	California Register of Historical Resources
CDBG	Community Development Block Grant
CEQA	California Environmental Quality Act
CSO	Community Service Organization
DPR	California Department of Parks and Recreation
HERE	Hotel Employees and Restaurant Employees Union
Here Today	Here Today: San Francisco's Architectural Heritage
HRE	Historic Resource Evaluation
HUD	U.S. Department of Housing and Urban Development
La Raza	La Raza en Acción Local
MACABI	Mission Area Community Action Board
MALDEF	Mexican American Legal Defense Fund
MAPA	Mexican American Political Association
MCCC	Mission Childcare Consortium
MCO	Mission Coalition Organization
MCOR	Mission Council on Redevelopment
MHDC	Mission Housing Development Corporation
MHH	Mission Hiring Hal
MMNC	Mission Model Neighborhood Corporation
MNC	Mission Neighborhood Centers
MTU	Mission Tenants' Union
National Register	National Register of Historic Places
NCLR	National Council of La Raza
NCM	National Chicano Moratorium
NFWA	National Farm Workers Association
OBECA	Organization for Business, Education, and Community Advancement
Planning	City and County of San Francisco Planning Department
PRLDF	Puerto Rican Legal Defense Fund
SFRA	San Francisco Redevelopment Agency
UFW	United Farm Workers

Chapter 1
Introduction

1.1 Executive Summary

This Historic Resource Evaluation (HRE) Part I was prepared by ICF on behalf of RRTI, Inc., to inform future review by the City and County of San Francisco Planning Department (Planning). ICF is on a consultant pool list maintained by Planning to prepare HREs for development projects in the city that may affect historical resources, as defined by the California Environmental Quality Act (CEQA).

The project site currently consists of three lots: a single building that resides on two parcels (Assessor's Parcel Number [APN] 6529/002 and 6529/002A), consisting of 2,600 square feet, and one single parking lot located on the adjacent parcel to the south (APN 6529/003), consisting of 6,433.13 square feet. The proposed project involves merging the three lots into one and demolishing the existing building and parking lot at the project site (2918-2922 Mission Street), and constructing a new building (an eight-story 75-unit residential building with ground floor retail).

The building at 2918-2922 Mission Street was previously documented in the South Mission Historic Resource Survey via a California Department of Parks and Recreation (DPR) 523A (Primary Record) form, completed by Page & Turnbull in 2008 (Page & Turnbull 2008). Planning has assigned the building a California Historical Resource Status Code of 6Z: ineligible for National Register of Historic Places (National Register), California Register of Historical Resources (California Register), or local designation through survey evaluation. The San Francisco Historic Preservation Commission adopted the findings of the South Mission Historic Resource Survey on November 17, 2011. It appears that this status code was assigned to the building based on its lack of architectural character, but a full evaluation of the building's potential significance under California Register criteria was not completed at the time of the South Mission Survey. This HRE evaluates the potential historical significance of the building at 2918-2922 Mission Street under all applicable California Register criteria for the purposes of CEQA review.

1.1.1 Property Information

1.1.1.1 Zoning

The project site is within the Mission Street Neighborhood Commercial Transit Zoning District, which is a moderate- to high-density, transit-oriented, multi-scale mixed-use neighborhood with land use controls that encourage community-serving commercial uses on the ground and lower floors, with housing above. Neighborhood Commercial Transit Zoning Districts are located in transit-rich neighborhoods and aim to utilize the residential and commercial prospects of these areas.

1.1.1.2 Current Historic Status

As stated previously, the one-story building at the project site was previously documented as part of the South Mission Historic Resource Survey and requires further evaluation. Additionally, ICF

searched federal, state, and local records to determine if the subject properties have been identified in any official registers of historic resources.

National Register of Historic Places

The National Register is the nation's most comprehensive inventory of historic resources. It 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.

2918-2922 Mission Street is not listed in, nor has it previously been found eligible for listing in, the National Register.

California Register of Historical Resources

The California Register is an inventory of significant architectural, archaeological, and historical resources in the State of California. Resources listed as State Historical Landmarks and in the National Register are automatically listed in the California Register. Resources can also be nominated to the California Register by local governments, private organizations, or citizens.

2918-2922 Mission Street is not listed in, nor has it previously been found eligible for listing in, the California Register.

San Francisco Planning Department Historic Status Code

Planning has assigned each building in the city a status code that determines whether a property fits the definition of a *historical resource* as defined in the CEQA Statutes and Guidelines and as described in the San Francisco Preservation Bulletin No. 16. There are three categories of status codes:

- **Category A:** properties that are historical resources for the purposes of CEQA.
- **Category B:** properties that require further consultation and review because the property is 50 years old or older and has not been previously evaluated.
- **Category C:** properties that are either not age-eligible or have been determined not to be historical resources.

Table 1 lists the previous historic resource codes and status of the properties at the project site.

Table 1. Previous Historic Resource Status of Properties at the Project Site Assigned by Planning

Address	Planning Dept. Historic Resource Status
2918-2922 Mission Street	C
2920 Mission Street (parking lot)	B

San Francisco City Landmarks, Structures of Merit, Historic Districts, and Conservation Districts

The City maintains a list of properties and groupings of properties designated as local landmarks and historic districts under Articles 10 and 11 of the San Francisco Planning Code. San Francisco Landmark designation criteria are identical to those of the National and California Registers,

requiring a property or district to have significance in the areas of events, associated people, architectural merit, or the ability to yield information, as evaluated within a local context. A property may also be designated as a Structure of Merit if it is not officially designated as a landmark and is not situated in a designated historic district but is recognized as worthy of protection, enhancement, perpetuation, and continued use. Additionally, properties may be designated as individually significant or contributors to conservation districts located exclusively in the City's downtown core area, under Article 11 of the San Francisco Planning Code. Conservation districts seek to designate and protect buildings based on architectural quality and contribution to the character of downtown.

2918-2922 Mission Street is not a San Francisco Article 10 or Article 11 Landmark, or a Structure of Merit, and it is not located in the boundaries of any locally designated Article 10 landmark district or Article 11 conservation district.

Here Today: San Francisco's Architectural Heritage (1968)

The Junior League of San Francisco conducted one of the first architectural surveys in San Francisco, documenting approximately 2,500 properties in the 1960s. It published its findings in the book entitled *Here Today: San Francisco's Architectural Heritage* (*Here Today*) (Junior League of San Francisco 1968). The survey did not assign ratings to buildings or contain in-depth archival research or formal historical evaluation of the properties that would meet today's standards. The research files and the *Here Today* book held at the San Francisco Public Library's San Francisco History Room, provide brief historical and biographical information for the properties the authors considered important. On May 11, 1970, the findings of the *Here Today* survey were adopted by the San Francisco Board of Supervisors as Resolution No. 268-70, and the survey is considered an official local historical register under CEQA.

2918-2922 Mission Street is not listed in *Here Today*.

Department of City Planning Architectural Quality Survey (1976 DCP Survey)

The San Francisco Department of City Planning Architectural Survey of 1976 (1976 DCP Survey) was a reconnaissance survey of the City and County of San Francisco to identify and rate architecturally significant buildings and structures. The rating was based on a scale of -2 (contextual) to 5 (extraordinary). Potential historical significance was not considered when assigning a rating and historical associations were not considered for the buildings and structures included in the survey. The 10,000 rated buildings and structures included in the survey accounted for only 10% of the City's architectural building stock. The 1976 DCP Survey is recognized by Planning for informational purposes.

2918-2922 Mission Street was not recorded in the 1976 DCP Survey.

South Mission Historic Resource Survey

The building at 2918-2922 Mission Street was included in the South Mission Historic Resource Survey, which was informed by a DPR 523A form completed by Page & Turnbull in 2008 (Page & Turnbull 2008). No DPR 523B form or detailed evaluation of the property was completed under this survey. The survey assigned the property a California Historical Resource Status Code of 6Z, interpreted for the survey to mean that the property was found ineligible for national, state, and local registers through survey evaluation. However, it appears that 2918-2922 Mission Street was

evaluated based upon its architectural characteristics under California Register Criterion 3, and that comprehensive evaluation of the building under Criterion 1 and 2 was not completed.

1.2 Methods

1.2.1 Architectural Survey

ICF architectural historians Andrea Dumovich and Jonathon Rusch surveyed the site on February 14, 2018, to record existing conditions, historic features, and visible alterations of the property. The survey included documentation of all exposed exterior façades and accessible interior spaces of the building with photographs and written notes. Except where otherwise noted, all photographs in this report were taken by ICF on February 14, 2018.

1.2.2 Research

ICF prepared this report using primary and secondary sources associated with the property and its past occupants. These sources were collected at various repositories, including available permits from the San Francisco Department of Building Inspection (Appendix A, *Building Permits*); deed information and building valuation cards from the San Francisco Assessor-Recorder's Office (Appendix B, *County Assessor's Real Property Record*); and inventory forms held in Planning's property files.

Historic images of the property were sought through the San Francisco Public Library's online photograph collection and San Francisco Assessor's Office Negative Collection, San Francisco Municipal Transportation Agency's online photograph collection, Western Neighborhoods Project's online photograph collection, and University of California collections through Calisphere.

Property-specific research was conducted using the following sources.

- Planning's online Property Information Map
- San Francisco Public Library Ephemera Collection
- Sanborn Fire Insurance Company maps (Appendix C, *Sanborn Fire Insurance Maps*)
- Historical San Francisco city directories
- *San Francisco Chronicle* archives

In addition, ICF architectural historians conducted telephone interviews with several community members. Interviewees were selected because of their close knowledge of the Mission's twentieth-century history, and/or direct personal experiences with the Mission Coalition Organization (MCO) and the non-profit organizations that occupied the subject building during the 1970s and 1980s. ICF pursued this research method in order to collect historical factual information and reminiscences that otherwise are not captured in written historical records. Individuals interviewed during the preparation of this report are the following: Sam Moss, executive director of Mission Housing Development Corporation (MHDC); Mike Miller, community organizer involved in the MCO during the late 1960s and early 1970s; Larry Del Carlo, participant in the MCO and former executive director of MHDC; and Pete Gallegos, Mission activist during the 1970s and board member emeritus of MHDC. Anne Cervantes, architect and founding member of the San Francisco Latino Historical

Society, also shared research regarding the history of the Mission and organizations housed within the subject building via written notes and phone conversations.

Chapter 2
Property Description and History

2.1 Property Description

2.1.1 Project Site

The project site includes three adjacent parcels located in San Francisco's Mission District neighborhood, along the western edge of Mission Street between 25th and 26th Streets (Figure 1). The northern two parcels (6529/002 and 6259/002A) contain one building, which is currently occupied by a coin operated laundry service; this building abuts a three-story residential building to the west and a one-story commercial bank building to the north. The southern parcel (6529/003) extends between Mission Street and Osage Alley and contains a surface parking lot. Located adjacent to the parking lot to the south is the one-story Zaida T. Rodriguez Child Development School. Facing the project site across Mission Street is the Instituto Familiar De La Raza, Inc. (2919 Mission Street) and a two-story auto body collision repair shop (2925 Mission Street), which was previously associated with the automobile-related tenant of the subject building.

The surrounding area is characterized by a mix of one- to four-story buildings, which primarily contain commercial uses at the ground level with residential units within the upper stories. The subject building contributes to the commercial district that lines Mission Street. The immediate neighborhood's typical era of construction is the 1920s, mixed with a few late 1880s buildings and some examples of modern construction.

Figure 1. Project site, perspective view facing northwest at Mission Street between 26th and 25th Streets; north is up.

2.1.2 Architectural Description

2.1.2.1 2918-2922 Mission Street

2918-2922 Mission Street is a one-story-with-mezzanine, commercial building (Figure 2). The building has a rectangular plan, is constructed of reinforced concrete, and stands on a concrete foundation. The building's roof is generally flat with a parapet and features two shallowly pitched gables that are not visible from the street level. The building's east (primary) façade faces Mission Street. It expresses a minimally Gothic Revival architectural style with a Gothic frieze that extends along the parapet of the primary façade, above an aluminum-frame window assembly that spans the width of the façade. The building's south façade faces the adjacent parking lot enclosed by a chain-link fence (Figure 3). Between the building's west (rear) facade and an adjacent three-story residential building is a narrow alleyway on a raised foundation. The building's north facade immediately abuts a neighboring, street-facing commercial building and could not be inspected.

Figure 2. 2922 Mission Street, perspective view facing west at Mission Street near 24th Street

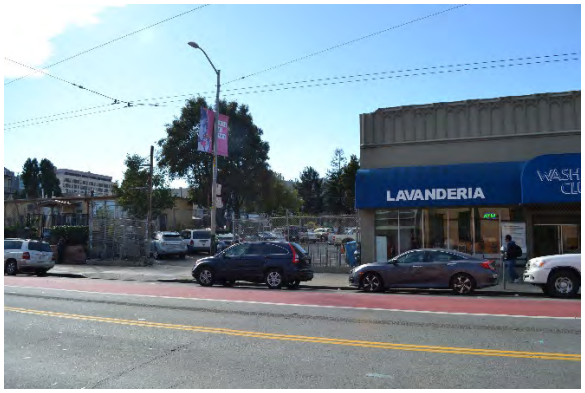

Figure 3. 2920 Mission Street, perspective view of the parking lot, facing west at Mission Street

East Façade

The building's primary façade faces Mission Street and is generally symmetrical in design. The façade comprises two structural bays with an aluminum-frame window assembly across each bay. The east façade is primarily clad in concrete stucco with occasional concrete grid patterns. The building's primary entrance is recessed at the center of the two bays. The entrance has a single, fully glazed door with a glazed sidelight providing access to the laundromat; a second door is located at the north wall formed by the recessed entrance and accesses the commercial space within the north half of the building (Figure 4). A wood lattice surmounts the recessed entrance. The window assembly and door are not original to the building. A non-original metal-frame, canvas awning is installed above the band of windows and spans the width of the façade. The Gothic frieze at the parapet that terminates the façade is an original feature of the building; however, it appears that decorative elements at the center and sides of the frieze, possibly finials, have been removed (Figure 5). A series of fluorescent lights are installed behind the canvas awning.

Figure 4. Glazed door and glazed sidelite, east (primary) façade, facing west

Figure 5. Gothic frieze at the parapet, east (primary) façade, facing west

South Façade

The south façade is constructed of board-formed concrete. An entrance is located at the center of the façade, containing a non-original single paneled, metal-faced wood door (Figure 6). This entrance is located within an area of the façade that has been infilled with concrete, indicating the location of a larger, previous entrance. Occasional piping remains along the wall of the façade. The flat parapet roof projection is visible along the south façade. A painted sign advertising the current laundromat tenant of the building is also located near the roofline at the south façade (Figure 7).

Figure 6. Entrance at the South façade, facing north

Figure 7. Flat parapet roof projection with painted sign advertisement, located at the south façade, facing north

West Façade

The west façade faces the narrow alleyway on a raised foundation. The west façade contains a band of nine-lite industrial steel-sash windows, including several broken panes. Pairings of aluminum sash windows have replaced some of the upper lites, and in some instances the steel-sash windows have been removed altogether and have been replaced by ventilation tubing. Wrought iron security bars are mounted over some of the steel windows. The west façade is not pedestrian-accessible, as the rear alleyway is blocked off by a chain-link fence (Figure 8).

Figure 8. Detail of the west facade, facing east

Interior

The interior of 2918-2922 Mission Street is divided into two primary rooms, each of which fills approximately half of the building. A laundromat tenant occupies the southern half of the building and features modern floor, wall, and ceiling finishes throughout, which date to the building's conversion to its current use c.1991. Predominant finishes within the laundromat include tile flooring and gypsum board. Commercial washing machines and driers line all interior walls apart from the glazed wall at the front of the building, and form long banks through the center of the room (Figure 9). Structural steel columns are arranged throughout the interior and support steel ceiling beams. Interior doors provide access to narrow maintenance channels along the south and west walls of the building; these channels contain utilities and ventilation ducts attached to the commercial laundry equipment in the adjacent room. A staircase opening to the laundromat room leads to the mezzanine level located at the rear of the building (Figure 10).

The north half of the building contains a vacant commercial space accessible through the door at the building's central recessed entrance, as well as through an interior door leading from the laundromat (Figure 11). Two windows are located within the partition wall separating the two interior spaces (Figure 12). The vacant commercial space features linoleum or vinyl tile flooring and gypsum board walls. Fluorescent lighting and ceiling fan fixtures are found throughout the building's interior.

Figure 9. Interior detail of commercial washing machine space, facing east

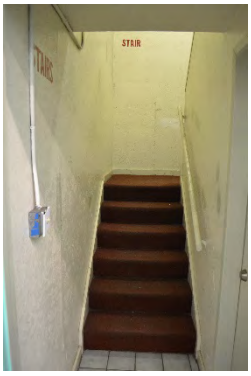

Figure 10. Staircase leads to mezzanine, facing north

Figure 11. Vacant commercial space occupies the north half of the building, facing northwest

Figure 12. Two windows within the partition wall that separates laundry from vacant commercial space, facing south

2.1.2.2 Adjacent Parking Lot

An asphalt-paved surface parking occupies the adjacent parcel to the south of 2918-2922 Mission Street (Figure 13). The parking lot is enclosed in metal chain-link fencing and features gates at Mission Street and the rear alley. An iron fence and low concrete curb are located along the public sidewalk at Mission Street. The parking lot features abandoned metal poles that appear to have held lighting fixtures or signage associated with its former use for automobile sales.

Figure 13. Project site features a parking lot, perspective view facing west at Mission Street toward Osage Street

2.2 Property History

The following sections provide a site history and construction chronology based on historic maps, photographs, building permits, newspaper articles, and additional primary and secondary resources collected from repositories and online sources listed in Section 1.2, *Methods*.

2.2.1 Site History

Following the turn of the twentieth century, the parcels that currently contain 2918-2922 Mission Street contributed to a neighborhood of residences interspersed with small-scale commercial establishments. As shown on the Sanborn Fire Insurance Map published in 1905, the parcels that currently contain the subject building were occupied by a multi-family, two-story building of flats set back slightly from Mission Street. The adjacent lot to the south (currently containing the surface parking lot) was occupied by a two-story livery stable that filled its entire lot (Figure 14). Immediately adjacent to the south is Haight Primary School, a commercial lot that takes up a majority of the block. Nearby buildings facing Mission Street mostly include one-story dwellings and two-story commercial storefronts.

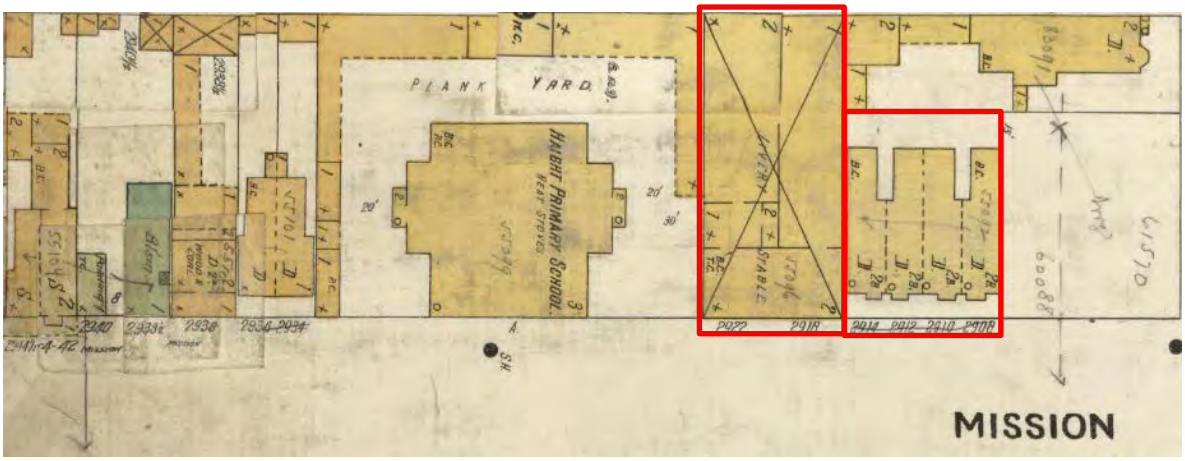

Figure 14. Detail of 1905 Sanborn File Insurance Company map, Volume 6, Sheet 626, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via David Rumsey Map Collection.

As shown on the next available Sanborn map, published in 1914, the parcel at 2918-2922 Mission Street maintained its shape and residential building; the 1914 map provided additional detail that the northern half of the building contained "housekeeping rooms" (Figure 15). Though the adjacent parcel (today's parking lot) also retained its two-story commercial building, the building was noted as vacant. Both buildings withstood the 1906 earthquake and ensuing fires, which were halted at 20th Street. Surrounding properties facing Mission Street had mostly remained their same lot building size and shape as in 1905. By 1914, as shown on the Sanborn map, the lot at the corner of Mission and 25th Street was filled by a three-story commercial building; several one-story dwellings on the school's lot had been demolished; and several of the lots near 26th Street had been filled.

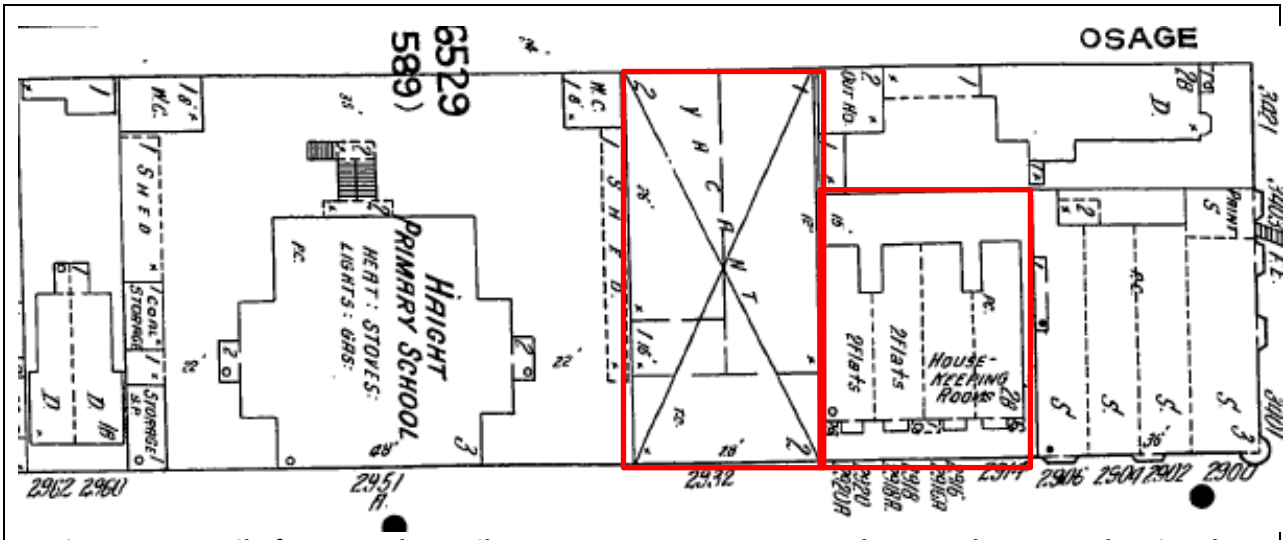

Figure 15. Detail of 1914 Sanborn File Insurance Company map, Volume 6, Sheet 611, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via San Francisco Public Library.

The flats building and adjacent commercial building were demolished at a subsequent date, although the exact demolition year has not been determined. The approximately square-plan building that currently stands on the project site was built c.1924, which is the construction date listed in the San Francisco Planning Department's Property Information Map. However, an original building permit was not located at the San Francisco Department of Building Inspection, so the construction date cannot be confirmed. Furthermore, the original architect has not been identified.

The subject building appears to have originally been divided into two separate commercial spaces, each affiliated with a separate street address (2920 Mission Street and 2922 Mission Street). The two earliest identified tenants were associated with automobile sales and repair. In 1925, the commercial space at 2920 Mission Street served as a branch location of Coast Auto Company, a new and used vehicle dealership with a main location on Van Ness Avenue. Several other automobile dealers occupied the space in rapid succession. By 1933, Morton & Wildman, a used car dealership, occupied the southern half of the building (2922 Mission Street); a second automobile-related business, Malkason Motors Co., occupied the northern half of the building (2920 Mission Street). Further information on the known occupants of the building is included in Table 4. The aerial photograph of the site taken in 1938 by Harrison Ryker confirms that the adjacent parcel to the south was then occupied by a surface parking lot, presumably utilized as a car storage lot for the businesses operating in the neighboring building (Figure 16).

Figure 16. Detail of 1938 aerial photo, showing the subject parcels outlined in red. Right is north.
Source: San Francisco Aerial Views, accessed via David Rumsey Map Collection.

Automobile-related businesses are known to have occupied the subject building during the following few decades. Limited information has been uncovered to describe physical alterations to the building into the immediate post-World War II period, although a photograph of the Mission Street streetscape in 1949 illustrates the building and its immediate commercial and residential setting at that time. In the photograph, the subject building is viewed from the south and is identifiable through its distinctive Gothic-style frieze, which appears to have featured finials projecting above the roofline at the center and outer ends of the façade (Figure 17). No additional documentation of the appearance of the building's street-facing façade prior to the 1960s was located during the preparation of this report.

Figure 17. View of Mission Street at 26th Street, facing north, November 17, 1949.
Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

The 1950 Sanborn map shows that the vacant parking lot maintained its use as a car sales lot or "used car mart," addressed 2920 Mission Street. The adjacent commercial building maintained two separate storefronts with addresses 2920-2922 Mission Street. City directories indicate that the building was vacant for limited periods of time during the 1950s. At the end of 1956, a permit was issued to remove interior concrete panels, implying that the two separate commercial tenant spaces were consolidated into one. City directory records and permits specify that the building was occupied in 1957 as a supermarket.

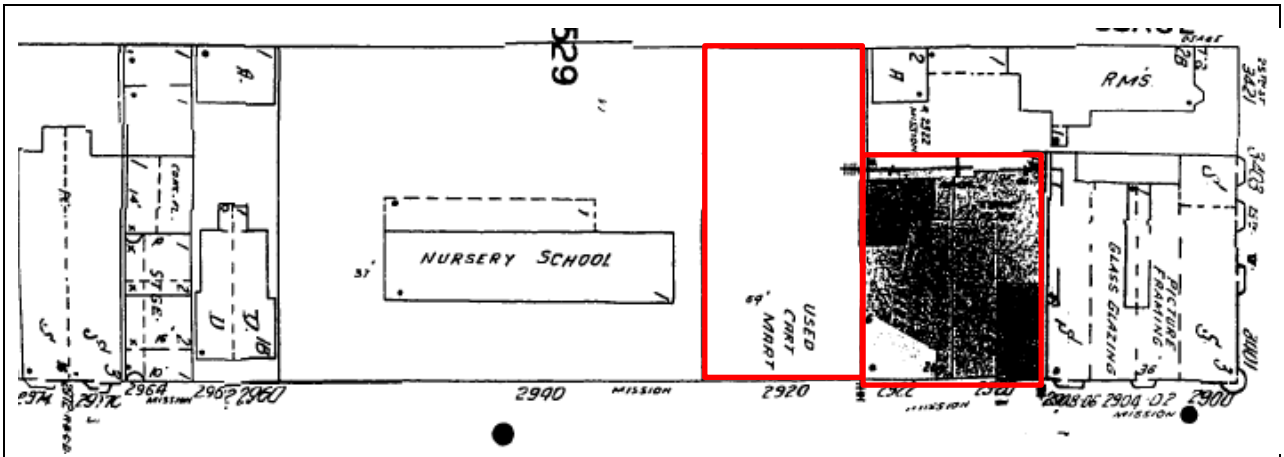

Figure 18. Detail of 1950 Sanborn Fire Insurance Company map, Volume 6, Sheet 611, showing the subject parcels outlined in red. Right is north.
Source: Sanborn Fire Insurance Map Company, accessed via San Francisco Public Library.

In 1958, Atlas Motors or Atlas Volkswagen became the sole tenant of 2920-2922 Mission Street. Atlas remained as the primary tenant at the site until 1972. A photograph of the building taken in 1964 illustrates exterior improvements implemented by the tenant during this period, including illuminated signage, flagpoles at the roofline, and screen installed above the band of display windows along Mission Street, which effectively concealed the building's distinctive decorative frieze and created a more contemporary appearance to attract customers. (Figure 19).

Figure 19. Photo of subject property as Atlas (Volkswagen) Motors, August 24, 1964.
Source: San Francisco Historical Photograph Collection, San Francisco Public Library.

By 1960, the property appears to have been divided again into two store fronts by adding a "partition across center," as stated in a 1960 building permit.

After Atlas Motors moved out in 1972, several community-based social service organizations rented the space throughout the 1970s and 1980s. According to San Francisco City Directories and San Francisco Telephone Directories, the following organizations were tenants of the building during this period:

- Mission Hiring Hall (1973 to 1985)
- Mission Housing Development Corporation (1974 to 1985)
- Mission Model Neighborhood Corporation (1974)
- Mission Childcare Consortium Inc. (1974 to 1975)
- Mission Community Legal Defense Fund (1974 to 1978)

1974 was the only year that all of these local organizations occupied 2918-2922 Mission Street at once. Additional information on these organizations is included in Chapter 4, *Owner/Occupant History*.

In 1974, a group of pioneer Chicana/Latina female muralists, the Mujeres Muralistas, were approached by the Mission Model Neighborhood Corporation (MMNC) to paint a mural on the south façade of the subject building. For the commission, the muralists were paid $1,000 from federal Model Cities funds. (See Chapter 3 for additional information about MMNC and Model Cities funding.) The resulting mural was called *Latinoamerica*, or *Pan America* (Figure 20). Painted collaboratively by lead muralists Consuelo Mendez, Graciela Carrillo, Patricia Rodriguez, and Irene Perez, the mural represented Latino/a residents of the Mission District with an emphasis on Latin America's mestizo and indigenous heritage. A particular detail near the mural's center depicts Venezuelan devils surrounding a family encased in a sun symbol, and towards the bottom right is a group of Mission youth (Cordova 2017:134-141; Rodriguez 2011:83-84). Although not the first mural that the Mujeres Muralistas painted collaboratively, *Latinoamerica* introduced the group as important public artists providing a new perspective within the Mission's mural movement. Four additional Latina artists—Miriam Olivo, Ruth Rodriguez, Ester Hernandez, and Xochil Nevel—joined the Mujeres Muralistas as a result of the project. Patricia Rodriguez later recalled, "Everyone was watching us and interviewing us for newspapers, television, and radio. We represented a new generation of muralists depicting our own reality at the present moment of time, exploring new ideas and new styles, and speaking about the Latinas who lived in the Mission District. […] [Mission residents] brought their children to introduce them to their Latino heritage so that they would not forget where they came from. The mural seemed to heal some of the community's wounds" (Rodriguez 2011:84-85).

Figure 20. Undated photo (1974 or later) of the *Latinoamerica* mural painted by Mujeres Muralistas. Source: Mujeres Muralistas, http://mujeresmuralistas.tumblr.com/

According to Rodriguez, *Latinoamerica* significantly raised the public profile of Mujeres Muralistas within the community of Latino/a artists in San Francisco and expanded the aesthetic vocabulary of murals in the Mission to include themes representing the experiences of Latinas. The mural attracted national press, and the group earned wider recognition that led to numerous new projects (Rodriguez

2011:85-86; Cervantes pers. comm.). It remains unknown exactly how long the mural existed; although it was included in a mural map of the Mission published in the *San Francisco Chronicle* in 1988, a 1990 flyer documenting murals in the Mission District does not list the mural at that time, which indicates that it had since been painted over (*San Francisco Chronicle* 1988:B4; San Francisco Contemporary Chicano Murals 1990:1).

Per a 1989 building permit, the building was occupied that year by a video store. In 1991, the building was converted to its current commercial function as a coin-operated laundromat.

2.2.2 Construction Chronology

Table 2 provides a construction chronology of the subject properties. Building records are included in Appendix A, *Building Permits,* providing copies of the available permits, and Appendix C, *Sanborn Fire Insurance Maps,* providing full sheet Sanborn maps for the subject properties.

Table 2. Construction Chronology

Date	Architect/ Builder	Detail	Source
June 2, 1926	C. Chiappo (Builder)	Permit for concrete floors (2920 Mission St)	SF Dept. of Building Inspection
December 17, 1934	Neon Sign Service Co. (Contractor)	Permit to install horizontal neon swinging sign that reads "Oldsmobile" (2920 Mission St)	SF Dept. of Building Inspection
November 20, 1937	Neon Sign Service Co. (Contractor)	Building permit to install one horizontal double face neon sign reading "Used Cars Malkason Motors Co" (2920 Mission St)	SF Dept. of Building Inspection
October 14, 1946	Hugo Bloomgust (Construction supervisor)	Permit to replace swing doors with slide doors (2920 Mission St)	SF Dept. of Building Inspection
March 28, 1947	West Coast Advertising Co. (Construction supervisor)	Permit to erect a steel billboard less than 10 feet tall and 25 feet wide, surrounded by ornamental moldings (2920 Mission St)	SF Dept. of Building Inspection
June 3, 1953	L.A. Hinson (Contractor)	Permit to remove façade's glass front and rebuild with hollow tile, base, plastered in and outside (2920 Mission St)	SF Dept. of Building Inspection
July 2, 1954	L&M Construction (Contractor)	Permit to replace existing 9-foot-by-10-foot sliding entrance doors with 6-foot-8 inch-by-5-foot	SF Dept. of Building Inspection

Date	Architect/ Builder	Detail	Source
		width double doors (2920 Mission St)	
April 24, 1956	Wonderlite Neon Products Co (Contractor)	Permit to install horizontal neon sign reading "Joy Meat Co Free Parking" (2920 Mission St)	SF Dept. of Building Inspection
August 1, 1956	Bertelsen + Odgeys (Contractor)	Permit to repair fire damage to roof, interior and storerooms (2920 Mission St)	SF Dept. of Building Inspection
December 12, 1956	Bertelsen + Odgeys (Contractor)	Permit to remove three concrete panels dividing two stores and install steel beams to support roof to form three arches between stores (2920-2922 Mission St)	SF Dept. of Building Inspection
1957	Unknown	Converted from supermarket to repair garage (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
June 4, 1957	Bertelsen + Odgeys (Contractor)	Permit to alter entrance doors to make 8-foot opening. Reinstall 2nd entrance doors that have been removed. Construct plywood panel partition across back of store, only 8 feet high (2920 Mission St)	SF Dept. of Building Inspection
June 5, 1957	Wonderlite Neon Products Co (Contractor)	Permit to erect "Volvo" sign (2920 Mission St)	SF Dept. of Building Inspection
1960	Unknown	Partition across center; Plaster walls and ceiling; Change glass front (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
1960	Unknown	Convert from repair garage to auto sales and garage with "OFC" (2920-2922 Mission St)	Building Card, Assessor's Office, City & County of San Francisco
May 26, 1960	Lang Construction (Contractor)	Permit to install screen at front of building to hold sign (2922 Mission St)	SF Dept. of Building Inspection
August 17, 1960	Cascade Neon (Contractor)	Permit to install Atlas Motors "V W" sign (2922 Mission St)	SF Dept. of Building Inspection

Date	Architect/ Builder	Detail	Source
August 17, 1960	Cascade Neon (Contractor)	Permit to install Atlas Motors "Porsche" sign (2922 Mission St)	SF Dept. of Building Inspection
December 7, 1972	Range Building Contractor (Contractor)	Permit to patch roof and improve framing, heating, electrical, plumbing, and level the floor, paint, plaster, and wallboard (2922 Mission St)	SF Dept. of Building Inspection
July 22, 1974	J. Alex Camilli (Contractor)	Permit to build four partitions, 8 inches each, with doors (2922 Mission St)	SF Dept. of Building Inspection
September 28, 1981	Eller Outdoor Ad (Contractor)	Permit to erect sign on wall (2918 Mission St)	SF Dept. of Building Inspection
April 25, 1989	Unknown	Permit to install awning (2920 Mission St)	SF Dept. of Building Inspection
March 25, 1991	Unknown	Permit for tenant improvements: new vinyl flooring, tables, non-bearing partitions, painting (2922 Mission St)	SF Dept. of Building Inspection
May 28, 1991	Zdwih Yuen (Contractor and lessee)	Permit to change approved plan/change of use to coin operated laundry and mini mart. (2922 Mission St)	SF Dept. of Building Inspection
December 26, 2000	ABC Roofing (Contractor)	Permit to replace existing roof (2922 Mission St)	SF Dept. of Building Inspection

2.2.3 Building Alterations

A review of building permits and historic photographs, as well as visual inspection of the current exterior and interior conditions of the building, indicate that a number of alterations have occurred at 2918-2922 Mission Street.

The original 1924 construction permit and building plans were not located during the preparation of this report. However, historic photographs indicate that the original exterior design of the building is somewhat similar to its current appearance, containing a Gothic Revival-style frieze over a broad, glazed storefront assembly. The frieze at the front façade has been altered through the removal of elements projecting above the roofline at the outer corners and center of the façade; these elements appear in a photograph taken in 1949 (Figure 17) but were no longer extant in a photograph taken in 1964 (Figure 19). The frieze currently shows rough edges in the locations where the projecting elements were removed.

The storefront assembly and entrance doors at the front façade have been altered numerous times since the building was constructed to meet the changing needs of tenants. Furthermore, panels were installed at the front façade in front of the frieze prior to 1964 and remained in place until at least 1974 (as evidenced in Figure 20, showing the mural *Latinoamerica*); research has not revealed the date when these panels were removed.

Originally accommodating two tenants, the building's interior has experienced repeated changes to its partition wall and room configuration. A 1974 permit was issued to erect four partition walls within the building, which likely occurred in order to create separate interior workspaces for the group of community-based service organizations that were housed there at various times over the subsequent decade.

Building permits also indicate that automobile-related tenants have installed numerous identification signs for their businesses, which is unsurprising for a building that housed a succession of commercial tenants desiring to advertise their services. None of the automobile-related signage is extant.

The 1964 photograph shows a broad side door at the south façade of 2918-2922 Mission Street that connected the business tenants of the building to the adjacent surface parking lot, where used cars were parking. By the time the Mujeres Muralistas painted *Latinoamerica* on the south façade of the building in 1974, the earlier opening appears to have been infilled and contained only a single-leaf door. This entrance has been retained, although the door leaf has been replaced.

In 1991, several permits were filed to convert the building at 2918-2922 Mission Street to its current laundromat use with attached convenience store. Scopes of work that supported the building's conversion included installation of commercial laundry equipment (requiring new concrete flooring and ventilation systems) and construction of partition walls. It is unknown if the circa 1960s panels were removed from the façade at this time. New mullions were furthermore inserted into the glazed storefront assembly across the building's front façade, based on visual inspection; this change remains undated.

Chapter 3
Historic Context

3.1 Mission Street and the Mission District Through the Early Twentieth Century

3.1.1 Early San Francisco: Spanish and Mexican Periods

In 1769, an expedition led by Spanish soldier Gaspar de Portolá, founder and first Governor of Alta California, traveled north from San Diego in an attempt to locate Monterey Bay. He arrived instead at Sweeny Ridge in today's San Mateo County, where members of the party became the first Europeans to observe the San Francisco Bay. In 1776, Juan de Bautista de Anza led a party that traveled from Monterey into what is now San Francisco to explore settlement locations. Anza chose the site of today's Fort Point for a new Spanish garrison, or *presidio*, and chose a creek location approximately 3 miles to the southeast, which he named Arroyo de los Dolores, for a new mission. The Presidio of San Francisco was dedicated in September, and Mission San Francisco de Asís (which became known as Mission Dolores) was dedicated in October (Kyle 2002:350-52; Woodbridge 2006:18-21).

The Spanish period ended in 1822, as the new government of Mexico seized control of California, and the pueblo of Yerba Buena was formally created in 1835. Fueled by anti-clerical sentiment, during the 1830s the Mexican government began secularizing the California missions. Throughout the Spanish era and much of the Mexican era, areas between Mission Dolores and Mission Bay to the east, and Rincon Point and Yerba Buena Cove to the northeast, remained undeveloped. However, Spanish and Mexican residents were familiar with and made transient use of these undeveloped landscapes. By the mid-1820s, trails ran along the contours of Yerba Buena Cove, and a horse path approximating today's Mission Street extended from the cove southwest to the mission and pueblo (Bean and Rawls 2002:56, 58-70, 72; Sandos 2004:11-12, 108-09; JRP Historical Consulting 2010:33-35; Tim Kelley Consulting 2011:5).

3.1.2 Early Mission District Development

For much of its history, the Mission developed as a semi-independent "city within a city" with its own rich cultural and architectural heritage. The Mission district is the oldest settled area of the city, beginning with Spanish establishment of Mission Dolores in 1776, from which the district derives its name. Land formerly held by Mission Dolores was secularized following Mexican independence from Spain in 1821, and the Mission district became home to a mixture of Spanish soldiers, Mexican gentry, ranchers, settlers and their families, and squatters. Ranchos on the hills surrounding the low-lying Mission "valley" (the current-day Inner Mission) were granted to figures such as José Cornelio Bernal and José Noe. The discovery of gold in the foothills of the Sierras in 1848 brought a massive population influx to San Francisco. Residential development in most of the Mission district was delayed until the mid-1860s, when the resolution of lingering historic land claims, the formal extension of the City boundary to its current-day line, and the construction of more rail lines combined to spur residential construction through the entirety of the Mission. Houses in various sizes and configurations accommodated a wide range of economic classes. Transit service was established on all of the major north-south streets of the Mission by the mid-1880s, connecting the

area to workplaces downtown. Precita Creek, which had served as the natural border between the Mission and the old Potrero Viejo rancho (Bernal Heights) was infilled c.1884, and Army Street (renamed Cesar Chavez Street in 1995) was constructed. This new road linked the major north-south routes and defined the southern boundary of the urbanizing Mission District. (City and County of San Francisco Planning Department 2007:1-41).

The architectural character of the Mission was largely developed in the decades between 1880 and 1906, and is composed of single-family and multi-family residential buildings on the east-west and smaller north-south roads, designed in a mixture of Stick Eastlake, Italianate, and Queen Anne styles, and commercial and residential-over-commercial buildings on the larger north-south thoroughfares.

The 1906 San Francisco earthquake and fire destroyed most of downtown San Francisco and the entire South of Market district, where the majority of the city's industry and working-class housing had been located. While most of the northern portion of the Mission was destroyed in the fire, the area south of 20th Street was spared devastation, and many working-class residents who had lived South of Market sought new homes nearby in the Mission.

After the reconstruction and intense development following the 1906 earthquake and fire, the Mission was largely built out, and little physical change occurred between the First and Second World Wars. The Mission's commercial corridors—namely Valencia and Mission streets, including the shopping district along Mission Street between 16th and Army (now Cesar Chavez) streets that came to be known as "Mission Miracle Mile" in the post-World War II period—remained economically vibrant through the 1960s. Demographically, the Mission had a large Irish and Irish-American population during these years, joined by other ethnic groups including Italians, Germans, Scandinavians, Armenians, and Greeks (City and County of San Francisco Planning Department 2007:66). Some Latino/a residents also called the Mission home prior to World War II and operated small businesses, such as grocery stores (Cervantes pers. comm.). Most male residents in the neighborhood were employed in working-class occupations and made their livelihoods as teamsters, carpenters, or longshoremen. Working women in the neighborhood found positions as domestic servants. The neighborhood developed a distinct working-class identity and a strong organized labor presence during the early twentieth century. After the 1906 earthquake and fire, the Mission became a central location for union activism, and the neighborhood witnessed tensions as the working class received stagnate wages, as well as below-standard living and working conditions. In the 1960s, union activism expanded with fraternal organizations and union halls located in the Mission (City and County of San Francisco Planning Department 2007:65-66).

3.2 The Mission District in the Post-World War II Era

3.2.1 Demographic Changes in the Mission

Following World War II, the Mission was among San Francisco's neighborhoods that experienced an exodus of established working-class and middle-class residents, primarily white, to the suburbs and more affluent residential neighborhoods in the far western parts of the city. This pattern of "flight" from the Mission created opportunities for the many subsequent newcomers to the neighborhood, including in-migration of African Americans from the southeastern U.S. during World War II, followed by Latin American immigration beginning in the 1950s. These successive waves of immigration into San Francisco during the post-World War II period, coupled with the availability of

affordable housing stock in the Mission that had been vacated by the earlier groups of residents, underscored the Mission's identity as an important, evolving working-class enclave in San Francisco. (Summers Sandoval 2013:103-104)

The Mission first experienced an influx in Latin American residents in the 1940s, the start of a demographic shift that ultimately came to define the neighborhood's social and cultural identity in the second half of the twentieth century. The Mission was not the first enclave of Spanish-speaking residents in San Francisco; Mexican-American communities had previously taken root in North Beach (known as Little Mexico) and the South of Market district (Summers Sandoval 2013:103-104). Mexican-American laborers had also lived in neighborhoods along the city's waterfront near their employers, which included shipyards (Cervantes pers. comm.) As the twentieth century progressed, however, large-scale infrastructure projects took place within or adjacent to the city's Mexican-American communities. These projects, particularly the construction of the Broadway Tunnel and San Francisco-Oakland Bay Bridge, displaced members of the existing Latino neighborhoods. Seeking a new home, these communities were drawn to the Mission's available housing and proximity to industrial employers such as factories, warehouses, shipyards, and canneries (Summers Sandoval 2013:103-104).

As a result, the Mission—and specifically the Inner Mission—developed into San Francisco's foremost Latin American enclave after World War II. Estimates suggest that the neighborhood's Latino/a residents comprised 11% of its population in 1950; by 1970, the percentage had risen to 45%. The streams of new immigrant residents into the Mission during this period only strengthened over time. Many Latino/a people arrived in the neighborhood because they followed established social, cultural, and family bonds; the Mission provided an environment where Spanish was often spoken and where social support was available for finding housing and employment. (Summers Sandoval 2013:101-104)

Near the beginning of the Mission's ascendance as a Latino enclave in the middle of the twentieth century, many of San Francisco's Spanish-speaking residents had been born in Mexico. Through the 1950s and 1960s, however, increasing numbers of Central American-born migrants arrived in San Francisco and made their homes in the Mission alongside residents of Mexican heritage. The largest numbers of Central American immigrants to San Francisco originated in El Salvador and Nicaragua. (By 1960, just as many Nicaraguans resided in San Francisco as in the remainder of California.) However, individuals arrived in San Francisco, and specifically the Mission, from all countries in Central and South America. "Push" and "pull" factors motivated this new group of Latin American immigrants, as many sought better economic opportunities in the United States and also fled politically repressive governments in their home countries. The influx of foreign-born Latin American residents to San Francisco was only strengthened by the passage of the Immigration and Nationality Act of 1965, which reformed the United States' previous quota-based immigration system. While in some respects the new legislation eroded earlier restrictions based on country of origin, it introduced a new cap on the total number of immigrants allowed from the Western Hemisphere per year. By restricting legal avenues, this change in federal policy led to a rise in unsanctioned immigration into the United States. Considered together, these various forces brought many new Latin American residents to the Mission, which evolved as a vibrant, culturally and nationally diverse pan-ethnic Latino enclave in San Francisco. (Summers Sandoval 2013:101-104; Gutiérrez 2013)

3.2.2 Community Needs and Organizational Response in the 1960s

In the 1950s and 1960s, San Francisco's manufacturing industries that had previously nourished the city's blue collar and ethnic communities were rapidly disappearing from central San Francisco. The Mission had long been recognized as a working-class enclave, but in the mid-twentieth century the neighborhood experienced a rise in poverty among residents (Summers Sandoval 2013:123-124). Compounding residents' economic uncertainty were the myriad obstacles that ethnic minority and immigrant communities faced in the job market and education system. The neighborhood experienced major issues including youth unemployment, absentee landlords, lack of childcare services, and poorly performing public schools (Howell 2015:222, 239). Furthermore, much of the Mission's building stock had been constructed within 15 years of the 1906 earthquake, and by the 1960s had suffered decades of deferred maintenance. Studies of the neighborhood's physical conditions judged many buildings in the Mission to be substandard and/or deteriorating (Summers Sandoval 2013:123-124).

In light of the numerous challenges facing the Mission in the 1960s, the neighborhood's political and social landscape included a broad range of community-based organizations committed to improving livelihoods and providing resources to the neighborhood's residents. Many of the Mission's residents were economically disadvantaged, culturally distinct from San Francisco's social elite, and lacked representation in the city's established political arenas. Yet the neighborhood embodied a long tradition of self-determination as a "city within a city," which continued to influence how Mission residents, property owners, and businesses organized themselves and advocated for their needs (Howell 2015:222).

Due to the Mission's concentration of Spanish-speaking immigrant residents, many of the community organizations active during the 1960s were aligned with specific Latin American ethnic and nationality groups. They also represented a range of political positions; some focused on business and social concerns from a cultural assimilationist perspective, while other organizations employed activist approaches to address structural social inequalities. Taken together, however, these organizations formed a broad network active in the neighborhood. Although by no means not exhaustive, the following list summarizes several of the prominent community organizations that operated in the Mission during the 1960s:

- Mission Neighborhood Centers (MNC): Founded as a settlement house, MNC advocated for greater social services to address issues faced by the neighborhood's residents. MNC completed a study in 1960, "A Self-Portrait of the Greater Mission District," that was an early attempt to articulate the neighborhood's social challenges and propose solutions (Howell 2015:222-227).

- Community Service Organization (CSO): The Mexican American-affiliated CSO was active across California and focused on social and political issues facing Latino/a residents of urban areas; the organization's focus spread to San Francisco during the 1960s (Summers Sandoval 2013:127).

- Organization for Business, Education and Community Advancement (OBECA)/Arriba Juntos: Known as OBECA at its founding in 1965, this nonprofit organization developed programs to address Mission residents' needs in a range of issues, but focusing on employment skills. Renamed Arriba Juntos (Upward Together) in 1967, the Catholic-affiliated service group

was most active in training youth for employment opportunities. (Howell 2015:237; Summers Sandoval 2013:132)

- Centro Social Obrero: A union caucus affiliated with the locally prominent Building and Construction Workers Union, Local 261, Centro Social Obrero focused on the needs of Mission laborers. Centro Social Obrero developed programs that benefited the union's Spanish-speaking members, such as English language instruction and naturalization support (Summers Sandoval 2013:130).
- Mission Area Community Action Board (MACABI): MACABI was formed by San Francisco's Economic Opportunity Council and was involved in the distribution of federal anti-poverty funds in the Mission. Operating with a board of directors consisting of members elected from the neighborhood the organization served, MACABI directed funding to local organizations—including Centro Social Obrero, OBECA/Arriba Juntos, and the youth-focused service organization Mission Rebels—to support their community programs. (Howell 2015:251; Miller 2009:50)
- Mission Tenants' Union (MTU): Affiliated with the Progressive Labor Party, the Marxist-orientated MTU fought for the rights of the Mission's most in need residential tenants (Summers Sandoval 2013:130-131).

In addition these organizations, the Catholic Church became a pronounced force for Latino political inclusion and civil rights in the Mission. Existing neighborhood parishes, such as St. Peter's Church, provided important social and cultural institutions for the Mission's many Spanish-speaking Catholic residents. Priests were keenly aware of the social barriers faced by members of their congregations, and their involvement in social justice struggles became an extension of their ministries. The further left-aligned Catholic parishes worked to overturn discriminatory hiring practices of local employers, and actively supported the civil rights efforts of the National Farm Workers Association. (Summers Sandoval 2013:106-115; Miller 2009:49)

The robust network of community service organizations active in the Mission during the 1960s set the stage for fruitful organizational collaboration when the issue of City-sponsored redevelopment arrived in the second half of the decade.

3.2.3 Urban Renewal and Community Mobilization in the Mission

3.2.3.1 The Roots of Urban Renewal in San Francisco

Social organizing in the Mission during the 1960s and 1970s can only be understood in the context of broader trends in federal urban policy. The availability of new funding sources from the federal government for redevelopment projects led cities across the United States to enact major new projects that had pronounced, and often adverse, effects on the lives of their residents.

Broadly speaking, economic revival in the United States following World War II caused a rebirth of interest in improvement of cities by some after nearly two decades in which private buildings and public infrastructure had decayed due to lack of funding. Postwar planning addressed four major issues: so-called urban blight, accommodating the automobile in the city, flight to the suburbs, and integrating government-sponsored urban planning and social welfare programs into a private-enterprise-driven economy (Pregill and Volkman 1999:704).

The first significant postwar urban legislation was the federal Housing Act of 1949. This act and much of America's urban renewal and revitalization initiatives that followed during this period focused on slum clearance and affordable housing development. The Federal-Aid Highway Act of 1956, which created the National System of Interstate and Defense Highways, also had a significant impact on America's postwar development. The interstate road system was designed to link major cities and most state capitals, reducing time over traditional long-distance routes and, in urban areas, carrying a higher volume of traffic during congested, peak commuting hours. One consequence of this federal transportation legislation was that in numerous American cities, new highway construction led to the displacement of existing communities (Pregill and Volkman 1999:695).

In most cities, the task of coordinating urban renewal, as it became known, fell to newly created local redevelopment agencies. In San Francisco, Justin Herman directed the San Francisco Redevelopment Agency (SFRA) during a particularly active period from 1959 until 1971. As with other city redevelopment agencies throughout the country, the SFRA leveraged federal funding and new powers to acquire land through eminent domain to facilitate redevelopment by razing large sections of San Francisco. At the time, this large-scale clearance was considered a necessary technique by some to prevent the redeveloped area from returning to its former blighted condition. However, this method displaced thousands of residents and businesses, proving especially disruptive to San Francisco's low-income, black, and Asian communities (Brown 2010:41).

The Western Addition is one example of massive displacement led by the SFRA in San Francisco. Through the 1940s and 1950s, the Western Addition neighborhood, also known as the Fillmore, was largely composed of working-class African Americans who primarily lived in older Victorian homes that the SFRA judged to be in disrepair. Through its attempts to redevelop the neighborhood, SFRA displaced more than 13,500 people and destroyed approximately 3,120 housing units along with the neighborhood's beloved cultural institutions, including jazz clubs. At the time, it was the nation's second-largest residential redevelopment project (Howell 2015: 241). The leveling of the Western Addition sounded alarm bells within other neighborhoods similarly composed of poor and working-class minority populations.

3.2.3.2 Community Response in the Mission

By the 1960s, local opposition to the devastation wrought by urban renewal to existing residents and historic fabric echoed nationwide. In the Mission, residents took note of the Western Addition as a cautionary tale and organized to prevent a similar outcome in their neighborhood. While the SFRA did not intend to replicate precisely the same types of clearance in the Mission, Mission residents anticipated that considerable and disruptive changes would affect their communities as a result of the SFRA's redevelopment plans (Miller 2009:23-24; Summers Sandoval 2011:124-125).

In 1966, the SFRA sought funds for their proposed "Mission Street Corridor"—a study to understand how construction of the Bay Area Rapid Transit (BART) system and associated redevelopment near planned transit stations would affect the Mission's immediate urban environment. This event sparked one of San Francisco's greatest urban political mobilizations, catalyzed by the threat of urban renewal on the neighborhood's predominantly low-income minority communities. Within almost no time, local opposition to SFRA's plans began, led by groups of business and property owners. In 1966, Mary Hall, a realtor, along with "right-wing populist" Jack Bartalini and other neighborhood groups, opposed the SFRA's study out of fear of anticipated displacement. Residents from a range of political backgrounds feared that BART access would generate massive speculative

development in the Mission, which would then price out the existing poor, working-class, and middle–class residents. (Summers Sandoval 2011)

That year, the Mission Council on Redevelopment (MCOR) was established in anticipation of the city's plans for redevelopment in the Mission. A consortium of existing Mission community organizations, MCOR was formed by existing organizations such as OBECA, in addition to "Latino social service providers, Catholic parish churches, tenants' groups, homeowners' groups, block clubs, and the emerging left-wing *Raza* youth groups" (Howell 2015:267). MCOR was not strictly opposed to the concept of federally funded redevelopment, but rather demanded the opportunity to veto any of the SFRA's urban redevelopment plans that MCOR judged as not meeting the needs of Mission community members. Because the SFRA's reputation had been severely damaged through its earlier slum clearance approach in the Western Addition, the agency took a somewhat more community-sensitive approach for urban renewal in the Mission, through the use of rehabilitation grants and rental supplements in addition to limited building clearance and new construction. MCOR specifically sought a high level of self-determination in the planning process for Mission redevelopment, and held a series of meetings with the SFRA to convey the viewpoints of its constituent members and to urge for neighborhood participation in the city's urban renewal planning efforts. When MCOR was ultimately not granted veto power over SFRA plans, the group organized mass demonstrations that resulted in the Board of Supervisors not pursuing federal urban renewal funds for projects in the Mission. Following its victory, MCOR quickly disbanded (Howell 2015:258-277).

3.2.3.3 The Model Cities Program and the Mission Coalition Organization

In 1966, the same year that MCOR mobilized in the Mission, the federal government was also refining its policy perspective on how urban revitalization should be accomplished in the United States. In 1966, the federal Demonstration Cities and Metropolitan Development Act established the Model Cities Program—one of President Lyndon Baines Johnson's Great Society programs—that provided funding for urban renewal through the U.S. Department of Housing and Urban Development (HUD). In light of the acknowledged social failures of the earlier urban renewal paradigm, the new Model Cities Program mandated citizen input into planning decisions and required that urban improvement efforts involve neighborhood preservation rather than demolition. (Pregill and Volkman 1999:706-711)

The nationwide Model Cities Program was composed of a five-year plan to address social and economic issues pertaining to "blighted" urban neighborhoods. Cities that participated in the program received a one-year grant to develop programming for education, housing, health, employment, and social service improvements. Once these plans were completed, cities were then eligible for additional grants and programming, such as supplemental Model Cities grants and federal grant-in-aid programs. Local mayors or city managers were responsible for overseeing the Model Cities Program for their local neighborhoods, and each participating city was required to form a demonstration agency to coordinate the program at the municipal level. However, the Model Cities Program also required "widespread citizen participation" for involving the voices of community residents, groups, and businesses (U.S. Department of Housing and Urban Development 1969:3-7). According to a federal informational brochure on the program, Model Cities aimed to "give citizens early, meaningful, and direct access to decision-making, so they can influence the planning and carrying out of the program" (U.S. Department of Housing and Urban Development 1969:8). The federal program did not specify any particular format for citizen participation, however, and each

Model Cities application had to propose its own strategy (U.S. Department of Housing and Urban Development 1969:8).

Mayor Joseph Alioto was attracted by the Model Cities Program as a new, participatory mechanism to fund social and built environment improvement programs in San Francisco with federal money. In February 1968, Alioto presented the Model Cities Program to the neighborhood at MACABI's Spanish-Speaking Issues Conference. The mayor stated to community members that he would sponsor an application from the Mission for Model Cities funding if the neighborhood supported the idea (Summers Sandoval 2011; Cervantes pers. comm.). The members of MCOR viewed this as an opportunity for meaningful community improvements in the Mission and reconvened to form a new consortium, the Mission Coalition Organization (MCO)—a larger and broader organization than MCOR. The aim of MCO was to strategically position the neighborhood on the Model Cities Program, to articulate community needs, and to secure community control for how the new forms of HUD urban renewal funds were to be used in the Mission (Howell 2015:282-287). MCO subsequently became one of the most broadly based and highly visible community organizations in all of San Francisco (Miller pers. comm.).

Figure 21. MCO Housing Chair Flor de Maria Crane lobbies State Assemblyman Willie Brown and San Francisco Supervisor Terry Francois. Source: El Tecolote Archives, via FoundSF, http://www.foundsf.org/index.php?title=The_Truth_Behind_MCO:_Model_Cities--End_of_the_Mission.

As a neighborhood-based group that ultimately gained considerable influence over the use of federal funding in the Mission, MCO was distinguished through its inclusive, coalition-based organizational model. MCO was a grassroots entity united under multiethnic and diverse solidarity and was developed after the Alinsky Model of Community Action, which was unusual for its time and set the group apart from many other community organizations. Many 1960s social movements understood themselves as representing a specific category or concern—such as Black Power, tenants' rights, or

welfare and low-income needs. The Alinsky Model attempted to create urban protest "and to draw lessons from different experiences in order to provide a fulfilling model of popular organization, able to improve the living conditions of the poor, empower the grassroots, and obtain more democracy and greater social justice" for a wide range of disenfranchised groups (Castells 1983:60).

In California, the Alinsky Model was adopted by significant community organizers such as Fred Ross Sr. of the CSO. Ross, who trained Cesar Chavez and was involved in the development of the United Farm Workers union, mentored Mission community leaders who became involved in the MCO. These leaders included Herman Gallegos, Abel Gonzalez, Chuck Ayala, Margaret Cruz, Rosario Anaya, Lee Soto, Juanita Del Carlo, and Roberto Hernandez, among others (Cervantes pers. comm.). MCO upheld memberships with a wide representation of Mission residents, including "conservative white homeowners' clubs, unions [such as the prominent Centro Social Obrero union caucus], ethnic mutual aid groups, Latino social service providers, merchants, churches, and even self-described third-world nationalist groups" (Howell 2015:13-14). As a strong community group with a broad base of support, MCO was able to gain considerable political power and neighborhood support during negotiations with Mayor Alioto regarding the Mission's role as a Model Cities target neighborhood.

On October 4, 1968, MCO held its first convention at the Centro Obrero Social Hall in the Mission; over 500 delegates participated and elected OBECA's Ben Martinez as president of MCO. MCO's power was also upheld by tenant's unions and Centro Social Obrero (Howell 2015: 283). To create an inclusive and varied following, MCO created numerous interest-group and nationality vice presidencies, as well as twelve membership-concerns committees, and additional committees focused on housing, employment, education, community maintenance, and planning. This diverse web of committees helped the MCO develop into an expansive voice for community change (Howell 2015:283; Mission Model Neighborhood Corporation 1973:1). According to a history of the MCO written for a Model Cities report several years after the coalition was formed, the coalition's "long range goal was to build a city wide identity as a powerful community organization capable of speaking for the broad range of people and interests in the Mission" (Mission Model Neighborhood Corporation 1973:2). It was through MCO's unique and complex committee structure that MCO was able to support unity across its organizations and ultimately MCO as a whole (Figure 22).

Figure 22. MCO's 5th annual convention at University of San Francisco, 1972. Source: El Tecolote Archives, via FoundSF, http://www.foundsf.org/index.php?title=MCO_and_Latino_Community_Formation.

Thus, MCO was positioned as a highly structured and inclusive neighborhood organization during the ramp-up to Model Cities in San Francisco. (Bayview-Hunters Point, a San Francisco neighborhood similarly composed of many low-income and minority residents, also began the process of negotiating with the Mayor's Office and HUD to become a Model Cities target neighborhood.) The coalition's direct involvement in the program, however, was limited because HUD would not formally designate MCO as the neighborhood's citizen participation structure. Even so, MCO secured considerable control over the use of federal Model Cities funds. MCO worked with Mayor Alioto to ensure that the coalition secured majority board representation of (and thus had effective control over) the new decision-making planning authority, the Mission Model Neighborhood Corporation (MMNC) (Howell 2015:283-288). Formed in 1970, MMNC somewhat mirrored SFRA in function as a public authority but was a private, non-profit corporation and focused only on Mission residents (Howell 2015:279). MMNC had a 21-member board, two thirds of which were nominated by the MCO and later appointed by the Mayor. The remaining MMNC board members were also appointed by the Mayor (Miller pers. comm.).

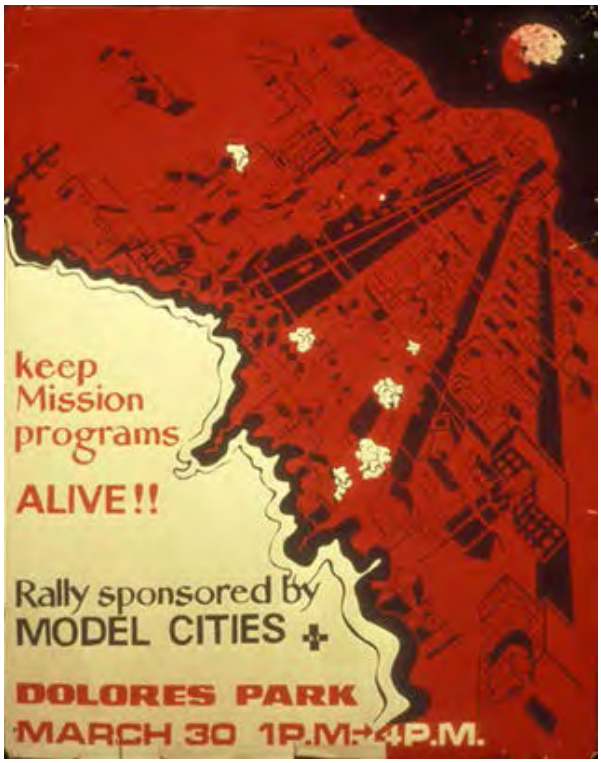

Figure 23. Flyer for the Mission District's community programs. Source: UC Santa Barbara, Library, Department of Special Research Collections, Lucero (Linda) collection on La Raza Silkscreen Center/La Raza Graphics.

Through its initial efforts (reflecting the priorities that MCO had developed during its first years in existence), the MMNC board developed a Model Cities plan that laid out the Mission's various community needs and issues, with a focus on housing, employment, education, childcare, and legal defense. Developing a planning process was essential for identifying community needs and developing a proposal for how federal funds could meet such needs of low-income families and peoples. The plan also proposed a number of new neighborhood-based organizations with programs that would address these needs. The plan was submitted to HUD for review, and it was approved in 1970. Grant funding for the Mission was released shortly thereafter, and the various organizations proposed in the Model Cities plan could be established (Miller pers. comm.; Del Carlo pers. comm.). Several of these organizations—which included Mission Housing Development Corporation (MHDC), Mission Hiring Hall (MHH), and Mission Childcare Consortium (MCCC)—ultimately occupied the subject building; additional information on the missions and programs of these organizations is included in Chapter 4, Owner/Occupant History.

In the context of the Model Cities Program nationwide, ample control and planning set the Mission apart from other Model Cities target neighborhoods. MMNC developed several task forces with the objective of gaining self-reliance for neighborhood residents. The task forces included Social Services, Health, and Housing and Physical Development, and were responsible for monitoring and evaluating the work of the various MMNC-affiliated nonprofit corporations (Figure 24).

Figure 24. Map of Model Cities-funded organizations in the Mission, included on the cover of a 1974 programs report published by the MMNC
Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

MCO operated from 1968 to 1974, with its peak years of power between 1970 and 1971. At one time the organization had up to 12,000 members (Castells 1983:106). In addition to securing its involvement in the MMNC, and thus exerting considerable control over the use of federal Model Cities funding, the organization continued to advocate for sensitive redevelopment planning, specifically related to the introduction of the two BART stations in the Mission. According to historian Ocean Howell, the MCO had the foresight and organizational strength to prevent disruptive speculative development around the transit stations:

> The MCO addressed this issue by successfully lobbying the Department of City Planning to downzone Mission Street, imposing height and bulk limitations. These limitations, in turn, succeeded in making the speculative redevelopment of the area a losing bet. […] In the end, no buildings surrounding the BART stations were cleared. When the stations themselves were finally built, they would be much better integrated into the surrounding urban fabric, at least in terms of scale, than were any projects in the Western Addition. (Howell 2015:288)

In 1969, President Nixon's administration began to restrict federal funding for urban programs. In 1974, after a moratorium on Model Cities funding was issued, and due to internal organizational issues, MCO dissolved. However, the work of MCO during the previous several years resulted in a network of community-based service organizations, which continued to receive funding through MMNC. In addition to MHH, MHDC, and the other programs that occupied the subject building and are described in more detail in Chapter 4, Model Cities funded new and existing non-profit corporations in the Mission. These included the following: Mission Education Project, which provided support to Inner Mission children, parents, teachers, and administrators; Mission Reading Clinic, which provided specific educational needs to children with reading disabilities and

handicaps; Mission Contractors Association, which worked to lower barriers for minority contractors working in the mainstream construction industry; and Mission Language & Vocational School, which offered instruction in English language and related job skills to improve Mission residents' chances for employment (Office of the Mayor 1975). Model Cities funding also reached arts institutions and programs in the Mission, such as Galería de la Raza, that supported the work of Latino/a artists in the neighborhood. Funding supported these artists as they developed new approaches to artistic practice—such as public murals with themes related to political activism and Latino culture and identity in the Mission (Howell 2015:291-292; Cervantes pers. comm.).

City directories reveal that MCO's primary administrative space during the 1970s was at 2707 Folsom Street. Of the numerous groups developed under MCO, several were housed in the building at 3145 23rd Street during their earliest years before ultimately moving into the subject building at 2918-2922 Mission Street beginning in 1974. These organizations include the Model Cities nonprofits MHH and MHDC, both of which were established in 1971 and continue to operate today. Further information on the histories and programs of these groups is included in Chapter 4, *Owner/Occupant History*.

3.2.4 Mission District Community-Based Organizations and Activism After Model Cities

Although the federal government formally ended the Model Cities Program in 1973, and MCO dissolved the following year, many organizations that were developed under the auspices of Model Cities with MCO involvement were able to sustain their programs and continued to be active forces for social change and meaningful neighborhood improvement in the Mission. The Model Cities funding paradigm transitioned to the federal Community Development Block Grant (CDBG) model, created through the Housing and Community Development Act of 1974. Once the program was established, CDBGs were funneled from HUD through city governments to organizations throughout San Francisco, as long as the non-profits continued to serve low-income families and maintain their original missions. The transition from Model Cities funding to CDBGs, however, limited the amount of grass-roots activism that previously occurred during MCO's leadership; the organizations became dependent upon the city for funding and thus had to cooperate with the city. Therefore, some viewed the non-profits as an extension of city government with less local power. Conversely, CDBGs allowed programs originally created under the Model Cities Program in the Mission to expand their services outside of the earlier Model Cities neighborhood boundary (Del Carlo pers. comm.). In addition to CDBG funding, existing Model Cities organizations also sought new funding from municipal and state sources to supplement their federal money. For instance, major funding sources for Mission Childcare Consortium included the State Department of Education and the Department of Social Services.

Because the Mission received a significant amount of CDBG funding that was available, organizations that developed from the Model Cities Program continued to grow their services and ultimately expand operations into larger facilities. Such was the case for Mission Hiring Hall, Mission Housing Development Corporation, Mission Childcare Consortium, and Mission Community Legal Defense Fund, when they expanded and moved into the building at 2918-2922 Mission Street in 1973-1974.

Many organizations that developed under Model Cities and the MCO were later sustained through CDBG funding. These non-profits included the Mission Language and Vocational School, Horizons Unlimited, Economic Opportunity Council, and Arriba Juntos. This geography of community-based

support embodied the spirit of close collaboration that had its roots in the MCO. The various organizations frequently worked with one another in order to address the interlinked needs of community members in the Mission. The fact that Mission Hiring Hall, Mission Housing Development Corporation, Mission Childcare Consortium, and Mission Community Legal Defense Fund, all shared space at 2918-2922 Mission Street at one time is reflective of such collaboration. It was important that their staff shared workspace in order to collaboratively solve problems and support one another's missions. For instance, a Mission resident seeking employment through Mission Hiring Hall may also require childcare in order to attend training or interviews; in those cases, they were then referred to Mission Childcare Consortium. As each organization eventually grew and required larger office/community space, however, they became more independent of one another (Del Carlo pers. comm.).

Additionally, other organizations that developed after MCO with CDBG funding maintained organizational missions related to those groups developed under Model Cities. One example of these was Mission Economic Development Project, which formed in 1975 to provide socio-economic aid to Mission residents who ran small businesses and those who wanted to start their own business. (Office of the Mayor 1975)

The established and City-aligned network of active community-based non-profits in the Mission had a counterpoint in a constellation of groups that represented a range of more radical perspectives, and that reflected the growing urgency around the experiences of politically disenfranchised groups in the United States. The various forms of organizing and service delivery that arose beginning in the late 1960s but continuing through the 1970s and 1980s reflected growing consciousness and political concerns related to movements around race/ethnic-based civil rights and militarism, Third World solidarity, and women's rights and women's liberation.

An important current of Mission activism in the 1970s and 1980s that operated outside of the federally funded service organizations was largely led by the radical Latino student group known as La Raza en Acción Local (La Raza). Following the San Francisco State College strike (led by a leftist coalition of student groups) and building upon the ideals of MCO, La Raza formed in the late 1960s to accelerate local activism in the Mission and defend a unified Latino community (reflected in its name, "the race," referring to all Spanish-speaking people). Energized by the community mobilization that accompanied the trial of Los Siete de la Raza, seven teenage Latinos accused of killing a police officer in 1969, La Raza was set up similarly to MCO in that it created numerous social and cultural programs, which were funded by other similar-minded groups as well as by the Catholic and Baptists churches. Each program had an elected board and militant groups; La Raza also had a general board that oversaw the organization. Membership was highly selective; a member could vote only if he/she had served in a program for at least two years as an active participant. By 1970, La Raza significantly expanded their activities. The group developed the La Raza Information Centre as part of their Latino educational tutorial program; established a legal counseling center, silkscreen center, credit co-operative, and its own affordable housing development corporation. The corporation's first project encompassed building a 50-unit, low-income housing project on top of a public parking lot, with solar-heating, in the heart of the Mission District (Castells 1983: 119).

In 1975, La Raza undertook a campaign with the Mission Planning Council and successfully preserved housing for approximately 4,000 people while also shutting down pornography-related bookstores and theaters. La Raza also closed down a bar at 24th Street in an attempt to halt gentrification, and redirected the city's funds for urban landscaping towards sanitation, public transit, and traffic improvements. Additionally, La Raza, in joint effort with a neighborhood coalition,

achieved approval of a zoning ordinance to help preserve the neighborhood's residential character. Although these achievements were important, La Raza hoped for a larger mobilization by San Francisco's low-income neighborhoods that would impose a new urban development strategy (Castells 1983: 119).

Throughout the 1970s, Mission District activism remained strong, and by the late 1970s there were approximately 60 community-based organizations in the Mission, most all of which were relatively active (Castells 1983: 120). Longstanding Latino community organizations continued to operate in the post-MCO era, such as the G.I. Forum, Mexican American Political Association (MAPA), Catholic Social Services, the YMCA, and the Salvation Army, for example. Following the MCO movement, some new organizations were founded to focus on more narrowly defined services, clientele, or political goals, and in some instances began looking towards international political situations rather than social conditions at home (Gallegos pers. comm.).

One notable development in this vein was the Central American solidarity movement, which was active in Mission through the 1970s and 1980s. As a result of repressive regimes in Central American nations supported by the United States—such as in Nicaragua, El Salvador, and Guatemala—immigration to San Francisco from these countries remained pronounced. Central American activists in the Mission, as well as those standing in solidarity with them, organized around anti-militarism. These activists supported the needs of those involved in political struggles in Central America, with some leaving San Francisco to join the revolutions. A sanctuary movement also emerged to protect refugees who arrived in the city, specifically in the Mission. (Martí 2006:6-7; Gallegos pers. comm.)

A period of varied political positions and strategies for producing social change, the 1970s and 1980s saw a flourishing of organizing and political activity in the Mission. The focus of Mission social service providers and activist groups in the post-MCO era formed around the myriad needs of the residents. Many of these needs were similar to those first laid out in the Mission Model Cities plan, including housing, education, and employment within the neighborhood. However, the post-MCO era's groups became more specialized as the community, too, became more politically diverse.

3.3 Comparative Context: Latino Civil Rights and Activism in California in the Post-World War II Period

In order to provide a comparative context that informs the evaluation of the subject building at 2918-2922 Mission Street, the following section describes significant trends in organizing and service delivery that occurred throughout California during the post-World War II period. While diverse, the developments described in this section shared the aim to rectify the social and political disenfranchisement experienced by Latino/a people statewide. Adapted from information contained in the National Register of Historic Places context statement *Latinos in Twentieth Century California* (prepared for the California Office of Historic Preservation), this summary addresses major organizations and movements that originated within various Latino communities and political contexts, and that illustrates the impressive range of ways in which Latino/a individuals have become socially and politically active and have fought for greater rights as Americans.

3.3.1 Organizations for Latino Rights and Inclusion

Throughout the twentieth century, Latino/a people have created movements and service organizations in all regions of the United States against numerous forms of racial and ethnic discrimination in realms closely tied to inclusion in American civic life—including education, employment, housing, and political participation. Broadly speaking, before 1960 Latino activism was most often visible as

> community-based, civic and trade union organizing. After 1960, electoral politics and voter mobilizations assumed greater importance, signifying the accumulating power of Latinos. In the process, activists formed key organizations to harness the collective power of the Latino community. This history was characterized by generational waves of organization building and leadership, each animated by the broad social context of their times (California Office of Historic Preservation 2015:99).

Formed in 1947, the Community Service Organization (CSO) was an early and important postwar Latino civil rights advocacy organization based in Los Angeles, which eventually expanded throughout the state of California. Initially formed in Los Angeles by Antonio Rios, Edward Roybal, and Fred Ross, CSO began by leading Roybal's voter campaign for the Los Angeles City Council. In 1949, Roybal won the position, making him the first Mexican-American since 1881 to be elected to the Los Angeles City Council. By 1950, CSO had registered 32,000 East Los Angeles' Mexican-Americans as voters. From there, the organization expanded into larger and broader activism. In 1950, CSO's membership grew to more than 5,000 and comprised chapters throughout 35 cities. CSO advocated for worker rights such as unionization, minimum wage, and migrant worker medical care, and also advocated against housing displacement, educational segregation, and police brutality. Membership continued to increase with 10,000 members throughout the state by the early 1960s, which included those in the San Francisco Bay area, the Central Valley, the Los Angeles region, and others. Local CSO chapters trained Cesar Chavez, Dolores Huerta, and other Latinos/Latinas for future leadership roles (California Office of Historic Preservation 2015:115-116).

During the 1960s and 1970s, Latino civil rights national activism expanded substantially and changed in tenor. While activists shared the goal of ending racial discrimination, various strategies diverged within Latino political activism during this time. Some groups fought for acceptance and inclusion by Americans into the American mainstream society; however, many rejected a cultural assimilation approach and instead underlined Latino cultural integrity. At this time, Latino activism fought to be included in, or to change the structures of, America's political system.

The 1960s brought the formation of La Raza Unida, a Mexican-American political party based in Texas. In 1972, La Raza Unida held a national convention and also fostered local and state political candidates within the Southwest (DeSipio 2013). In 1968, the National Council of La Raza (NCLR) was established in Arizona by Julian Samora, Ernesto Galarza, and activist Herman Gallegos (of San Francisco) who served as the group's executive director. NCLR was a large national organization that operated as an umbrella for other community organizations. Its work supported organizations nationwide while creating a national Latino-activist plan. The Mexican American Legal Defense Fund (MALDEF), established that same year in San Antonio, worked on gaining equity within various fields including employment, education, politics, and immigration. MALDEF eventually opened headquarters in San Francisco and Los Angeles. Vilma Martinez led MALDEF while it was headquartered in San Francisco in the 1970s. Four years after MALDEF formed, the Puerto Rican

Legal Defense Fund (PRLDF) developed (DeSipio 2013). Additional Latino activist groups that formed through the 1960s and 1970s include the National Hispanic Chamber of Commerce and the United Farm Workers (UFW), established by Cesar Chavez, Dolores Huerta and others. UFW elevated California's Mexican farmworker plight to the national level, which helped increase awareness of injustices against Latino laborers.

In the 1960s, injustices against largely immigrant farmworkers from Mexico provided stimulus for the Chicano movement: an urban movement with a broad constituency that developed from the era of 1960s social protesting. An important part of the struggle for Latino civil rights, the Chicano movement inspired many community-oriented services to open, of which several received funding from federal War on Poverty programs. In California, community services to open under the momentum of the Chicano movement include an Oakland health clinic, Centro de Salud Mental; San Diego's Chicano Community Health Center; the Chicana Service Action Centers for job-training located throughout Los Angeles; the East Los Angeles Community Union; and Santa Clara County's Mexican American Community Services Agency (California Office of Historic Preservation 2015:104).

The Chicano movement also relied on youth activism. Groups included those such as high school and college quasi-military radical student protesters known as the Brown Berets, who demanded equal education and cultural acknowledgement. Additionally, the National Chicano Moratorium (NCM) was an anti-Vietnam War group that protested from 1969-1970 in Los Angeles. Latina activists also utilized feminism and the 1960s feminism movement to demand social equality. Francisca Flores led the creation of Los Angeles' Comision Feminil Mexicana Nacional, a group that prepared Latinas for leadership roles within and beyond the Chicano movement (California Office of Historic Preservation 2015:104-105).

The Chicano movement's efforts resulted in noted victories for Latino/a people in the United States. The Fifth and Fourteenth Amendments were nationally enforced; national Latino advocacy groups and organizations gained permanency; Latino/a individuals began to progress into the national and political mainstream; and newer Latino groups—those who demanded stronger civil rights—outweighed earlier methods of assimilation into mainstream American culture (California Office of Historic Preservation 2015:105).

The year 1975 was pivotal for California's Latino population. Through grassroots activism, the Voting Rights Act extended to Latino/a people, easing the voting process along with providing bilingual materials. In 1982, the Voting Rights Act was amended to allow majority-minority voting districts that benefited minority voters. This amendment helped the election of several Latinos into political roles (California Office of Historic Preservation 2015:117-118).

3.3.2 Postwar Latino Labor and Union Activism

Following the Depression era and World War II, the United States underwent tremendous economic growth. This trend meant greater jobs for some and many Latino workers—many of them of Mexican heritage—quit their agricultural jobs and searched for work in cities. By 1960, 85 percent of the Spanish surname population in California resided in the state's cities (California Office of Historic Preservation 2015:72). Latinas, too, generally shifted from semi-skilled factory occupations into clerical positions. An increase in jobs in urban areas, along with the G.I. Bill that allowed Latinos to achieve higher education and therefore greater opportunities for white-collar jobs, provided them upward mobility for the first time. However, much of their gains were temporary, and Latino/a

workers continued to hold inferior jobs, continued to largely occupy the manual labor sector, and continued to earn lower wages than Anglos.

In the 1960s, Latino/a Californians led strike efforts with political support at the state level by Governor Pat Brown, who gained political control through his 1958 pro-labor campaign. Latinos also strengthened their union forces by entering into AFL-CIO unions. In Southern California, Mexican-Americans held union membership in high numbers. At a meat-processing factory, workers grew union membership with strong organizing tactics and through the leadership of J.J. Rodriguez, a CIO local president. The Mine, Mill and Smelter Workers Union of Los Angeles held numerous strikes from the 1940s-1960s, with 400 Mexican union members out of a 2,100-member union. Also in Los Angeles, Mexican steelworkers made up a third of a 16,000-member union. Mexican laborers of Southern California unionized and led strikes in other industries, such as auto, electrical, aircraft, rubber, and longshoremen (California Office of Historic Preservation 2015:76).

Farmworkers also organized. The Agricultural Workers Unionizing Committee (AWOC), established in 1959, held a strike in 1961 against lettuce growers of the Imperial Valley, and again the following year towards the California Packing Corporation (California Office of Historic Preservation 2015:76-77).

On a national level, the National Farm Workers Association (NFWA)—later renamed the United Farm Workers (UFW)—led efforts to organize farm workers. NFWA demanded minimum wage, social security, housing, healthcare, and education assistance for farm laborers. NFWA led several strikes that drew attention nationwide for the first time. In 1965, a UFW strike against grape growers that lasted until 1970 attracted national support and sympathy, coinciding during the civil rights movement (California Office of Historic Preservation 2015:77-78). In 1972, the UFW had increased California's farmworker wages to nearly double with some then receiving basic healthcare. The UFW peaked in the 1970s while organizing workers in Arizona, California, and Florida, and securing the passage of the Agricultural Labor Relations Act for California, giving farm labor unions new protections (California Office of Historic Preservation 2015:78).

In the 1970s, Latinos and Latinas continued advocating and fighting for worker rights. "Housing the largest Spanish-speaking population in the U.S., California emerged as the site of nationally significant labor activism" (California Office of Historic Preservation 2015:79). By the 1980s, the Reagan administration propagated national anti-unionism sentiment when the President fired air traffic controllers who went on strike in 1981 and replaced them with other employees. Reagan's firings led other employers across the nation to follow suit with their own employees who went on strike.

While the national labor movement began to wither at this time, Latino/a organizers brought fierce union tactics, which ignited the labor movement on a national scale. In San Francisco in the 1980s, the Hotel Employees and Restaurant Employees Union (HERE) Local 2 aided a hotel strike with the organization of Miguel Contreras. HERE also created Latinos Unidos (United Latinos) to additionally assist the strikers. The strike lasted 27 days, and ultimate gained higher wages and increased benefits. In Van Nuys, California, Mexican workers at a General Motors plant delayed closure of the plant through grassroots boycotting. In Watsonville in 1985, 1,500 Mexican and Mexican-American women employees went on strike against their frozen food employer for 19 months. Although they lost, their strike was noticed across the nation (California Office of Historic Preservation 2015:81).

Chapter 4
Owner/Occupant History

4.1 Owner/Occupant Chronology

Table 3 provides a list of the known owners of 2918-2922 Mission Street. Table 4 provides a list of known occupants. Given that the building contained many commercial tenants at any one time, Table 4 presents the tenants listed in San Francisco city directories at four points in time between the building's construction in 1924, and 1982, the final year that city directories are available.

Table 3. Owner Chronology

Date	Name/Address	Source
APN 6529-002	**2918-2920 Mission Street**	
1917- 1953	Henrietta Sittenfeld	San Francisco Office of the Assessor-Recorder; June 2, 1953 Building Permit, source: SF Dept. of Building Inspection
1947	Union Trust So. Exrs	San Francisco Office of the Assessor-Recorder
1952–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-002A	**2922 Mission Street**	
1917	Commercial Centre Realty	San Francisco Office of the Assessor-Recorder
1938	ML Fruhling	San Francisco Office of the Assessor-Recorder
1938	Cal Pao Title & Tr Co	San Francisco Office of the Assessor-Recorder
1938–1946	Aaron A. and Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1946	Louise R. Heringhi	San Francisco Office of the Assessor-Recorder
1956	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
Unknown–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–present	RRTI Inc.	San Francisco Office of the Assessor-Recorder
APN 6529-003	**Parking Lot**	
1948	Jessie B. Lyon	San Francisco Office of the Assessor-Recorder

1960	Bertha A. Gordon, Wells Fargo Bank, and Marvin Sugarman	San Francisco Office of the Assessor-Recorder
1952–2006	Marvin Sugarman, Warren A. Sugarman, Georganna S. Sugarman, and/or Sugarman Family Trust	San Francisco Office of the Assessor-Recorder
2006–Present	RRTI Inc.	San Francisco Office of the Assessor-Recorder

Table 4. Occupant Chronology

Date	Name/Address	Source
1925	• Coast Auto Company	*Crocker-Langley San Francisco City Directory 1925* (San Francisco, CA: R.L. Polk & Co. 1925).
1926-1929	• Badger & Hayes Inc. (2922 Mission St)	*Crocker-Langley San Francisco City Directory 1928* (San Francisco, CA: R.L. Polk & Co. 1926-1929).
1933	• Morton & Wildman (used cars) (2922 Mission St) • Malkason Motors Co. (2920 Mission St)	*Polk's Crocker-Langley San Francisco City Directory 1933* (San Francisco, CA: R.L. Polk & Co. 1933).
1953	• Lesher-Muirhead Motors (2920 Mission St)	*Polk's San Francisco City Directory 1953* (San Francisco, CA: R.L. Polk & Co. 1953).
1955–56	• Better Values Store Inc. (2920 Mission St)	*Polk's San Francisco City Directory 1955–56* (San Francisco, CA: R.L. Polk & Co. 1956).
1958	• Volvo Motors Auto (2922 Mission St) • Sam's Speed Service (auto repair) (2920 Mission St)	*Polk's San Francisco City Directory 1958* (Los Angeles, CA: R.L. Polk & Co. 1958).
1959–1972	• Atlas Motors or Atlas Volkswagen (2920-2922 Mission St)	*Polk's San Francisco City Directory 1959–1972* (Los Angeles; Monterey Park, CA: R.L. Polk & Co. 1959-1972).
1973–1985	• Mission Hiring Hall Inc. (2922 Mission St)	*Polk's San Francisco City Directory 1973* (Monterey Park, CA: R.L. Polk & Co. 1973); *San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & Co. 1978). San Francisco Telephone Directory 1979–1985.

1974–1985	• Mission Housing Development Corporation (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & CO. 1978). San Francisco Telephone Directory 1979–1985.
1974	• Mission Model Neighborhood Corp. (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974).
1974–1975	• Mission Childcare Consortium Inc. (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1975).
1974–1978	• Mission Community Legal Defense Fund (2922 Mission St)	*San Francisco City Directory 1974* (El Monte, CA: R.L Polk & CO. 1974–1977); *San Francisco City Directory 1978* (Dallas, Texas: R.L Polk & CO. 1978).
1989	• Movie Magic	SF Dept. of Building Inspection, Permit No. 612733
1991–Present	• Wash Club Laundry (2922 Mission St)	SF Dept. of Building Inspection, Permit No. 668045

4.2 Organization Occupant Histories

The five community-based nonprofit organizations whose offices were housed in the subject building beginning c.1974 developed in close association with one another and have interlinked histories (Figure 25). These five organizations—Mission Model Neighborhood Corporation (MMNC), Mission Housing Development Corporation (MHDC), Mission Hiring Hall (MHH), Mission Childcare Consortium (MCCC), and Mission Community Legal Defense Fund (MCLDF)—have a shared origin created through, and funded by, the federal Model Cities Program. They also embodied a shared goal to improve the lived experiences of the residents of the Mission, many of whom faced serious social barriers regardless of their ethnicity.

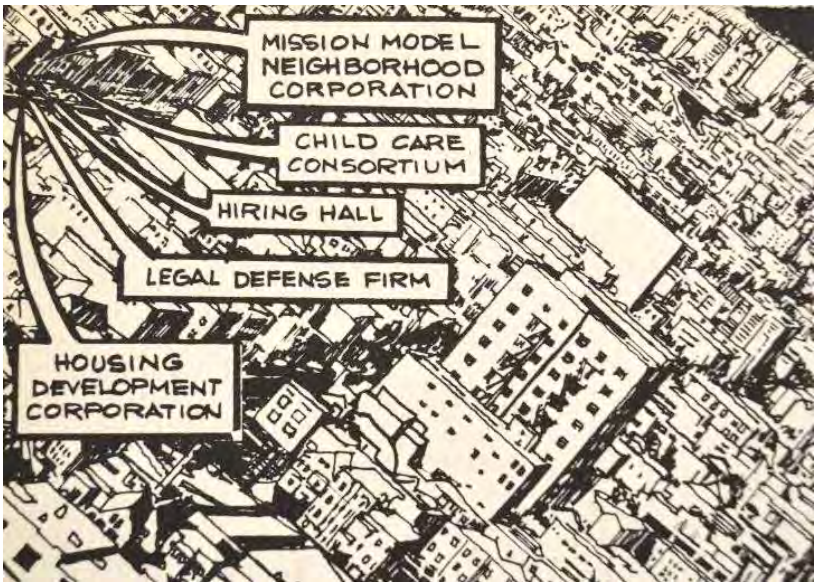

Figure 25. Detail of 1974 Model Cities programs report cover, showing a hand drawn map indicating the location of four Model Cities organizations within the subject building
Source: Mission Model Neighborhood Corporation, *Mission Model Cities 74-75*

The organizations were created following the submittal of the Mission Model Cities plan to the Department of Housing and Urban Development and the first delivery of Model Cities funding to San Francisco in 1971. The plan identified a broad range of community needs for the Mission in the realms of employment, education, housing, health, recreation, and other areas. Upon their formation, the majority of these organizations (with the exception of MCLDF) established their offices at 3145 23rd Street. As the organizations grew their staff and programs, it is believed that their first shared space proved too small for them, and they relocated to 2918-2922 Mission Street in order to expand (Del Carlo pers. comm.). Based on city directories and municipal Model Cities reports, the first of the organizations to relocate was MHH, in 1973; the remainder followed in 1974. The various groups vacated the building over time, with the MCCC offices remaining for only one year. MHDC and MHH remained the longest, until 1985, when it appears that these organizations outgrew the space they had occupied for over ten years (Del Carlo pers. comm.).

The following section presents brief histories of the five Model Cities-funded programs that occupied the building at 2918-2922 Mission Street during the early- to mid-1970s. These histories provide an overview of the programs' primary programs and major organizational accomplishments, as well as brief comparative context that describes similar organizations that may have also operated in San Francisco during the same period. The building's earlier automobile-related commercial tenants are not expanded upon in this section, as they appear to be unremarkable businesses within the context of a neighborhood commercial corridor in San Francisco during the early- to mid-twentieth century.

4.2.1 Mission Model Neighborhood Corporation

In 1970, MMNC was formed by MCO and Mayor Joseph Alioto's office as a private, not-for-profit corporation that was the primary citizen participation mechanism required by the Model Cities program. The corporation resembled existing agencies that operated throughout the entire city (such as the SFRA), but MMNC was responsible for administering Model Cities funding to programs

occurring within the boundaries of the Mission Model Cities target area. Prior to the waning of MCO's political influence in 1974, MMNC operated in tandem with the Mission Housing Development Corporation (described in the following section) to assess the Mission's policy and planning needs. Most importantly, MMNC became an instrument for the MCO's political objective to allow residents of the Mission to identify urban planning priorities and to determine its own political future (Howell 2015:279-280).

The community-focused planning efforts of the MMNC were rooted in its 21-member board of directors, two thirds of which are put forward by the MCO and formally appointed by the mayor. The directors were responsible for developing the Model Cities improvement plan that outlined MMNC's areas of community involvement in the Mission (Del Carlo pers. comm.). On May 3, 1971, a $2.9 million Mission District improvement plan, drafted by MMNC, was approved by the San Francisco Board of Supervisors and forwarded to HUD. The plan proposed approximately $800,000 for job development, $800,000 for housing development, $775,000 on education, and $200,000 on citizen participation and outreach (Burns 1971:5).

Playing a central role in the work of MMNC was its large collection of task forces—in areas such as employment, police, recreation, welfare, and housing—that liaised with applicable Model Cities organizations. For instance, the housing task force was linked with programs including the Mission Housing Development Corporation; the police task force was a bridge to programs such as Mission Community Legal Defense Fund. The task forces were responsible for evaluating the efficacy of their respective organizations and had the authority to withhold funding if any organization's programs were deemed as not meeting community needs sufficiently (Mission Model Neighborhood Corporation 1973).

MMNC was initially allocated an annual budget of $3.2 million and was viewed as the primary source of local planning expertise and community participation in the Mission. During the early 1970s MMNC gained considerable funding and access to City Hall, which it used to propose new programs and policies to improve the quality of life for existing Mission residents and mitigate potential displacement. One example of MMNC's influence was its successful campaign to downzone areas of Mission Street near the BART station locations, making those areas less attractive to outside real estate developers. Also in the early 1970s, MMNC drew attention to issues such as inadequate municipal service performance (i.e., garbage collection), and lobbied appropriate city agencies to address residents' concerns (Howell 2015:284–289).

City directories indicate that MMNC was housed in the subject building for one year only. As MMNC fulfilled the community participation mandate of the Model Cities Program, the moratorium on Model Cities in 1974 forecast an uncertain future for the corporation. Mayor Alioto proposed that both the MMNC and the equivalent organization in the city's other Model Cities neighborhood, Bayview-Hunters Point, be combined into a new body, the Model Cities Council. The council was to include board members from each of the neighborhoods but would be housed in the mayor's office (Burns 1974:3). Thus MMNC pivoted to a position more closely associated with City Hall; historian Ocean Howell has written that the corporation "effectively ceased to be a strictly community-controlled organization. From that point on, the organization's activities were severely curtailed by a conservative Department of Housing and Urban Development" (Howell 2015:294).

4.2.2 Mission Housing Development Corporation

MHDC was formed alongside the MMNC and functioned as a public housing development authority that initially operated using Model Cities funding. MHDC's primary goal was to improve housing options for low-income residents of the Mission, and it was closely aligned with the planning expertise of MMNC. Reflecting their interconnected relationship, both organizations shared space within the building at 3145 23rd Street beginning in 1971, and in 1974 relocated together into the subject building at 2918-2922 Mission Street.

When established in 1971, MHDC was an early non-profit affordable housing development organization in San Francisco. Although it does not appear that comparable neighborhood-based affordable housing corporations existed previous to MHDC, an important antecedent to the organization's work is the ILWU Longshore Redevelopment Corporation, which planned and developed the St. Francis Square complex in the Fillmore District during the 1960s. While not strictly a community-based non-profit like MHDC, the union-affiliated developer of St. Francis Square is notable for constructing affordable housing units outside the auspices of the municipal housing agency, the San Francisco Housing Authority. Union pension investments funded St. Francis Square, whose 300 units were sold to low- and moderate-income San Francisco residents. The project has been viewed as an important model for creating affordable housing units for individuals who otherwise faced barriers in the housing market in the city (Cole 2016).

Compared to St. Francis Square, the work of MHDC ultimately represented a longer-term investment in a single neighborhood. MHDC was formed to address the specific housing needs of the Mission. A 1974 fact sheet on the corporation described its rationale: "overcrowding, deterioration, high rent, high construction cost, dilapidation, and lack of a master plan are some of the housing problems existing in the Mission Neighborhood Area. Lack of cooperation from existing housing agencies to deal with these problems has created the need for the MHDC Project" (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Model Neighborhood Corporation" para. 3).

In conjunction with the MCO and MMNC, MHDC oversaw programs that distributed federal Model Cities funding into new housing development projects and other housing-related initiatives in the Mission. The program's earliest efforts were in community funding for the rehabilitation of existing buildings that had suffered from deferred maintenance (Del Carlo pers. comm.). MHDC employed Model Cities funding for a provision of $150,000 to Crocker National Bank, which the bank used as security against potential defaults for rehabilitation loans that were available to Mission residents (San Francisco Chronicle 1972:2). The corporation furthermore acquired a limited number of properties, which it then arranged to be sold to Mission residents who were not able to buy property without MHDC's financial assistance. According to a 1974 program report, MHDC had sponsored the rehabilitation of more than 100 buildings in the Mission (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Model Neighborhood Corporation"). In addition to its rehabilitation and home buying assistance programs, MHDC sought a clearer picture of housing issues in the Mission and conducted a door-to-door survey to identify the neighborhood's makeup of owners and renters (Cervantes pers. comm.)

The most visible of MHDC's projects within its first two years in existence were its successful appeal for federal funding for two new below-market-rate housing projects. This money was awarded shortly before President Richard Nixon's administration slashed Model Cities program funding. Apartamentos de la Esperanza, at 19th and Guerrero streets, and the Betel Apartments complex, at 24th Street and Potrero Avenue, were funded in 1973 and completed several years later, providing

39 and 50 units of affordable housing respectively (San Francisco Chronicle 1973:2; Howell 2015:292–293).

MHDC additionally spearheaded new urban planning efforts in the Mission. A significant accomplishment for the organization was the completion of the 1974 *A Plan for the Inner Mission*, also known as the Mission Plan. During the development of the plan from 1972 to 1974, planners hired by MHDC worked with community members to refine priorities for neighborhood improvements in a range of planning-related areas, including housing, recreation and park space, economic development, public health, education, community services, and transportation. Although not an official neighborhood plan developed by the Department of City Planning, the Mission Plan was a major effort for a community-based organization to analyze and synthesize a range of urban issues affecting quality of life of neighborhood residents (Mission Housing Development Corporation 1974).

Following the dissolution of MCO, MDHC's two affordable housing developments in the Mission had already been awarded federal funding and were underway; the organization's completed initiatives included rehabilitating several buildings as subsidized condominiums, as well as providing financial assistance to approximately 450 residents. Despite MMNC and MDHC's ambitions to introduce thousands of new affordable residential units in the Mission, in 1974 political developments at the local and national levels heavily restricted their ability to enact those plans (Howell 2015:294-295).

Through the 1970s, MHDC saw its two funded development projects—Apartamentos de la Esperanza and Betel Apartments—through to completion, and continued to explore new affordable housing construction. In the early 1980s, MHDC was responsible for constructing a third housing project from scratch, as well as rehabilitated a single-room occupancy hotel (Moss pers. comm.).

MHDC remained at 2918-2922 Mission Street until the mid-1980s. As a tenant of 2918-2922 Mission Street, MHDC originally utilized the building as an administrative office. While today MHDC has internal facing programs that go beyond affordable housing provision—such as engaging community members through skills building classes—those programs did not start until after MHDC relocated from 2918-2922 Mission Street (Moss pers. comm.). The organization currently occupies offices in the Mission at 474 Valencia Street.

4.2.3 Mission Hiring Hall

MHH was established as a Model Cities employment service for Mission residents, and was among several "manpower" organizations that operated in the neighborhood at this time. Once formally funded by Model Cities grants, MHH carried forward the goals of the MCO's jobs committee, which had developed its role negotiating directly with San Francisco employers to secure employment contracts. A number of individuals who had been heavily involved in the MCO jobs committee transferred to MHH upon its creation (Miller 2009:222).

The name given to MHH harkened to the hiring hall concept that is closely associated with San Francisco labor history, and specifically with the 1934 West Coast Longshoreman's Strike. During the strike, one principal demand of the waterfront workers was to establish a union-administered institution, the hiring hall, to dispatch union members to jobs on the docks. Once implemented, the hiring hall system regulated job assignments and eliminated the favoritism that had previously been rampant along the waterfront (Mills n.d.). MHH thus had a meaningful connection to an established tradition in San Francisco, but the organization operated outside of a union context. Based on research conducted for this report, it could not be determined whether any comparable

neighborhood-based employment organizations existed prior to Model Cities that used a similar strategy to negotiate directly with employers to secure jobs for underserved residents.

The primary goal of MHH during the 1970s and 1980s was to place unemployed residents of the Mission in jobs in San Francisco. The organization sought to overcome the various barriers faced by neighborhood residents, particularly Spanish speakers, in the employment market: these barriers included lack of job training and formal education, lack of English language skills, and discriminatory hiring practices. Many of the positions that were open to job seekers who had limited experience were in sectors such as garment manufacturing, and offered low pay and difficult workplace conditions (Mission Model Neighborhood Corporation 1974:C4-C5).

Staff members of MHH met with unemployed residents of the Mission seeking job referrals, and provided employment counseling and skills related to resume writing and application completion (Figure 26). With a formal bureaucratic structure and full-time, paid staff, the MHH forged relationships with major employers in the city, including Pacific Gas & Electric, Chevron, Foremost-McKesson, Hostess, and Safeway, which committed to interview and hire Mission job seekers. (Del Carlo pers. comm.; Office of the Mayor 1975) The organization therefore advocated for employment opportunities, some of them white-collar, that may previously have been unattainable to Mission residents. By 1973—prior to the moratorium on federal Model Cities funding and the organization's relocation into the subject building—MHH had placed over 650 individuals in jobs, and had placed nearly 200 Mission residents in employment training opportunities (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Missing Hiring Hall").

Figure 26. Interior space occupied by Mission Hiring Hall in the subject building, c.1975
Source: Office of the Mayor, *San Francisco Model Cities Program*, 1975

Although the federal Model Cities Program was eliminated in 1973, MHH was able to continue work through funding provided by the Department of Labor (Miller pers. comm.). The organization's relocation to new offices in 1973 and its transition to federal block grant funding do not appear to have disrupted its program offerings, and MHH continued working to place unemployed Mission residents in jobs. By 1975, the organization had received over $300,000 in funding from HUD (Office of the Mayor 1975). According to the 1979 municipal performance report for community development programs, MHH operated to "provide sufficient job information, supportive services

and referrals of Mission Model Neighborhood residents to place them in full-time employment. A secondary goal is Affirmative Action and Job Development activities leading to job creation and placement" (Mayor's Office of Community Development 1979:48).

MHH worked closely with other manpower organizations in the Mission, including Arriba Juntos (which also received HUD funding through the Model Cities program and community block grants). Job applicants who arrived at Mission Hiring Hall but required additional training prior to employment were referred to Arriba Juntos, which provided the necessary support (such as a specific training program for jobs at Safeway). Arriba Juntos also provided post-hire counseling to assist in job retention. The collaboration between these two organizations reflects the tightly connected environment of community-based nonprofits in the neighborhood during the 1970s. (Del Carlo pers. comm.; Office of the Mayor 1975)

MHH remained in the subject building until 1985. The organization remains in existence as of the writing of this report, with offices in the Mission at 3080 16th Street, and in the South of Market district at 1048 Folsom Street.

4.2.4 Mission Childcare Consortium

MCCC was established to provide sliding-scale child day care to families residing within the Mission Model Cities target area, which was identified as in high need of affordable day care options for working-class families. The organization grew out of the MCO's childcare committee (Del Carlo pers. comm.). A 1973 Model Cities Program report articulated the community's need for affordable childcare, stating that "parents, single mothers in particular, are unable to find childcare at a cost which will permit them to go to work or continue working" (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Childcare Consortium" para. 2). The provision of community-based childcare, therefore, was viewed as a tool to support not only childhood development but also employment and family financial security. Additional funding for MCCC was initially supplied by the Department of Social Services (Office of the Mayor 1975). Research completed for this report did not determine whether any comparable community-based childcare organizations operated in San Francisco during the second half of the twentieth century.

The consortium's first day care location, accommodating 40 children, opened in November 1971 at the former St. Peter's school on Alabama Street; seven additional locations opened early the following year, housed in both residential and commercial properties in the Mission (Stack 1971:4; Cervantes pers. comm.). Many of the coalition's staff members were hired directly from Mission communities and were fluent in Spanish, although not all children who participated in the group's day programs were from Spanish-speaking homes. The organization was structured to meet varying childcare needs within the community: several locations operated throughout the day, others operated before and after school hours, and one additional location was a drop-in center. The coalition's services aimed to allow parents—particularly mothers, who were traditionally assigned to child-caring roles—to take employment or receive job training during the daytime (Hamilton 1971:4; Stack 1971:4).

Within the consortium's first years in operation, its programs were expanded to include a 24-hour Extended Family Center that provided social services to abused children and their families (California Living Magazine 1973:23). By 1973, the organization reported that it had grown rapidly to serve approximately 250 children in the Mission. Its day care services included a nutrition program providing free meals and snacks, as well as a health program with medical, vision, and

dental examinations. Social workers were also employed at the individual childcare locations (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Childcare Consortium").

According to city directories, the administrative office of MCCC relocated from its initial location at 3145 23rd Street into the subject building at 2918-2922 Mission Street in 1974, and remained there through 1975. At this time, the organization had six childcare centers throughout the Mission, and continued the scopes of its nutrition, health, and social service programs (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Childcare Consortium"). After the moratorium on federal Model Cities funding, the Mission Childcare Consortium continued to receive money from the Department of Social Services but also secured major funding from the State Department of Education. The change in funding source did not disrupt the organization's programs, and in 1975 eight childcare centers were in operation (Office of the Mayor 1975). However, the consortium's dependence on state money meant that policy changes at the state level at times threatened to limit certain families' participation in its subsidized childcare programs. In response, through the 1970s the consortium fought to maintain the community's access to its programs and joined campaigns against proposed state policy changes (Zane 1974:4; McKillips 1976:4).

City directories indicate that the offices of the Mission Childcare Consortium relocated out of 2918-2922 Mission Street in 1976, after two years' occupancy of the building. Immediately after its relocation out of the subject building, the organization retained spaces at 3000 Folsom Street and 1406 Valencia Street and was led by Ben Martinez, the former president of the MCO (Cervantes pers. comm.). The organization remains in operation as of the writing of this report.

4.2.5 Mission Community Legal Defense Fund

MCLDF was founded to provide bilingual (Spanish and English) legal services free of charge to residents of the Mission, particularly serving low-income Latino/a residents who faced legal barriers to full participation in civic life. The legal defense fund was established in 1973, two years after the formation of the other organizations that ultimately joined it within 2918-2922 Mission Street. MCLDF's original office location was at 2707 Folsom Street (Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Community Legal Defense Fund"), which it occupied briefly before moving to the Mission Street Model Cities building in 1974.

Although focused at a community scale, MCLDF followed in the tradition of influential public interest legal defense funds that had become active nationwide in the twentieth century. Prominent organizations included the NAACP Legal Defense and Education Fund, in addition to MALDEF and PRLDF, which addressed issues specific to Latino/a communities. These legal defense funds pursued legal action with the aim of changing socially unjust institutions and winning civil rights in areas such as employment, voting, and housing (DeSipio 2013). By providing legal services to individual community members, however, MCLDF was perhaps more similar to the Bayview-Hunters Point Community Defender, a federally funded legal program founded in 1971 in San Francisco's other Model Cities target neighborhood (Office of the Mayor 1975).

The programs of MCLDF responded to the inability of the public defender's office to provide effective legal counsel to Mission residents. According to an MMNC report drafted immediately before the legal defense fund began operating, the organization was created to lower "the large number of Mission Neighborhood Area residents arrested and found guilty of offenses simply because they cannot afford adequate legal services and must depend on the Public Defense Office"

(Mission Model Neighborhood Corporation 1973:"Fact Sheet: Mission Community Legal Defense" para. 2).

The legal defense fund's staff was comprised of attorneys who volunteered their time, or worked well below the rates they would be paid by a private law firm (Del Carlo pers. comm.). Upon its establishment, the organization defined its parameters as providing criminal defense services, assisting with "own recognizance" release and bail services, as necessary. After one year in operation, the organization had expanded its services to encompass the following: "Legal counseling for those charged with criminal offenses; some legal aid for civil matters of community concern; court representation; attorney referrals; probation hearing aid; drug diversion assistance; legal research; training legal workers; law classes; coordination with other Mission community organizations; on-going study regarding arrests, police brutality, etc." (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Community Legal Defense" para. 3). Within six months in 1974, the organization reported that it had served more than 250 clients and appeared in court more than 150 times. The organization reported that, "Compared with the data in the Annual Report of the Public Defender's Office – 1972, the MCLD showed significantly fewer 'guilty' judgments, fewer clients sent to prison, more probations and more not guilty findings and dismissals" (Mission Model Neighborhood Corporation 1974:"Fact Sheet: Mission Community Legal Defense" para. 4). By 1975, Mission Legal Defense Fund had provided some form of legal assistance to over 600 residents of the Mission (Office of the Mayor 1975).

In addition to courtroom representation and legal research, MCLDF developed programs to assist Mission residents navigate the legal territory of immigration and welfare assistance. Through its immigration services, the organization provided counseling and representation at immigration and naturalization hearings. MCLDF's welfare services were a later addition to its suite of programs, and encompassed legal advising, representation, and workshops to familiarize welfare aid recipients in the Mission with their rights and responsibilities (Mayor's Office of Community Development 1979:47).

Beyond the organization's courtroom-based legal services and educational programs for Mission residents, MCLDF was involved in public campaigns to reform racially biased public policies in San Francisco, which reflected the strategies used by national civil rights legal defense funds such as MALDEF and PRLDF. During the years that the organization was housed at 2918-2922 Mission Street, it was one of several community groups involved in a reform campaign to establish new guidelines for police treatment of public witnesses during arrests. The organization also campaigned against changes to the admissions practices of Hastings College of the Law, which were viewed as creating bias against racial and ethnic minority applicants (Robinson 1976:14; Ramirez 1978:10).

City directories indicate that MCLDF moved its offices to 2940 16th Street in 1979. The organization no longer operates.

Chapter 5
Evaluation

5.1 California Register Eligibility

The following section evaluates the property to determine whether it meets the eligibility criteria for listing in the California Register, for the purposes of CEQA review. These evaluative criteria are closely based on those developed by the National Park Service for the National Register. In order to be eligible for listing in the California Register, a property must demonstrate significance under one or more of the following criteria:

- **Criterion 1 (Events):** Resources that are associated with events that have made a significance 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 (Design/Construction):** 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 that have yielded, or have the potential to yield, information important to the prehistory or history of the local area, California, or the nation.

In addition, a property must retain integrity when being evaluated for listing in the California Register. Integrity is the measure by which a property is evaluated based on the property's ability to convey its historical significance. To retain integrity, a property must have most of the seven aspects of historic integrity as defined by the National Register and adopted by the California Register: location, design, materials, workmanship, setting, association, and feeling.

5.1.1 Criterion 1 (Events)

2918-2922 Mission Street is significant under Criterion 1 at the local level, for its association with five community-based non-profit organizations that occupied the building and formed a locus of community services in the Mission between the mid-1970s and mid-1980s: Mission Model Neighborhood Corporation (MMNC), Mission Hiring Hall (MHH), Mission Housing Development Corporation (MHDC), Mission Childcare Consortium (MCC), and Mission Community Legal Defense Fund (MCLDF). These organizations represented the successful implementation of community-based (and largely Latino/a-based) control over the use of federal Model Cities funding for neighborhood resident empowerment in San Francisco during the post-World War II period. The organizations are closely associated with the evolving story of federal anti-poverty and urban renewal programs in the second half of the twentieth century. Through its use as a hub of neighborhood-based social services during the 1970s and 1980s, the building is associated with the Mission's successful Model Cities community participation strategy to define community needs and develop impactful organizational solutions.

Through the involvement of the MCO, a broad-based neighborhood coalition formed in 1968 based on the community organizing principles of Saul Alinsky, Mission residents gained a voice in the process of defining community needs. The MCO's participatory approach has been recognized as highly innovative and successful in terms of citizen participation, which distinguished the Mission from the majority of Model Cities programs across the United States. Specifically, the MCO negotiated with Mayor Alioto's office during the application process for the Mission's Model Cities designation, and ultimately secured majority representation on the board of the MMNC, the neighborhood-based nonprofit corporation responsible for planning, distributing funding to, and evaluating the Mission's Model Cities programs.

The Mission's experience in the Model Cities program thus represents a significant development in the history of the Mission during the twentieth century, and in the social history of Latino/a residents of San Francisco (who were served predominantly, but not exclusively, by the Mission's Model Cities initiatives). The strong involvement of the MCO in the MMNC (and by extension its affiliated community non-profits, which developed out of the MCO's standing committees) allowed a spectrum of community members to become involved in articulating the needs of residents, developing organizational solutions to overcome social barriers, and working towards the political and social inclusion of the Mission's underserved populations.

MMNC occupied the subject building for one year, 1974. It was joined by four of the neighborhood's Model Cities organizations (as represented in Figure 25). These organizations were:

- Mission Hiring Hall (1973–1985)
- Mission Housing Development Corporation (1974–1985)
- Mission Childcare Consortium (1974–1975)
- Mission Community Legal Defense Fund (1974–1978)

Although MMNC, MHH, MHDC, and MCCC previously shared a smaller office at 3145 23rd Street beginning in 1971, the subject building at 2918-2922 Mission Street has a long-term affiliation with the organizations. Specifically, MCLDF delivered social services and resources to Mission residents from the building for a period of at least five years and MHH and MHDC remained in the building for more than ten years. While the Model Cities program was phased out immediately prior to the organizations' relocation into the subject building, the organizations received federal HUD money through a different funding model (Community Development Block Grants) and continued to embody the vision of neighborhood-based social service delivery that had been developed by the MCO and implemented by MMNC.

The subject building meets the definition of "Headquarters and Offices of Prominent Organizations," a property type "associated with struggles for inclusion" as described in the publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement* (California Office of Historic Preservation 2015:139). While not significant specifically for individual achievements attributed to the tenant organizations, the subject building at 2918-2922 Mission Street was recognized as one of the neighborhood's most prominent hubs of Mission activism and social service organizations that worked to overcome the systemic social barriers faced by Mission residents, specifically Latino/a individuals. Working collaboratively with one another and housed together on the Inner Mission's primary commercial corridor, the four nonprofit organizations listed above (and initially joined by the MMNC) provided services to improve affordable housing options in the Mission, secure stable employment, provide childcare options for working and work-seeking

parents, and offer legal representation. Given the demographic composition of the Mission at this time, the organizations supported community-based efforts to improve the lives of its Latino/a residents and more fully integrate them into the social and political life of the city at large. Considered together in light of their cumulative influence on Mission residents, the four organizations (initially with the close oversight of the MMNC) formed an impactful neighborhood center that led to meaningful change in the lives of Mission residents following the influential organizing principles of the MCO.

The significant association of the subject building at 2918-2922 Mission Street with community-based social service delivery in the Mission was furthermore expressed through the MMNC's decision to commission the pioneering Latina muralist collective the Mujeres Muralistas to paint the mural *Latinoamerica* on the south façade of the building. *Latinoamerica* introduced the collective into the Mission muralist tradition, which previously had been dominated by men. The mural included complex themes related to the cultural identities and lived experiences of the Mission's Latino/a residents in the 1970s, and it marked the building's strong connection with the culturally vibrant neighborhood that its tenant organizations served. The mural continued to express the building's link to Mission community members until it was painted over during the late 1980s.

For the reasons described above, ICF finds that 2918-2922 Mission Street is significant under Criterion 1. The building's period of significance associated with this significance is 1974-1985, encompassing the years that the building housed the organizations originally established through the federal Model Cities Program. The period of significance ends in 1985, the year the final two of the organizations, MHDC and MHH, vacated the building.

5.1.2 Criterion 2 (Persons)

The subject property has been occupied by commercial enterprises and social service organizations for the entirety of its history and is not closely tied to any particular individual. To be found eligible under Criterion 2, the property has to be directly tied to a historically important person and the place where the individual conducted or produced the work for which the individual is known. The building housed a collection of Mission-based community organizations during the 1970s and 1980s, whose potential significance is analyzed under Criterion 1. Although staff members of these organizations were involved in notable initiatives to improve the opportunities and quality of life of Mission residents, the accomplishments of any persons would be better understood within the context of their organizations than as individuals. Consequently, ICF finds that 2918-2922 Mission Street is not significant under Criterion 2.

5.1.3 Criterion 3 (Design/Construction)

The building at 2918-2922 Mission Street is a one-story commercial building with relatively simple massing and design. Decorative elements are restricted to the front façade, which comprises a Gothic Revival-style frieze above a glazed storefront that has been altered numerous times over the course of nearly a century to meet tenant needs. The frieze provides visual interest to the building and conveys the ambitions of the original designer(s) to create a somewhat refined appearance for an otherwise vernacular commercial building. However, this design strategy is common among modest industrial and commercial buildings constructed during the 1910s and 1920s in San Francisco, and the repeated changes that have occurred to the materials and design of the storefronts prevent the building from exemplifying the qualities of an automobile-related commercial building dating to the mid-1920s. Furthermore, the building's architect or original

builder has not been identified through review of historical building permits, and 2918-2922 Mission Street does not employ Revival-style decorative elements or construction techniques in an inventive manner such that the design would indicate the hand of a master designer. 2918-2922 Mission Street does not embody the distinctive characteristics of a type, period, region, or method of construction, and does not possess high artistic values. For these reasons, ICF finds that 2918-2922 Mission Street is not significant under Criterion 3.

5.1.4 Criterion 4 (Information Potential)

The property is not evaluated for eligibility under Criterion 4 (Information Potential), which typically is employed for archaeological resources and is outside the scope of this report.

5.1.5 Integrity

The following discussion addresses the subject property's integrity under Criterion 1 as it relates to 2918-2922 Mission Street's significant associations with the Model Cities-affiliated community organizations that occupied the building between 1974 and 1985.

Location: The building at 2918-2922 Mission Street has not been moved since it was originally constructed; therefore, the property retains integrity of location.

Setting: The numerous properties in the immediate vicinity of 2918-2922 Mission Street continue to comprise a distinct, linear commercial district to which the subject building belongs, and to which it has belonged since its construction. Select buildings in the vicinity were constructed after Model Cities community organizations occupied the building in the 1970s and 1980s, including the adjacent building at 2900 Mission Street. However, the series of storefronts facing the Mission Street streetscape continue to form a primary business corridor serving the Mission's Latin American residents. Therefore, the subject property retains integrity of setting.

Design: While the basic elements of the subject building's original footprint and massing remain the same since its date of construction in c.1924, the building's exterior and interior have been altered substantially since Model Cities-affiliated community organizations vacated the building in 1985. At the exterior of the building, the Gothic frieze located at the roofline of the Mission Street façade is currently exposed, whereas a screen installed over the frieze c.1960 appears to have remained in place during at least a portion of the community organizations' tenancy in the building. (Portions of the screen system are visible in Figure 20, taken after the organizations had moved into the building.) The awning that spans the front façade above the storefront windows was installed after 1985 and is associated with the building's recent commercial use as a laundromat and market. Furthermore, visual inspection of the building indicates that the division of windows and entry door within the building's Mission Street storefront also appear to have been altered through the insertion of additional mullions, although the size of the window and door openings do not appear to have been expanded.

Interior tenant improvements that accommodated the building's conversion from auto sales to office use during the early 1970s included new plastering and painting, as well as the installation of new mechanical systems and concrete flooring. The construction of partition walls to divide the building into separate office spaces for the tenant organizations also occurred at approximately this time. The interior of the building, as illustrated in Figure 26, was characterized by simple finishes that were appropriate to its administrative use, as well as interior partial-height partitions that

separated staff offices. Based on available building permits, the conversion of the building to retail use in the late 1980s and ultimately to a laundromat in 1991 involved numerous changes to its interior layout, including new vinyl flooring and partition walls. Plans submitted in 1991 indicate that the partitioned office spaces that had previously housed the individual service organizations in the building had been removed by this time (See Appendix A). Rather, the building contained two primary, largely open, interior spaces: the smaller retail tenant space within the northeast corner of the building, and the laundromat space filling the remainder. The partial-height office partitions no longer exist. The laundromat space was furthermore altered through the installation of banks of industrial washing machines and clothes dryers, which involved the construction of new service corridors and walls at the south and west sides of the building interior. Visual inspection of the building interior reveals additional changes, including lighting fixtures, interior doors and windows, signage, and tile flooring that do not appear to date to the building's use as an office between 1974 and 1985.

Additionally, an important element of the building's design associated with the Model Cities tenants was the 1974 mural *Latinoamerica* at the building's south façade, which was painted over in the late 1980s.

As a result of the changes described above, the building does not retain elements of its design that previously characterized it as the administrative office space of MMNC, MHDC, MHH, MCCC, and MCLDF. Therefore the building does not retain integrity of design.

Materials and Workmanship: The historic material palette and construction methods of the subject building, dating to the occupancy of community service organizations between 1974 and 1985, are no longer evident based on the building's exterior and interior, which is mainly due to alterations in the late 1980s and early 1990s during its conversion to a laundromat. As described above under "Design," the simple finishes of bare concrete floor and multiple partition walls dividing the office spaces (including partial-height office walls) no longer exist. The current material palette of vinyl and ceramic tile flooring, modern interior doors, and banks of laundry equipment express different physical characteristics than the office finishes that defined the building during the 1970s and 1980s. The remaining interior finishes that appear to remain from the period of significance (1975-1985) appear to be gypsum board covering portions of the interior walls. Furthermore, the destruction of the *Latinoamerica* mural has removed the work of skilled artists from the exterior of the building. Therefore, the subject property does not retain integrity of materials and workmanship.

Feeling: The property no longer conveys its former character as an office building that once housed the offices of several community-based service organizations serving the Mission's population. Its change of use into a laundry and minimart and associated interior changes have altered the types of activities that occur there. The building does not express the feeling of an active organizational hub where community members of the Mission gather around neighborhood social issues and solutions. The destruction of the *Latinoamerica* mural has further reduced the building's feeling as an establishment connected to the needs and identity of the Mission. Therefore, the subject property does not retain integrity of feeling.

Association: As a composite of the other aspects of integrity, association would be present if the subject property retained a direct link to the organizations that occupied it during the 1970s and 1980s. 2918-2922 Mission Street retains few to no tangible or intangible aspects of its community-focused organizational use—as the interior partitioned office spaces have been removed and its use

has changed from community needs-serving to commercial. Of particular importance, the mural *Latinoamerica* previously formed a direct link between the property and its organization tenants' work largely serving the Latino/a residents of the Mission, but is no longer extant. Therefore, the subject property does not retain integrity of association.

In summary, although the subject property at 2918-2922 Mission Street retains integrity of location and setting, it lacks integrity of design, materials, workmanship, feeling, and association. Per guidance provided in the California Office of Historic Preservation publication *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*, properties with significance as headquarters or offices of significant Latino political or community organizations can be listed or found eligible under National Register Criterion A (the equivalent of California Register Criterion 1). However, in order for a property to be eligible for historic register listing under Criterion 1, its "historic location, setting, feeling, and association must be strongly present in the evaluation of integrity" (California Office of Historic Preservation 2013:140). As described above, 2918-2922 Mission Street lacks integrity of feeling and association, such that the building retains very few tangible or intangible qualities that would convey its past use as offices of Model Cities-affiliated community organizations in the 1970s and 1980s. For this reason, 2918-2922 Mission Street does not have sufficient integrity to convey its identified historic significance under Criterion 1 and is not eligible for listing in the California Register.

5.1.6 Historic District Evaluation

Properties located within the blocks surrounding the subject property were previously documented in the South Mission Historic Resource Survey. The methodology of this survey included the evaluation of California Register-eligible historic districts. Several such historic districts were identified in the neighborhood. The contributors of these districts were linked through their shared architectural character, urban development history, and/or significant builder. The South Mission Historic Resource Survey did not document any historic district that encompasses or is in the immediate vicinity of 2918-2922 Mission Street, which does not express a discernible consistency in architectural style or era of construction. For this reason, the subject building does not appear to be located within a historic district that is eligible for listing in the California Register under Criterion 3.

Additionally, this HRE considered whether a historic district analysis would be applicable to the subject building under California Register Criterion 1. It does not appear that a historic district exists, in consideration of the building's associations with postwar community organizing and social service delivery in the Mission. There does not appear to be a concentration of other properties in the immediate vicinity of the subject building that were historically linked to the subject building within the context of community organizing or political action during the 1970s and 1980s. As a result, 2918-2922 Mission Street does not contribute to any historic district that is eligible for listing in the California Register under Criterion 1.

Chapter 6
Conclusion

The subject building at 2918-2922 Mission Street is not individually eligible for listing in the California Register. Although ICF finds that the property has significance under California Register Criterion 1, with 1974-1985 as its period of significance, it lacks sufficient integrity to convey its identified significance. The property is also not eligible as part of any known historic districts. Therefore, the property does not meet CEQA's definition of a historical resource.

Chapter 7
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Chapter 8
Preparers' Qualifications

Andrea Dumovich (Preparer) is an architectural historian with 5 years of diverse policy and project support experience in historic preservation, California Environmental Quality Act, and affordable housing. She has experience in historic research, including reviewing building permits, Sanborn maps, and building directories, among other sources. Andrea has prepared Department of Parks and Recreation forms, Supplemental Information Forms, Historic Resource Evaluation sections, and architectural descriptions. Her previous work has included proposal writing, project research, data collection, and assisting with specific plans, environmental impact report chapters, and other planning documents. Andrea has provided writing and editorial skills to many non-profit organizations focused on environmental and urban planning issues. She has also been published in planning literature such as Earth Island Journal, SPUR's The Urbanist Magazine, and Urban Land Institute's San Francisco blog.

Jonathon Rusch (Preparer) holds a bachelor's degree in geography from the University of Minnesota and a master's degree in historic preservation planning from Cornell University. In more than 5 years of professional experience as an architectural historian, Rusch has worked throughout the United States for federal agencies and within the private sector; he has an extensive background preparing context studies, evaluating the historic register eligibility of properties in urban and rural settings, and assessing project impacts on historical resources. He has served as primary author of numerous historic resource evaluations in San Francisco and surrounding municipalities in the Bay Area. His experience also includes preparing architectural survey reports, Historic American Building Survey documentation reports, National Register nomination forms, federal rehabilitation tax credit applications, Section 106 technical reports, and neighborhood design guidelines. Rusch meets the Secretary of the Interior's Professional Qualification Standards for Architectural History.

Gretchen Hilyard Boyce (Senior Technical Reviewer) holds a bachelor's degree in architectural history from the University of Virginia and a master's in historic preservation planning from the University of Pennsylvania. Gretchen has worked as a historic preservation planner and cultural landscape specialist in California for 11 years and has extensive experience in cultural resource documentation, evaluation, design review, and compliance. Gretchen meets the Secretary of the Interior's professional qualification standards for architectural history, history, and preservation planning.

Appendix A

Building Permits

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

No. 15102

APPLICATION

OF

a. Ruef ..... Owner

To make additions, alterations or repairs to building

Location 2220 Mission St

Nos 20th St ..... Street

Estimated Cost, $ 200.00

Filed JUN - 1 1926

Referred to Inspector ..... For Report,

JUN 2 - 1926

Approved:

..... Chief Building Inspector.

6/2/26

2555

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

Bureau of Building Inspection
Dept. of Public Works No. 1

ALTERATION BLANKS

WRITE IN INK—FILE TWO COPIES

TO THE HONORABLE

THE BOARD OF PUBLIC WORKS

OF THE CITY AND COUNTY OF SAN FRANCISCO

Gentlemen:

The undersigned respectfully petition your Honorable Board for permission to do the following work at corner Mission & 21st

side of No. 2920 Mission street 26 ft 4 in feet

of ..... street

WRITE PLAINLY FULL DESCRIPTION OF WORK TO BE DONE

Concrete floor 3" thick
and Store 2920 Mission St

Estimated cost of work, $200.00

Building to be used as automobile Garage

I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, and all costs and damages which may accrue from the use or occupancy of any sidewalk, street or sub-sidewalk place by virtue thereof and will in all things strictly comply with the conditions of this permit.

Name of Architect none

Address none

Name of Builder C. Chiappini

Address 1109 Montgomery St.

A. Ruef Owner

916 Kearny St. Address

Per .....

Report ——— favorably

Paul J. Ery
Inspector.

June 2nd 1926

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

BUREAU OF FIRE PREVENTION AND PUBLIC SAFETY

Construct and Install on Building to Satisfaction of Bureau of Fire Prevention the Following Fire Protection Equipment and Appliances

F. D. (Dry) Standpipes .....
Wet Standpipes .....
Hose Reels .....
Tanks .....
Downpipes .....
Automatic Fire Pumps .....
Automatic Sprinkler System .....
Water Service Connection .....
Groundfloor Pipe Casings .....
Refrigeration .....
Incinerators .....

Reserved 8962

APPROVED:
Ernest B. Nessel
Bureau of Fire Prevention and Public Safety

APPROVED:
Fire Marshal

APPROVED:
Superintendent Bureau of Building Inspection

APPROVED: 12/19/34
City Planning Commission

APPROVED:
Director of Public Health

APPROVED:
Department of Electricity

APPROVED:
Bureau of Engineering

APPROVED:
Art Commission

Report favorable
W. C. Sharon
12-18-34

BLDG. FORM. **3**

No. 9695

APPLICATION OF

W D Malhason Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission

Cost $100 DEC 17 1934

Filed Dec 13 1934

APPROVED: L Cope
SUPERINTENDENT OF THE BUREAU OF BUILDING INSPECTION
12/19/34
Superintendent Bureau of Building Inspection

Permit No. 12605
FEB 8 1935

Issued ..... 19....

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SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION

Central Permit Bureau—F. No. 3

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — **CENTRAL PERMIT BUREAU**

BLDG. FORM **3**

APPLICATION FOR BUILDING PERMIT

ALTERATION

Dec 13 1936

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission

(2) For what purpose is present building now used? Auto Sales

(3) For what purpose will building be used hereafter?

(4) Total Cost $ 100—

(5) Description of work to be done

Install one horizontal double face neon Sign 3'-0" x 13' Swinging

Oldsmobile

Weight 250#

(6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)

(7) Supervision of construction by

Address

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

(8) ~~Architect~~

Certificate No. License No.
State of California City and County of San Francisco

Address

(9) ~~Engineer~~

Certificate No. License No.
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor NEON SIGN SERVICE CO.

License No. 33263 License No.
State of California City and County of San Francisco

Address 1707 Folsom

(12) Owner W. D. Mahaffey Motor Co

Address 2920 Mission

By

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO.
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

BUREAU OF FIRE PREVENTION AND PUBLIC SAFETY

Construct and Install on Building to Satisfaction of Bureau of Fire Prevention the Following Fire Protection Equipment and Appliances

F. D. (Dry) Standpipes

Wet Standpipes

Hose Reels

Tanks

Downpipes

Automatic Fire Pumps

Automatic Sprinkler System

Water Service Connection

Groundfloor Pipe Casings

Refrigeration

Incinerators

APPROVED:

D. J. McKenna

Bureau of Fire Prevention and Public Safety

APPROVED:

Fire Marshal

APPROVED:

Superintendent
Bureau of Building Inspection

APPROVED: 11/17/37

City Planning Commission

APPROVED:

Director of Public Health

APPROVED:

Department of Electricity

APPROVED:

Bureau of Engineering

APPROVED:

Art Commission

Report favorably
Nov-16-'37
Not to obstruct windows or to project above fire-wall.
Robt. J. Cairns

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

NEON SIGN SERVICE CO.

BLDG. FORM.
3

No. 3373

APPLICATION OF

Malkasian Motor Co Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS OR REPAIRS
TO BUILDING

Location 2920 Mission

Cost $ 100 —

Filed NOV 15 1937 19

NOV 15 1937

APPROVED:

SUPERINTENDENT OF THE
BUREAU OF BUILDING INSPECTION

11/20/37

Superintendent
Bureau of Building Inspection

Permit No. 31757

Issued NOV 20 1937 19

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Central Permit Bureau—F. No. 435

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — **CENTRAL PERMIT BUREAU**

BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT

ALTERATION

NOV 15 1937 ....., 193....

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission

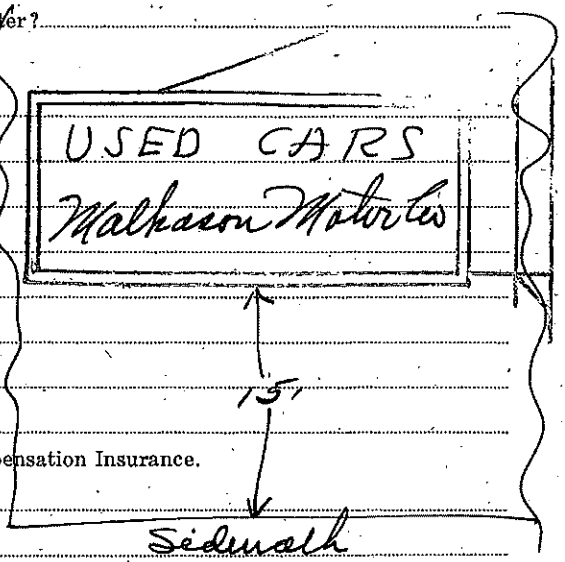
(2) For what purpose is present building now used? Used Cars

(3) For what purpose will building be used hereafter?

(4) Total Cost $ 100 —

(5) Description of work to be done

To install one horizontal double face
NEON SIGN 6' X 17' Weight 500 Lbs.
~~Swinging;~~ ~~Cabled;~~ Reading;
Against Face of Bldg
Single Face



(6) Contractor (DOES) carry Workmen's Compensation Insurance.
(DOES NOT)

(7) Supervision of construction by

Address

I hereby certify and agree, if a permit is issued, that all the provisions of the BUILDING LAW, THE BUILDING ZONE ORDINANCES, SET BACK LINE REQUIREMENTS AND THE FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO and the STATE HOUSING ACT OF CALIFORNIA will be complied with, whether herein specified or not; and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco against all liabilities, judgments, costs and expenses which may in anywise accrue against said city and county in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street or sub-sidewalk placed by virtue thereof, and will in all things strictly comply with the conditions of this permit.

(8) Architect

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(9) ~~Engineer~~

Certificate No. ..... License No. .....
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor NEON SIGN SERVICE CO.

License No. 33263 HE 1243 License No. .....
State of California City and County of San Francisco

Address 1707 FOLSOM STREET

(12) Owner Mathewson Motor Co

Address 2920 Mission St

By NEON SIGN SERVICE CO.
Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. .....
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

APPROVED:

2561 MC 10/11/46

Division of Fire Prevention and Investigation

Workmen's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workmen's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . ☐

(b) Casual labor only to be employed . . . . . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization ☐

Approved:

Superintendent Bureau of Building Inspection

Zoning: C

Approved: 10-10-46

City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

Report favorable
David A. Stewart
10-11-46

BLDG. FORM 3

SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION

No. 41269

APPLICATION OF

W. Malkasian Owner

FOR PERMIT TO MAKE ADDITIONS, ALTERATIONS or REPAIRS TO BUILDING

Location 2920 Mission St

Cost $ $400.00

Filed OCT 11 1946 194

Approved: APPROVED Dept. Public Works OCT 14 1946 SUPERINTENDENT OF THE BUREAU of BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. P7627

Issued 194

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SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION 3

CENTRAL PERMIT BUREAU F. NO. 436

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RECEIVED OCT 10 1946 BUREAU OF BUILDING INSPECTION CITY AND COUNTY

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM

APPLICATION FOR BUILDING PERMIT

ALTERATION

Oct 10 1946

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Present use of building Sales Room Used Cars No. of families 1

(3) Use of building hereafter Same No. of families

(4) Total Cost $ 400.

(5) Description of work to be done Replace swing doors with Sliding Doors.

(6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.

(1) Supervision of construction by Hugo Bloomquist

Address 266 Sanchez St.

(8) Architect —

Certificate No. License No.
State of California City and County of San Francisco

Address

(9) Engineer —

Certificate No. License No.
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by
Other than Architect or Engineer

Address

(11) Contractor —

License No. License No.
State of California City and County of San Francisco

Address

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner W. Malkason

Address 2925 Mission St.

By Hugo Bloomquist
Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO.
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

APPROVED:

2563 [illegible] 3/27/47

Division of Fire Prevention and Investigation

Workmen's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☑

No Workmen's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . ☐

(b) Casual labor only to be employed . . . . . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization ☐

Approved:

Superintendent Bureau of Building Inspection

Zoning: Com

Approved: 3-26-47

City Planning Commission

Approved:

Director of Public Health

Approved:

Department of Electricity

Approved:

Bureau of Engineering

Approved:

Art Commission

Report favorable
Donald Hesse
3-27-47

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

BLDG. FORM 3

No. 62644

APPLICATION OF

West Coast Advertising Co. Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location Mission W/L 75' S. 25th
Wall

2920 Mission

Cost $ 20.00

Filed MAR 26 1947 194

Approved:

APPROVED
Dept. Public Works
MAR 28 1947
[illegible]
SUPERINTENDENT OF THE
BUREAU OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 3609

Issued 194

OFFICIAL COPY

SAN FRANCISCO CENTRAL PERMIT BUREAU F. NO. 439

DEPARTMENT OF BUILDING INSPECTION 3

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RECEIVED MAR 26 1947 BUREAU OF BUILDING INSPECTION CITY AND COUNTY OF SAN FRANCISCO

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BLDG. FORM

CENTRAL PERMIT BUREAU

APPLICATION FOR BUILDING PERMIT

ALTERATION

March 25, 1947 194

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications, submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location Mission W/L 75' S. 25th Wall

(2) Present use of building Vacant No. of families

(3) Use of building hereafter Billboard No. of families

(4) Total Cost $ 20.00

(5) Description of work to be done To erect standard billboard having asteel advertising surface of not over ten feet in height and twenty-five feet in length and surrounded by ornamental mouldings. Structure to be in accordance with our customary plans and to conform with all requirements of sign ordinance.

20 - 3/8" x 4" lag screws are placed at bearing points. If platform is used, 8 additional screws of the same size are placed for platform support.

(6) APPLICANT MUST FILL OUT COMPENSATION INSURANCE DATA ON REVERSE SIDE.

(7) Supervision of construction by West Coast Advertising Co.

Address 123 So. Van Ness

(8) Architect None

Certificate No. License No.
State of California City and County of San Francisco

Address

(9) Engineer None

Certificate No. License No.
State of California City and County of San Francisco

Address

(10) Plans and specifications prepared by Other than Architect or Engineer Walter Henderson

Address 123 So. Van Ness

(11) Contractor Self

License No. License No.
State of California City and County of San Francisco

Address

I hereby certify and agree, if a permit is issued herein that all the provisions of the BUILDING LAW AND BUILDING ZONE ORDINANCES, SET-BACK LINE REQUIREMENTS AND FIRE ORDINANCES OF THE CITY AND COUNTY OF SAN FRANCISCO, the STATE HOUSING ACT OF CALIFORNIA, and of said permit will be complied with, whether specified herein or shown on any plans submitted herewith, and I hereby agree to save, indemnify and keep harmless the City and County of San Francisco and its officials against all damages, liabilities, judgments, costs and expenses which may in anywise accrue against said City and County or any of its officials in consequence of the granting of this permit, or from the use or occupancy of any sidewalk, street, or sub-sidewalk space by virtue thereof, and will in all things strictly comply with the conditions of this permit. The foregoing covenants shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner West Coast Advertising Co.

Address 123 So. Van Ness

By E Valcarcel

Owner's Authorized Agent.

THE DEPARTMENT WILL CALL UP TELEPHONE NO. UN 1959
IF ANY ALTERATIONS OR CHANGES ARE NECESSARY ON THE PLANS SUBMITTED.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Comm

CPC Setbacks

Department of City Planning

Approved:

2565

6/1/53

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Workman's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workman's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . . ☐

(b) Casual labor only to employed . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization . . . ☐

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☑
	☐

Approved 5/28 19 53

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM

3

No.

APPLICATION OF

Herietta Sittenfeld. Owner

FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS

TO BUILDING

Location 2920 Mission Street

Total Cost $ 500.00

Filed 19

Approved:

APPROVED
DEPARTMENT OF
JUN 2 - 1953
BUILDING INSPECTION

SUPERINTENDENT

Superintendent, Bureau of Building Inspection

Permit No. 140134

JUN 3 - 1953

Issued 19

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SAN FRANCISCO
CENTRAL PERMIT BUREAU F455
DEPARTMENT OF BUILDING INSPECTION

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CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS
BLDG. FORM 3

RECEIVED
DEPT. OF PUBLIC WORKS
1953 MAY 28 AM 8:47
BUILDING INSPECTION

CENTRAL PERMIT BUREAU

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

May 25, 1953 19

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission Street.

(2) Total Cost $ 500.00 (3) No. of stories 1 (4) Basement no (Yes or No)

(5) Present use of building ~~Garage~~ AUTO SALES (6) No. of families NINE

(7) Proposed use of building Same. (8) No. of families 0

(9) Type of construction Concrete. 3 (1, 2, 3, 4, or 5) (10) 16 (Building Code Occupancy Classification)

(11) Any other building on lot no (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy no (Yes or No)

(13) Does this alteration create an additional story to the building no (Yes or No)

(14) Electrical work to be performed no (Yes or No) Plumbing work to be performed no (Yes or No)

(15) Ground floor area of building Aprox. 2500 sq. ft. (16) Height of building Aprox. 22 ft.

(17) Detailed description of work to be done Remove present glass fronts-
and rebuild with hollow tile base, plastered-
in and outside.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by Address

(20) General contractor L. A. Hinson. California License No. 14304

Address 756-4th Avenue.

(21) Architect California Certificate No.

Address

(22) Engineer California Certificate No.

Address

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Harietta Sittenfeld (Phone Su. 1-1500) (For Contact by Bureau)

Address 14 Montgomery Street.

By L. A. Hinson Address 756-4th Ave

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR APARTMENT HOUSE PURSUANT TO SEC. 308 SAN FRANCISCO BUILDING CODE.

2660

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Com

CPC Setback

6/30/54
Department of City Planning

Approved:

Capt Kennedy 7/2/54
Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved July 1 1954

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM 3 APPLICATION OR No. X6442

Battista D. Petrelli Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920 Mission St
S.F.

Total Cost $ 450.00

Filed JUL 28 1954 6/28 1954

Approved:

APPROVED
Dept. Public Works
JUL 28 1954

Lester C Buck
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 149257

Issued 7/6/54 195

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SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION
CENTRAL PERMIT BUREAU F485
3

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1954 JUN 30 AM 10: 16
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BLDG FORM
CENTRAL PERMIT BUREAU

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

6/28 1954

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St

(2) Total Cost $ 450.00 (3) No. of stories 1 (4) Basement No (Yes or No)

(5) Present use of building Not in use (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete 3 (1, 2, 3, 4, or 5) (10) 11 (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed No (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 1000 sq. ft. (16) Height of building 20 ft.

(17) Detailed description of work to be done Change two entrance doors
Present openings 9'x10' with sliding doors
New openings to be 6'8" x 5' with double doors

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by H. Letin Address 1328 Valencia St

(20) General contractor L & M Construction California License No. 187027
Address 1328 Valencia St.

(21) Architect California Certificate No.
Address

(22) Engineer California Certificate No.
Address

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Battista D. Piedrelli (Phone) (For Contact by Bureau)
Address 2911 Mission St.
By H. Letin H. Letin Address 1328 Valencia St
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

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SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUREAU OF BUILDING INSPECTION

Approved:
Zone Residence
CPC Setback

APR 20 1956
Department of City Planning

Approved:

Capt. Ryan 4/24/56
Bureau of Fire Prevention & Public Safety

Approved:

W.W. Botelho 4-24-56
Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐

Approved April 23 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4069

BLDG. FORM 4 APPLICATION OF

No. 165347

Joy Meat Co.

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2920 Mission St

Cost $ 325.00

Filed APR 20 1956 195

Approved:
APPROVED
Dept. Public Works
APR 24 1956
Peter R. Bush
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 165347

Issued 4-27-56 195

WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4069

2569

Central Permit Bureau P. No. 452

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CENTRAL PERMIT BUREAU
1956 APR 23 AM 8:39

BUILDING INSPECTION
APR 23 1956

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM

RECEIVED
APR 4 3 36 PM 1956
CITY & CO. OF S.F.
DEPT. OF CITY PLANNING

APPLICATION FOR PERMIT
SIGNS — BILL BOARDS

....., 195....

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2920 Mission St.

(2) Total Cost $325.00 (3) Number of stories in building 2

(4) Present use of building retail store (5) Type of building Frame
1, 2, 3, 4, or 5

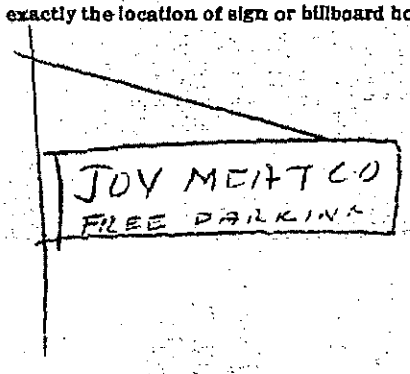
(6) If Sign give: Style double face horizontal neon

Thickness 10" Size 9' x 3½ Ft. Weight 150 Lbs

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.



(8) Drawings in duplicate showing methods of attachment must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor WONDERLITE NEON PRODUCTS CO.
1095 FOLSOM ST. UNderhill 1-4060

License No. 29264 License No. H11
State of California City and County of San Francisco

Address

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner Joy Meat Co.

Address 2920 Mission St. Phone No.
(For contact by Bureau)

By WONDERLITE NEON PRODUCTS CO. Address 1095 FOLSOM ST. UNderhill 1-4060
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Business

CPC Setback

JUL 26 1956

Department of City Planning

Approved:

2571

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved 7/28 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM **3**

No. 17906

APPLICATION OF

Marvin Sugayman Owner

FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS

TO BUILDING

Location 2920 Mission St.

Total Cost $ 7000.00

Filed JUL 24 1956 195

Approved:

APPROVED
Dept. Public Works
AUG - 1 1956
Leslie L. Brock
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 168134

Issued 8/1/56 195

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SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

CENTRAL PERMIT BUREAU P435

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RECEIVED
DEPT. OF PUBLIC WORKS
1956 JUL 27 PM 2:27
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU
BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

July 23, 1956

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Total Cost $ 7000.00 (3) No. of stories one (4) Basement No (Yes or No)

(5) Present use of building Store (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete Walls Wood Roof (1, 2, 3, 4, or 5) (10) ____ (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed Yes (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 2400 sq. ft. (16) Height of building 20 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Repair fire damage to roof, interior and store rooms.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1932 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822

Address 446 Ralston St. SF

(21) Architect ____ California Certificate No. ____

Address ____

(22) Engineer ____ California Certificate No. ____

Address ____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone SE 1-8875) (For Contact by Bureau)

Address 21 Cragmont Ave S.F.

By Donald T. Odgers Address 446 Ralston St. S.F.

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

Approved:

Zone Comm.

CPC Setback

In use permitted in a Commercial Dist. only such as retail stores. 12-5-56

Department of City Planning

Approved:

2573

Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

NOTICE - If store to be used for any type food business drawings must be submitted to Bureau of Food and Milk Department of Public Health

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☑
	☐

Approved 12/10 1956

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

BLDG. FORM 3 APPLICATION OF

No. 92846

Marvin Sugarman Owner

2210 - 29th Ave

FOR PERMIT TO MAKE

ADDITIONS, ALTERATIONS or REPAIRS TO BUILDING

25th M

Location 2920-2922 Mission St.

Total Cost $ 1,200.00

DEC - 6 1956

Filed 195

Approved:

APPROVED
Dept. Public Works
DEC 12 1956

Leslie C Buck
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 172534

DEC 12 1956

Issued 195

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION

CENTRAL PERMIT BUREAU F455

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — CENTRAL PERMIT BUREAU

BLDG. FORM 3

RECEIVED DEC 6 4 07 PM 1956 CITY AND CO. OF S.F.

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

Dec. 4 19 56

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 – 2922 Mission St.

(2) Total Cost $ 1200.00 (3) No. of stories one (4) Basement No (Yes or No)

(5) Present use of building Store (6) No. of families None

(7) Proposed use of building Store (8) No. of families None

(9) Type of construction Concrete Walls Frame roof (1, 2, 3, 4, or 5) (10) ____ (Building Code Occupancy Classification)

(11) Any other building on lot No (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy No (Yes or No)

(13) Does this alteration create an additional story to the building No (Yes or No)

(14) Electrical work to be performed No (Yes or No) Plumbing work to be performed No (Yes or No)

(15) Ground floor area of building 5000 sq. ft. (16) Height of building 20 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Remove three concrete panels dividing two stores and install steel beams to support roof to form 3 Arches between stores

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by Don Odgers Address 446 Ralston St.

(20) General contractor Bertelsen + Odgers California License No. 149822

Address 446 Ralston St. S.F.

(21) Architect ____ California Certificate No. ____

Address ____

(22) Engineer W. C. Ewing California Certificate No. ____

Address ____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Marvin Sugarman (Phone Ju 7-1440 (For Contact by Bureau))

Address 42 Dellslo St. San Francisco

By Don Odgers Address 446 Ralston St.

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Approved:

Zone Comm

CPC Setback

Approval for Comm. use.

S.B. Brooks 5-28-57
Department of City Planning

Approved: provided no gasoline in tanks of cars on display.

2575

Cannaday 6-4-57
Bureau of Fire Prevention & Public Safety

Approved:

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Electrical Inspector

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☐
Boiler Inspector	☐
Art Commission	☐
Dept of Public Health	☐

Approved 5/29 195 7

L.H. Marks
Building Inspector, Bureau of Building Inspection

I agree to comply with all conditionst or stipulations of the various Bureaus or Departments noted hereon.

Dan Odgers
Owner's Authorized Agent

BLDG. FORM

3 APPLICATION OF

No. 78288

Volvo Motors Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

Location 2920
Mission St.

Total Cost $ 480.00

Filed MAY 22 1957 195

Approved: APPROVED Dept. Public Works JUN 4 - 1957
Leslie S. Brooks
SUPERINTENDENT BUREAU OF BUILDING INSPECTION

Superintendent Bureau of Building Inspection

Permit No. 177218

Issued JUN 4 - 1957 195

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT BUILDING INSPECTION

CENTRAL PERMIT BUREAU F436

Write in Ink—File Two Copies

RECEIVED
CITY AND COUNTY OF SAN FRANCISCO DEPT OF PUBLIC WORKS
DEPARTMENT OF PUBLIC WORKS CENTRAL PERMIT BUREAU
BLDG. FORM 3 1957 MAY 28 PM 3:12
APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS BUILDING INSPECTION

1957 MAY 27 8 24 AM

May 22 1957

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location 2920 Mission St.

(2) Total Cost $ 480.00 (3) No. of stories One (4) Basement No.

(5) Present use of building Vacant (6) No. of families None

(7) Proposed use of building New car Sales (8) No. of families None

(9) Type of construction concrete walls frame roof (10) ____
1, 2, 3, 4, or 5 Building Code Occupancy Classification

(11) Any other building on lot No (Must be shown on plot plan if answer is Yes.)
Yes or No

(12) Does this alteration create an additional floor of occupancy No
Yes or No

(13) Does this alteration create an additional story to the building No
Yes or No

(14) Electrical work to be performed No Plumbing work to be performed No
Yes or No Yes or No

(15) Ground floor area of building 3500 sq. ft. (16) Height of building 18 ft.

(17) Describe Work to be done (in addition to reference to drawings & specifications)

Alter entrance doors to make 8' opening. Reinstall and entrance doors that have been removed. Constust one ply wood panel patition across back of store 8' high only.

(18) No portion of building or structure or scaffolding used during construction, to be closer than 0'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by John Bertelsen Address 1932 Fell St.

(20) General contractor Bertelsen & Odgers California License No. 149822
Address 446 Ralston St.

(21) Architect ____ California Certificate No. ____
Address ____

(22) Engineer ____ California Certificate No. ____
Address ____

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable there to will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything also in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner Volvo Motors (Phone PL 5-2294 (For Contact by Bureau))
Address 7011 Mission St. Daly City
By Don Odgers Address 446 Ralston St.
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

Approved:

Zone C-2

CPC Setback —

5/3/57

Department of City Planning

Approved:

2577

6-4-57

Bureau of Fire Prevention & Public Safety

Approved:

6-5-57

Structural Engineer, Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
	☐

Approved 6/3 1957

L. H. Mohler

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

WONDERLITE NEON [illegible]
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

BLDG. FORM 4 APPLICATION No. 177751

Volvo Motors

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2920 Mission St

Cost $ 250 00 Fee $3.50 MM

MAY 29 1957

Filed 195

Approved:

APPROVED
Dept. Public Works
JUN 5 - 1957

Superintendent Bureau of Building Inspection

Permit No. 177751

Issued JUN 5 1957 195

WONDERLITE NEON [illegible]
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

Central Permit Bureau Form No. 422

Write in Ink — File Two Copies

RECEIVED
CITY AND COUNTY OF SAN FRANCISCO PUBLIC WORKS
DEPARTMENT OF PUBLIC WORKS
1957 MAY 31 PM 3:0[illegible]
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

BLDG. FORM 4

APPLICATION FOR PERMIT
SIGNS — BILL BOARDS

BUILDING INSPECTION

[illegible] 5, 1957 195[illegible]

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2920 Mission St.

(2) Total Cost $ 250.00 (3) Number of stories in building 2

(4) Present use of building retail store (5) Type of building frame (1, 2, 3, 4, or 5)

(6) If Sign give: Style double face horizontal neon

Thickness 10" Size 8' x 2 Ft. Weight 150 Lbs

(7)

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically.

(8) Drawings in duplicate showing methods of attachment must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor WONDERLITE NEON PRODUCTS CO. ATwater 8-4300
4301 THIRD ST.
SAN FRANCISCO 24, CALIFORNIA

License No. 29264 License No. J25
State of California City and County of San Francisco

Address

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner Volvo Motors

Address 2920 Mission St. Phone No. (For contact by Bureau)

WONDERLITE NEON PRODUCTS CO.
By 4301 THIRD ST. ATwater 8-4300
SAN FRANCISCO 24, CALIFORNIA
Owner's Authorized Agent to be Signed by Architect, Engineer or General Contractor

6529/35

Approved:

Zone Commercial

CPC Setbacks

L W Baker 24 FEB 60

Department of City Planning

Approved:

2579

K Nelson 4-12-60

Bureau of Fire Prevention & Public Safety

Approved: As noted on plans

George Jong 5/9/60

Structural Engineer, Bureau Building Inspection

Approved:

Bureau of Engineering

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Workman's Compensation Insurance Policy or Certificate filed with Central Permit Bureau . . . . . ☐

No Workman's Compensation Insurance Policy or Certificate on file for reason of exclusion checked:

(a) No one to be employed . . . . . ☐

(b) Casual labor only to employed . ☐

(c) Services or labor to be performed in return for aid or sustenance only, received from any religious, charitable or relief organization . . . ☐

REFER TO:

Bureau of Engineering . . . . . ☐
BBI Struct. Engineer . . . . . ☑
Boiler Inspector . . . . . ☐
Art Commission . . . . . ☐
Dept. of Public Health . . . . . ☐

Approved April 8, 1960

Provided:
Toilet room - facilities acc. to Sec. 1606 SFBC.

C. J. Kellum

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

ATLAS MOTORS
by Jos. Hellen
Owner or Owner's Authorized Agent

BLDG. FORM 3

No. 3126

APPLICATION OF

ATLAS MOTORS Owner

FOR PERMIT TO MAKE
ADDITIONS, ALTERATIONS or REPAIRS
TO BUILDING

2922

Location 2900 Mission

4000.—L.C.N.

Total Cost $ 3000.00

Filed FEB 23 FEB 23 1960 1960

Approved:

APPROVED
Dept. Public Works
MAY 26 1960
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent, Bureau of Building Inspection

Permit No. 211278

Issued 5/26/60 19

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BUILDING INSPECTION

CENTRAL PERMIT BUREAU F435

Write in Ink—File Two Copies

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS — **CENTRAL PERMIT BUREAU**

BLDG. FORM 3

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FEB 23 19 60

Application is hereby made to the Department of Public Works of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

(1) Location ATLAS MOTORS 2990 MISSION

(2) Total Cost $ ~~3000~~ 1000 - Mat'l. (3) No. of stories 1 (4) Basement NO (Yes or No)

(5) Present use of building AUTO SHOW ROOM (6) No. of families

(7) Proposed use of building AUTO SHOW ROOM (8) No. of families —

(9) Type of construction 3 (1, 2, 3, 4, or 5) (10) 16.2 Building Code Occupancy Classification

(11) Any other building on lot NO (Yes or No) (Must be shown on plot plan if answer is Yes.)

(12) Does this alteration create an additional floor of occupancy NO (Yes or No)

(13) Does this alteration create an additional story to the building NO (Yes or No)

(14) Electrical work to be performed NO (Yes or No) Plumbing work to be performed NO (Yes or No)

(15) Ground floor area of building 7500 sq. ft. (16) Height of building 20 ft.

(17) Detailed description of work to be done ADD MOVABLE PARTITION
INSTALL SCREEN @ FRONT OF BUILDING
TO HOLD SIGN

(18) No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

(19) Supervision of construction by AL HANA Address 805 IRWIN ST SAN RAFAEL

(20) General contractor LANG CONSTRUCTION California License No.

Address 805 IRWIN ST SAN RAFAEL

(21) Architect — California Certificate No.

Address —

(22) Engineer — California Certificate No.

Address —

(23) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit and all laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or subsidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(24) Owner ATLAS MOTORS (Phone AT 50225) (For Contact by Bureau)

Address 2965 MISSION ST

By Allison T. Hana Address 805 IRWIN ST SAN RAFAEL
Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor.

PERMIT OF OCCUPANCY MUST BE OBTAINED ON COMPLETION OF HOTEL OR APARTMENT HOUSE PURSUANT TO SEC. 808 SAN FRANCISCO BUILDING CODE.

CASCADE NEON

BLDG. FORM

4

No. 239564

APPLICATION OF

ATLAS MOTORS
V-W SIGN

FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2922 MISSION ST

Cost $ 200.00

Filed 8-10-60 195

Approved:

APPROVED
Dept. Public Works
AUG 17 1960

Superintendent, Bureau of Building Inspection

Permit No. 214178

Issued 195

Approved:
Zone ....
CPC Setback ....

Department of City Planning

Approved:

Bureau of Fire Prevention & Public Safety

Approved:

Jim Van Loris 8/16/60
Structural Engineer,
Bureau of Building Inspection

Approved:

Department of Public Health

Approved:

Department of Electricity

Approved:

Art Commission

Approved:

Boiler Inspector

Approved:

Bureau of Engineering

REFER TO:

- Bureau of Engineering ☐
- BBI Struct. Engineer ☑
- Boiler Inspector ☐
- Art Commission ☐
- Dept. of Public Health ☐
- .... ☐

Approved 1960

Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

Owner's Authorized Agent

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF BUILDING INSPECTION
Central Permit Bureau F. No. 432

Write in Ink — File Two Copies

RECEIVED
DEPT. OF PUBLIC WORKS
1960 AUG 15 AM 8:54
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
BLDG. FORM

4

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

DEPT. OF CITY PLANNING 8-10 1960

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN [X] NON-ELECTRIC SIGN [ ] BILL BOARD [ ]

(1) Location 2922 MISSION ST

(2) Total Cost $ 200.00 (3) Number of stories in building 3

(4) Present use of building AUTO SALES (5) Type of building 3 (1, 2, 3, 4, or 5)

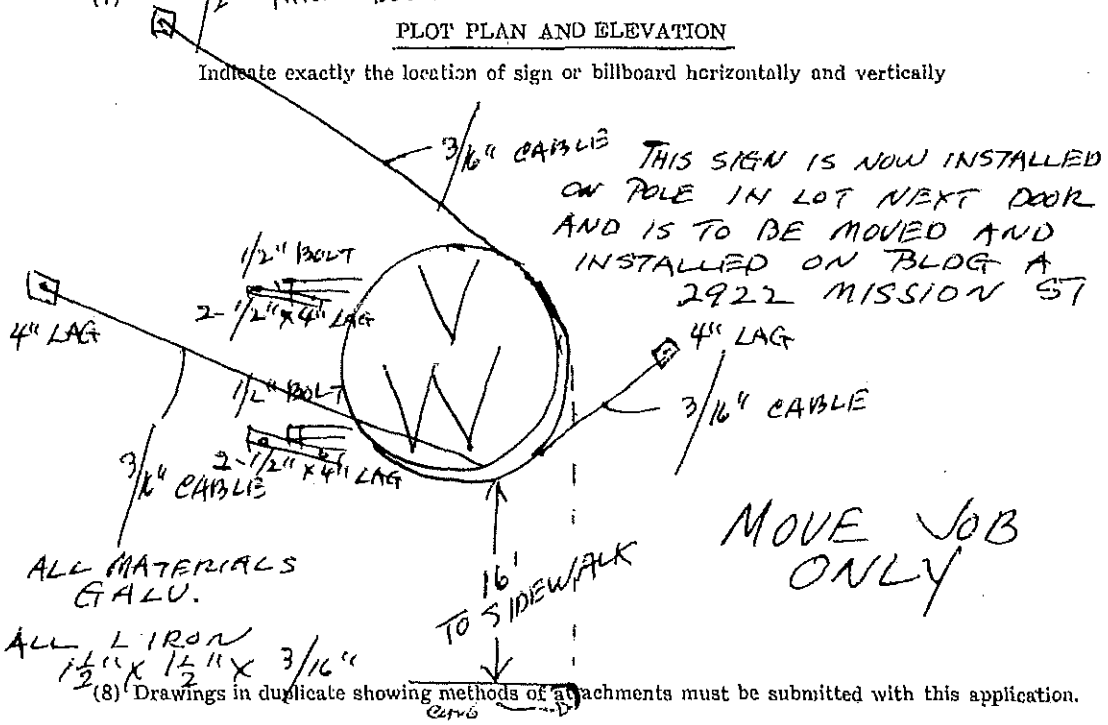
(6) If Sign give: Style D/FACE HORZ

Thickness 10" Size 6' x 6' Ft. Weight 200# Lbs.

(7) 1/2" THRU BOLT

PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



(8) Drawings in duplicate showing methods of attachments must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor CASCADE NEON

License No. 148163 State of California License No. 390480 City and County of San Francisco

Address 67 VERONA PLACE

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner ATLAS MOTORS

Address 2922 MISSION ST Phone No. (For contact by Bureau)

By [signature] Address

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

Approved:

Zone .....

CPC Setback .....

.....
Department of City Planning

Approved:

2583

.....
Bureau of Fire Prevention & Public Safety

Approved:

.....
Structural Engineer,
Bureau of Building Inspection

Approved:

.....
Department of Public Health

Approved:

.....
Department of Electricity

Approved:

.....
Art Commission

Approved:

.....
Boiler Inspector

Approved:

.....
Bureau of Engineering

REFER TO:

Bureau of Engineering	☐
BBI Struct. Engineer	☑
Boiler Inspector	☐
Art Commission	☐
Dept. of Public Health	☐
.....	☐

Approved 195

.....
Building Inspector, Bureau of Building Inspection

I agree to comply with all conditions or stipulations of the various Bureaus or Departments noted hereon.

.....
Owner's Authorized Agent

CASCADE NEON

BLDG. FORM

4 APPLICATION OF

No. 9565

ATLAS MOTORS
PORSCHE SIGN
FOR PERMIT TO
ERECT SIGN OR BILL BOARD

Location 2922 MISSION

Cost $ 250.00 (FLASHING)

Filed 8-10-60 195

Approved:

APPROVED
Dept. Public Works
AUG 17 1960
Robert C. Levy
SUPERINTENDENT
BUREAU BUILDING INSPECTION

Superintendent, Bureau of Building Inspection

Permit No. 21479

Issued 195

OFFICIAL COPY

SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION

Central Permit Bureau F. No. 432

Write in Ink — File Two Copies

RECEIVED
DEPT. OF PUBLIC WORKS
1960 AUG 10 AM 8:01
CENTRAL PERMIT BUREAU
BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

BLDG. FORM

4

APPLICATION FOR PERMIT
SIGNS—BILL BOARDS

8-10-60 195

Application is hereby made to the Department of Public Works of the City and County of San Francisco for permission to build in accordance with the plans and specifications submitted herewith and according to the description and for the purpose hereinafter set forth:

ELECTRIC SIGN ☒ NON-ELECTRIC SIGN ☐ BILL BOARD ☐

(1) Location 2922 MISSION ST.

(2) Total Cost $ 250.00 (3) Number of stories in building 3

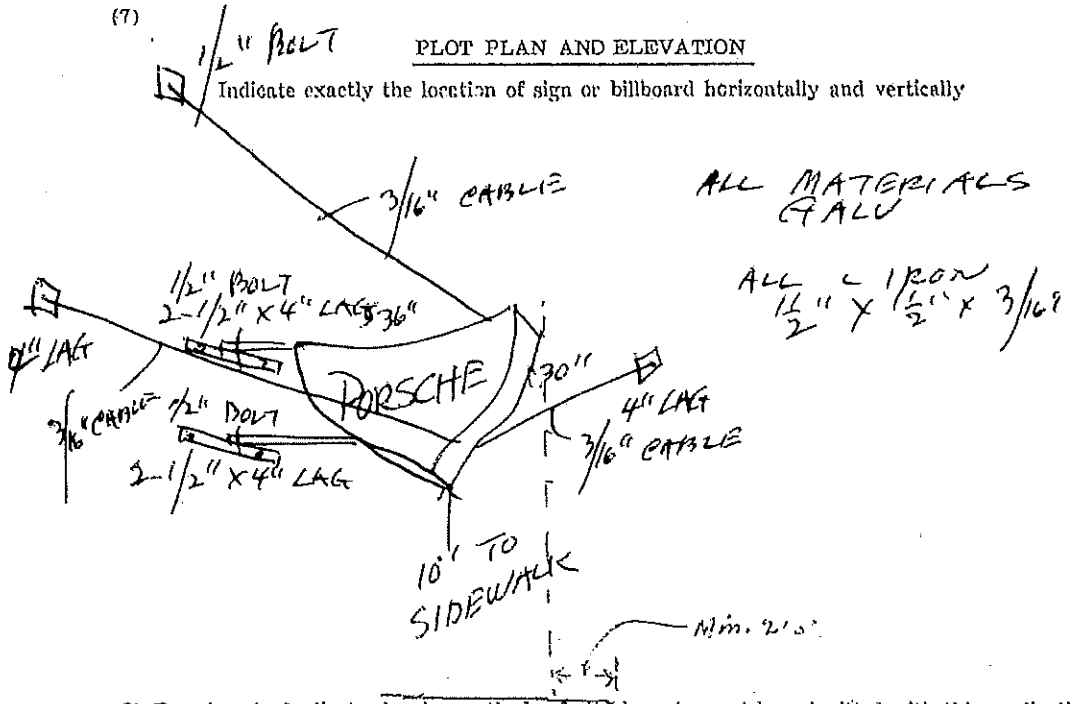
(4) Present use of building AUTO SALES (5) Type of building 3 (1, 2, 3, 4, or 5)

(6) If Sign give: Style D/F HORZ ELECTRIC SIGN

Thickness 10" Size 30" x 36" Ft. Weight 100# Lbs.

(7) PLOT PLAN AND ELEVATION

Indicate exactly the location of sign or billboard horizontally and vertically



(8) Drawings in duplicate showing methods of attachments must be submitted with this application.

(9) No portion of building or structure, or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, Calif. Penal Code.

(10) Contractor CASCADE NEON

License No. 148163 State of California License No. 390480 City and County of San Francisco

Address 67 VERONA PLACE

(11) I hereby certify and agree that if a permit is issued for the construction described in this application, all the provisions of the permit, and all the laws and ordinances applicable thereto will be complied with. I further agree to save San Francisco and its officials and employees harmless from all costs and damages which may accrue from use or occupancy of the sidewalk, street or sidewalk space or from anything else in connection with the work included in the permit. The foregoing covenant shall be binding upon the owner of said property, the applicant, their heirs, successors and assignees.

(12) Owner ATLAS MOTORS

Address 2922 MISSION ST. Phone No. (For contact by Bureau)

By [signature] Address

Owner's Authorized Agent to be Owner's Authorized Architect, Engineer or General Contractor

OFFICIAL COPY

FOR DEPARTMENTAL USE ONLY

SAN FRANCISCO

APPROVED FOR ISSUANCE:

DEPARTMENT OF BUILDING INSPECTION

APPROVED Dept. Public Works DEC 1972

Alfred Goldberg
SUPERINTENDENT
BUREAU BUILDING INSPECTION

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS
APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

BLDG. FORM 3

APPLICATION NO. 41581S

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH:

OFFICE COPY

(1) STREET ADDRESS OF JOB: 2922 Mission St

DATE FILED: NOV 18 1972 | FILING FEE RECEIPT NO.: 71648

PERMIT NO.: 3-12356 | ISSUED: DEC 7 - 1972

(3) ESTIMATED COST OF JOB: $36,676.00 ZAK

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR. 1-hr ☐ N ☐ 1 ☐ 2 ☐ 3 ☒ 4 ☐ 5 ☐	(5A) NUMBER OF STORIES OF OCCUPANCY: 1	(6A) NUMBER OF BASEMENTS AND CELLARS: 0	(7A) PRESENT USE: AUTO SALES	(8A) BLDG. CODE OCCUP. CLASS: F-2	(9A) NO. OF DWG. UNITS

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR. 1-hr ☐ N ☐ 1 ☐ 2 ☐ 3 ☒ 4 ☐ 5 ☐	(5) NUMBER OF STORIES OF OCCUPANCY: 1	(6) NUMBER OF BASEMENTS AND CELLARS: 0	(7) PROPOSED USE: OFFICE	(8) BLDG. CODE OCCUP. CLASS: F-2	(9) NO. OF DWG. UNITS

(10A) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES ☐ NO ☒	(10) IF YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT: FT.	(11A) DOES THIS ALTERATION CREATE A HORIZONTAL EXTENSION TO BUILDING? YES ☐ NO ☒	(11) IF YES, STATE NEW GROUND FLOOR AREA: SQ. FT.		
(14) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES ☐ NO ☒	(15) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES ☐ NO ☒	(16) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES ☐ NO ☒	(17) WILL STREET SPACE BE USED DURING CONSTRUCTION? YES ☐ NO ☒		
(19) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES ☐ NO ☒	(20) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☒ NO ☐	(21) ELECTRICAL WORK TO BE PERFORMED? YES ☒ NO ☐	(22) PLUMBING WORK TO BE PERFORMED? YES ☒ NO ☐		

(23) GENERAL CONTRACTOR	ADDRESS	CALIF. LICENSE NO.
RANGE BUILDING Contractor	318 Moscow ST.	277940
(24) ARCHITECT OR ENGINEER (FOR DESIGN)	ADDRESS	CALIF. CERTIFICATE NO.
~~Jack~~ THAD F. KOSMIERSKI	2321 PINE ST.	
(25) ARCHITECT OR ENGINEER (FOR CONSTRUCTION)	ADDRESS	CALIF. CERTIFICATE NO.
~~CROCKER ANGLO~~	~~16TH & MISSION~~	
(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN").	ADDRESS	
CROCKER ANGLO	Mission & 16 TH.	
(27) OWNER — LESSEE (CROSS OUT ONE)	ADDRESS	PHONE (FOR CONTACT BY BUREAU)
MISSION COALITION	SAME	584-4460

(28) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT):

Patch Roof.
FRAMING
HEATING
ELECTRICAL
PLUMBING
LEVEL FLOOR
PAINTING
PLASTERING
WALLBOARD

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See Sec. 103, 104.B, 104.B.1, 104.C, 502, 502.1, San Francisco Building Code and Sec. 104, San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to Sec. 302.A.8, San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDNIG OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (15) (16) (17) (20) (21) or (22).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

I CERTIFY THAT IN THE PERFORMANCE OF THE ABOVE WORK I SHALL NOT EMPLOY ANY PERSON IN VIOLATION OF THE LABOR CODE OF CALIFORNIA RELATING TO WORKMEN'S COMPENSATION INSURANCE.

I FURTHER AGREE TO SAVE SAN FRANCISCO AND ITS OFFICIALS AND EMPLOYEES HARMLESS FROM ALL COSTS AND DAMAGES WHICH MAY ACCRUE FROM USE OR OCCUPANCY OF THE SIDEWALK, STREET OR SUB-SIDEWALK SPACE OR FROM ANYTHING ELSE IN CONNECTION WITH THE WORK INCLUDED IN THE PERMIT. THE FOREGOING COVENANT SHALL BE BINDING UPON THE OWNER OF SAID PROPERTY, THE APPLICANT, THEIR HEIRS, SUCCESSORS AND ASSIGNEES.

Mr. Gerald C. Ranger
SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX:

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☒ CONTRACTOR ☐ ATTORNEY IN FACT

OFFICIAL COPY

SAN FRANCISCO
REFER TO
DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

	APPROVED: J. Wadda R. D. Kelchum BUILDING INSPECTOR, BUR. OF BLDG. INSP.	DATE: REASON: NOTIFIED MR.
☒	APPROVED: C. 2 PROJECT IN A CATEGORY C. P. COMM. FOUND HAS NO SIGNIFICANT EFFECT ON ENVIRONMENT NOV 27 1972 DEPARTMENT OF CITY PLANNING	DATE: REASON: NOTIFIED MR.
☐	APPROVED: BUREAU OF FIRE PREVENTION & PUBLIC SAFETY	DATE: REASON: NOTIFIED MR.
☒	APPROVED: Jim VanLonie 12/6/72 CIVIL ENGINEER, BUR. OF BLDG. INSPECTION	DATE: 11/22/72 REASON: More Structural Details & Calcs. Reqd NOTIFIED MR. Kusmiersky
☐	APPROVED: BUREAU OF ENGINEERING	DATE: REASON: NOTIFIED MR.
☐	APPROVED: DEPARTMENT OF PUBLIC HEALTH	DATE: REASON: NOTIFIED MR.
☐	APPROVED: REDEVELOPMENT AGENCY	DATE: REASON: NOTIFIED MR.
☐	APPROVED:	DATE: REASON: NOTIFIED MR.
☐	APPROVED: JB	DATE: REASON: NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.
NUMBER OF ATTACHMENTS ☐

2586
M Isabel Rangel
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT FOR OWNER OR LESSEE.

FOR DEPARTMENTAL USE ONLY

APPROVED
Dept. Public Works
JUL 22 1974
JUL 9 1974

OFFICE COPY

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

... OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH:

DATE FILED	FILING FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB:
JUL 8 - 1974 7-3-74	86367	2922 MISSION ST.
PERMIT NO.	ISSUED	(3) ESTIMATED COST OF JOB:
390805	JUL 22 1974	$ 1400 - OK

DESCRIPTION OF EXISTING BUILDING

TYPE OF CONSTR.	NO. OF STORIES OF OCCUPANCY	NO. OF BASEMENTS AND CELLARS	PRESENT USE
	1	1	OFFICES

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

TYPE OF CONSTR.	NO. OF STORIES OF OCCUPANCY	NO. OF BASEMENTS AND CELLARS	PROPOSED USE
	1	1	OFFICES

(14) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES ☐ NO ☒
(15) IF YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT: FT.
(16) DOES THIS ALTERATION CREATE A HORIZONTAL EXTENSION TO BUILDING? YES ☐ NO ☒
(17) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES ☐ NO ☒
(18) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES ☐ NO ☒
(19) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES ☐ NO ☒
(20) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES ☐ NO ☒
(21) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☐ NO ☒
(22) ELECTRICAL WORK TO BE PERFORMED? YES ☐ NO ☒
PLUMBING WORK TO BE PERFORMED? YES ☐ NO ☒

(23) GENERAL CONTRACTOR: J. ALEX CAMILLI — ADDRESS: 538 CAMPBELL AVE SF — CALIF. LICENSE NO.

(24) ARCHITECT OR ENGINEER (FOR DESIGN) — ADDRESS — CALIF. CERTIFICATE NO.

(25) ARCHITECT OR ENGINEER (FOR CONSTRUCTION) — ADDRESS — CALIF. CERTIFICATE NO.

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN") — ADDRESS

(27) OWNER — LESSEE (CROSS OUT ONE): WILLIAM H MAHANNAH 2922 MISSION ST. — ADDRESS — PHONE

(28) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)

BUILT (4) 8' PARTITIONS - WITH DOORS ...
RELOCATE, EXISTING MOVABLE PARTITIONS
BUILT APROX. 11 FEET OF SHELVING

Pursuant to Sec. 302(A), San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.
BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (15) (16) (17) (20) (21) or (22).
THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

APPLICANT'S CERTIFICATION

... I CERTIFY THAT IN THE PERFORMANCE OF THE ABOVE WORK I SHALL NOT EMPLOY ANY PERSON IN VIOLATION OF THE LABOR CODE OF CALIFORNIA RELATING TO WORKMEN'S COMPENSATION INSURANCE.

I FURTHER AGREE TO SAVE SAN FRANCISCO AND ITS OFFICIALS AND EMPLOYEES HARMLESS FROM ALL COSTS AND DAMAGES WHICH MAY ACCRUE FROM USE OR OCCUPANCY OF THE SIDEWALK, STREET OR SUB-SIDEWALK SPACE OR FROM ANYTHING ELSE IN CONNECTION WITH THE WORK INCLUDED IN THE PERMIT. THE FOREGOING COVENANT SHALL BE BINDING UPON THE OWNER OF SAID PROPERTY, THE APPLICANT, THEIR HEIRS, SUCCESSORS AND ASSIGNEES.

J. Alex Camilli
SIGNATURE OF OWNER OR AUTHORIZED AGENT

CHECK APPROPRIATE BOX:
☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☐ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☒ CONTRACTOR ☐ ATTORNEY IN FACT

CONDITIONS AND STIPULATIONS

The approval of this application and issuance of permit applies to specified work only and does not constitute an approval of the building.

DATE
REASON

DEPARTMENT OF CITY PLANNING

NOTIFIED MR.
DATE
REASON

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

NOTIFIED MR.
DATE
REASON

CIVIL ENGINEER, BUREAU OF BLDG. INSPECTION

NOTIFIED MR.
DATE
REASON

BUREAU OF ENGINEERING

NOTIFIED MR.
DATE
REASON

DEPARTMENT OF PUBLIC HEALTH

NOTIFIED MR.
DATE
REASON

REDEVELOPMENT AGENCY

NOTIFIED MR.
DATE
REASON

NOTIFIED MR.
DATE
REASON

NOTIFIED MR.

PERMIT WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED HEREON, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.

COMMENTS:

SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT (FOR OWNER OR LESSEE)

OFFICIAL COPY

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

FOR DEPARTMENTAL USE ONLY

APPROVED: SEP 18 1981

APPROVED
Dept. Public Works
SEP 28 '81

Superintendent, Bureau of Building Inspection

FILING FEE RECEIPT NO. 184089

PERMIT NO. 475184

ISSUED _____ 19 ____

CITY AND COUNTY OF SAN FRANCISCO

DEPARTMENT OF PUBLIC WORKS

APPLICATION FOR PERMIT TO ERECT SIGN

Application is hereby made for permission to build in accordance with plans and specifications submitted herewith and for the purpose set forth herein:

ELECTRIC SIGN ☑ NON-ELECTRIC SIGN ☐

GROUND SIGN ☐

APPL. NO. 8107866

FORM 1

Date 9-8- 19 81

(1) Location 2918 MISSION ST SAN FRANCISCO / CA

(2) Total cost $ 1,200.00

(3) Height at center line of front of building _____ Ft. (4) Number of stories in building 1

(5) Present use of building COMMERCIAL (6) Type of building ☐ A ☐ B ☐ C ☐ D ☐ E

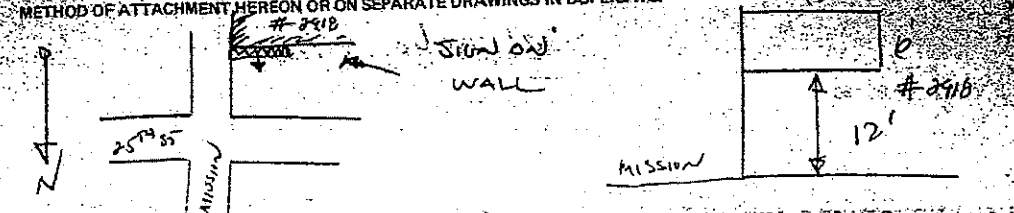
(7) Approval number for standardized signs _____

(8) Type of sign per Article 46, S.F. Building Code: ☐ Ground sign ☐ Roof sign ☑ Wall sign

☐ Projecting sign ☑ Single-faced ☐ Double-faced Dimensions: Thickness 10"

Size 6 x 12 Ft. Weight 500 Lbs. Total area of advertising space 5'x11'=55 Sq. Ft.

(9) PLOT PLAN AND ELEVATION. INDICATE EXACTLY THE LOCATION OF SIGN HORIZONTALLY AND VERTICALLY. SHOW METHOD OF ATTACHMENT HEREON OR ON SEPARATE DRAWINGS IN DUPLICATE.



(10) Contractor ELLER OUTDOOR AD California License No. 3690

Address 1695 EASTSHORE HWY BERKELEY Phone No. 527-3352

(11) Engineer or Architect FROST & MARVIN California License No. _____

Address 27 PAUL DR SAN RAFAEL Phone No. 472-6800

(12) Owner – ~~Lessee~~ (Cross Out One) WILLIAM & MARVIN SILVERMAN

Address 1220 TOYON DR Phone No. 697-4600 (For contact by Bureau)

MILLBRAE CALIF 94030

IMPORTANT NOTICES

Where top guy wire is required, anchor with ½" dia. through-bolt (minimum), to the structural frame of the building below the parapet wall. No portion of building or structure, or scaffolding used during construction, to closer than 6'0" to any wire containing more than 750 volts. See Sec. 385 Calif. Penal Code.

Encroachments authorized on public Property are revocable when ordered by Board of Supervisors (S.F. Building Code). Any stipulation required herein or by Code may be appealed.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE APPROVAL FOR THE ELECTRICAL WIRING, A SEPARATE PERMIT FOR THE WIRING MUST BE OBTAINED. THIS IS NOT A PERMIT TO ERECT A SIGN. NO WORK SHALL BE STARTED UNTIL A PERMIT TO ERECT A SIGN IS ISSUED.

CHECK APPROPRIATE BOX:

☑ OWNER ☐ ARCHITECT ☐ ENGINEER

☑ LESSEE ☐ AGENT WITH POWER OF ATTORNEY

☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of passive negligence of the City and County of San Francisco.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

(☑) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.

(☑) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.

( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

( ) IV. The cost of the work to be performed is $100 or less.

( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.

( ) VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature _____ Date _____

Allan Longazel 9-8-81

OFFICIAL COPY

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

REFER TO

CONDITIONS AND STIPULATIONS

APPROVED:

B Sellgren
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

APPROVED: Superintendent 052912
Zone C-2 & SSD-4
OPC Setback none

CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW
DEPARTMENT OF CITY PLANNING SEP 15 1981

APPROVED:

Visual inspection of fillet welds

SPECIAL INSPECTION REQUIRED PER SFBC SECTION 305.A,B,C.

Jose Ovedia 9/17/81
CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

APPROVED:

BUREAU OF ENGINEERING

APPROVED:

REDEVELOPMENT AGENCY

APPROVED:

I AGREE TO COMPLY WITH ALL CONDITIONS OR STIPULATIONS OF THE VARIOUS BUREAUS OR DEPARTMENTS NOTED ON THIS APPLICATION, AND ATTACHED STATEMENTS OF CONDITIONS OR STIPULATIONS, WHICH ARE HEREBY MADE A PART OF THIS APPLICATION.
NUMBER OF ATTACHMENTS ☐

Alan J Mazzolini
SIGNATURE OF OWNER, LESSEE OR AUTHORIZED AGENT FOR OWNER OR LESSEE

OFFICIAL COPY

APPROVED Dept. of Public Works APR 06 1989

FIRE

APPROVED FOR ISSUANCE APR 06 1989

J. WHIPPLE

Application Number 8903815

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

FORM 3 [x] OTHER AGENCIES REVIEW REQUIRED
FORM 8 [ ] OVER-THE-COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

OFFICE COPY

DO NOT WRITE ABOVE THIS LINE

DATE FILED	FILING FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
3-9-89	199109	2920	
PERMIT NO. 612722	ISSUED 4.25.89	(2A) ESTIMATED COST OF JOB 4000	(2B) REVISED COST: BY: DATE:

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(5A) NO. OF STORIES OF OCCUPANCY	(6A) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS
3	1	1	Retail Video	B.2	Ø

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
3	1	1	Retail Video	B.2	Ø

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES [ ] NO [x]
(11) WILL STREET SPACE BE USED DURING CONSTRUCTION? YES [ ] NO [x]
(12) ELECTRICAL WORK TO BE PERFORMED? YES [ ] NO [x]
(13) PLUMBING WORK TO BE PERFORMED? YES [ ] NO [x]

(14) GENERAL CONTRACTOR: Zebra Awning Co — ADDRESS: 2801 Maryport #3 SFCA — PHONE: 863-3576 — CALIF. LIC. NO.: 444659 — EXPIRATION DATE: 7/91

(15) OWNER - LESSEE (CROSS OUT ONE): Movie Magic - Gary Andreini — ADDRESS: — ZIP: — PHONE (FOR CONTACT BY BUREAU): 348-8374

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT): Fabricate & install Awning

1.[ ] 2.[ ] 3.[ ]

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES [ ] NO [x]
(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT ____ FT.
(19) DOES THIS ALTERATION CREATE DECK OR HORIZ. EXTENSION TO BUILDING? YES [ ] NO [x]
(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA ____ SQ. FT.
(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES [ ] NO [x]
(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES [ ] NO [x]
(23) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES [ ] NO [x]
(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES [ ] NO [x]
(25) ARCHITECT OR ENGINEER (DESIGN [ ] CONSTRUCTION [ ]) — ADDRESS — CALIF. CERTIFICATE NO.
(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"): Unknown — ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX
[ ] OWNER [ ] ARCHITECT [ ] ENGINEER
[ ] LESSEE [ ] AGENT WITH POWER OF ATTORNEY
[x] CONTRACTOR [ ] ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

( ) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.
(✓) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.
( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.
( ) IV. The cost of the work to be performed is $100 or less.
( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.
( ) VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workmen's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature ____ Date ____

9025-03

SAN
DEPT.
BUILD

CONDITIONS AND STIPULATIONS

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. [illegible]). THIS APPLICATION IS APPROVED WITHOUT SU[illegible] WHICH ALSO DOES NOT CONSTITUTE AN AP[illegible] OF THE BUILDING WORK AUTHORIZED DU[illegible] STRICT ACCORDANCE WITH ALL APPLICABLE [illegible]

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY APPLICANT WHICH HAS NOT BEEN VERIFIED.

DATE: [illegible]
REASON:

Frank Lang 3/14/89
BUILDING INSPECTOR, BUR. OF BLDG. INSPN.

NOTIFIED MR.

APPROVED:

approved as noted on plan

MAR 31 1989

DEPARTMENT OF CITY PLANNING

DATE:
REASON:

NOTIFIED MR.

APPROVED:

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:

NOTIFIED MR.

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE:
REASON:

NOTIFIED MR.

APPROVED:

BUREAU OF ENGINEERING

DATE:
REASON:

NOTIFIED MR.

APPROVED:

DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:

NOTIFIED MR.

APPROVED:

REDEVELOPMENT AGENCY

DATE:
REASON:

NOTIFIED MR.

APPROVED:

HOUSING INSPECTION DIVISION

DATE:
REASON:

NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application, and with attached statements of conditions or stipulations, which are hereby made a part of this application.

List of attachments

OWNER'S AUTHORIZED AGENT

OFFICIAL COPY

SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION

C.P. COMPLAINT

8803192 CP-ZOC
8900697 BID-INSP
COMPLAINT REMOVED WITH PERMIT APP # 9102781 KB

APPROVED Dept. of Public Works MAR 2 5 1991
SUPERINTENDENT BUREAU OF BUILDING INSPECTION

FIRE

APPROVED FOR ISSUANCE

BID

APPLICATION NUMBER 9101936

OSHA APPROVAL REQ'D

OSHA APPROVAL NUMBER:

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☑ OTHER AGENCIES REVIEW REQUIRED

FORM 8 ☐ ~~OVER THE COUNTER ISSUANCE~~

2 NUMBER OF PLAN SETS

CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

▼ DO NOT WRITE ABOVE THIS LINE ▼

DATE FILED	FILING FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
2/06/91	923783	2922 MISSION ST.	6529 42

PERMIT NO.	ISSUED	(2a) ESTIMATED COST OF JOB	(2b) REVISED COST
668045	3-25-91	$ 25,000.00	30,000 DATE 3/21/91

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING

(3A) TYPE OF CONSTR.	(4A) NO. OF STORIES OF OCCUPANCY	(5A) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS
III	1	—	RETAIL SALES	B-2/B2	—

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE LEGAL USE	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
III	1	—	COIN LAUNDRY	B-2/B2	—

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED? YES ☐ NO ☑ (11) WILL STREET SPACE BE USED DURING CONSTRUCTION? YES ☐ NO ☑ (12) ELECTRICAL WORK TO BE PERFORMED? YES ☑ NO ☐ (13) PLUMBING WORK TO BE PERFORMED? YES ☑ NO ☐

(14) GENERAL CONTRACTOR: TO BE SELECTED — ADDRESS — PHONE: PAGER 261-7704 — CALIF. LIC. NO. — EXPIRATION DATE

(15) OWNER - LESSEE (CROSS OUT ONE): EDWIN YUEN — ADDRESS: 1845 44TH AVE SAN FRANCISCO — PHONE (FOR CONTACT BY BUREAU): 664-

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)

Tenant Improvements INSTALL LAUNDRY EQUIP (WASHER/DRYER/EXTRACTOR)
New vinyl flooring
Formica work - folding tables
Non-bearing Partitions
Painting

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING? YES ☐ NO ☑ (18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT — FT. (19) DOES THIS ALTERATION CREATE DECK OR HORIZ. EXTENSION TO BUILDING? YES ☐ NO ☑ (20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA — SQ. FT.

(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED? YES ☐ NO ☑ (22) WILL BUILDING EXTEND BEYOND PROPERTY LINE? YES ☐ NO ☑ (23) ANY OTHER EXISTING BLDG. ON LOT? (IF YES, SHOW ON PLOT PLAN) YES ☐ NO ☑ (24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY? YES ☐ NO ☐

(25) ARCHITECT OR ENGINEER (DESIGN ☐ CONSTRUCTION ☐) ADDRESS CALIF. CERTIFICATE NO.

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN") ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24). THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☑ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below.

( ) I. Certificate of Consent to Self Insure issued by the Director of Industrial Relations.

( ) II. Certificate of Workmen's Compensation Insurance issued by an admitted insurer.

( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

( ) IV. The cost of the work to be performed is $100 or less.

(X) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workmen's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workmen's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.

X VI. I certify as the owner (or the agent of the owner) that in the performance of the work for which this Permit is issued, I will employ a contractor who complies with the workmen's compensation laws of California and who, prior to the commencement of any work will file, with the Central Permit Bureau evidence that workmen's compensation insurance is carried.

Applicant's Signature [signature] 2/6/91

9003 03

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

REFER TO:

APPROVED:

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED HEREIN SHALL BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE LAWS.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

Any electrical or plumbing work will require appropriate separate permits...

Peter Gadlin 3/12/91
BUILDING INSPECTOR, BUR. OF BLDG. INSP.

DATE:
REASON:
NOTIFIED MR.

APPROVED: Approval for work stated only.

☐ CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW

FEB 12 1991
DEPARTMENT OF CITY PLANNING

DATE:
REASON:
NOTIFIED MR.

APPROVED: as noted on plans.

R. Curtone 03/13/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION

DATE:
REASON:
NOTIFIED MR.

APPROVED:

BUREAU OF ENGINEERING

DATE:
REASON:
NOTIFIED MR.

APPROVED: as noted on plans (mop sink)

C Cannons 03/15/91
DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:
NOTIFIED MR.

APPROVED:

REDEVELOPMENT AGENCY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

HOUSING INSPECTION DIVISION

DATE:
REASON:
NOTIFIED MR.

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

I agree to comply with all conditions or stipulations of the various boards, offices or departments noted on this application, or imposed statements or conditions or stipulations, which are hereby made a part of this application.

Number of sheets attached ☐

X
OWNER OR AUTHORIZED AGENT

SAN FRANCISCO

DEPARTMENT OF BUILDING INSPECTION

FIRE

APPROVED Dept. of Public Works

MAY 28 1991

SUPERINTENDENT BUREAU OF ENGINEERING

SRA PCD PARAPET PAD-STR PAD-FD PAD-ARC HEALTH HID CPB DDP CNTR RE BID-FP DIST

APPROVED FOR ISSUANCE

YES EXPEDITER NO

TITLE 24?

BOARD FORM 3/8

APPLICATION NUMBER 9105103

OSHA APPROVAL NUMBER:

OSHA APPROVAL REQ'D

APPLICATION FOR BUILDING PERMIT
ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☒ OTHER AGENCIES REVIEW REQUIRED

FORM 8 ☐ OVER-THE-COUNTER ISSUANCE

2 NUMBER OF PLAN SETS

$ [illegible] WRITE ABOVE THIS LINE

CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF PUBLIC WORKS

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF PUBLIC WORKS OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

DATE FILED	FAND FEE RECEIPT NO.	(1) STREET ADDRESS OF JOB	BLOCK & LOT
4/9/91	225937	2922 MISSION ST.	6527 / 004A

PERMIT NO.	ISSUED	(2A) ESTIMATED COST OF JOB	(2B) REVISED COST
9105200	05/28/91	$ [illegible]	$ 5000 — DATE 4/17/91

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(5A) NO. OF STORIES OF OCCUPANCY	(6A) NO. OF BASEMENTS AND CELLARS	(7A) PRESENT USE	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS
III	1		LAUNDRY & VIDEO STORE	B-2	1

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY	(6) NO. OF BASEMENTS AND CELLARS	(7) PROPOSED USE (LEGAL USE)	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS
~~FIRE~~ III	1	0	COIN OP LAUNDRY & MINI MART	B-2	1

(10) IS AUTO RAMP TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(14) GENERAL CONTRACTOR	ADDRESS	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
SELF				

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	PHONE (FOR CONTACT BY BUREAU)
EDWIN YUEN	1845 44TH AVE	SAN FRANCISCO	94122

PAGE 267-2708 TEL 669-8206

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT) 1. ☐ 2. ☐ 3. ☐

CHANGE APPROVED PLANS (Permit # 9101936) FROM COIN OP LAUNDRY, VIDEO STORE TO COIN OP LAUNDRY & MINI MART
NO CHANGE TO APPROVED FLOOR PLAN EXCEPT -
- USE -

ADDITIONAL INFORMATION — FORM 3 APPLICANTS ONLY

(17) DOES THIS ALTERATION CREATE ADDITIONAL STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DECK OR HORIZ EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☒	FT	YES ☐ NO ☒	SQ FT

(21) WILL SIDEWALK OVER SUB-SIDEWALK SPACE BE REPAIRED OR ALTERED?	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	(23) ANY OTHER EXISTING BLDG ON LOT? IF YES, SHOW ON PLOT PLAN	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(25) ARCHITECT OR ENGINEER (DESIGN ☐ CONSTRUCTION ☐) ADDRESS CALIF. CERTIFICATE NO

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN"). ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this bureau for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED. APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS "YES" TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) or (24) THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT ☐ ENGINEER
☒ LESSEE ☐ AGENT WITH POWER OF ATTORNEY
☐ CONTRACTOR ☐ ATTORNEY IN FACT

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH.

9003-03

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The Permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands and actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have on file, or file with the Central Permit Bureau, either Certificate (I) or (II) or (III) designated below or shall indicate item (IV) or (V) or (VI) below, whichever is applicable. If however, item (VI) is checked then item (V) must be checked as well. Mark the appropriate method of compliance below:

( ) I. Certificate of Consent to Self-Insure issued by the Director of Industrial Relations.

( ) II. Certificate of Workman's Compensation Insurance issued by an admitted insurer.

( ) III. An exact copy or duplicate of (I) certified by the Director or (II) certified by the insurer.

( ) IV. The cost of the work to be performed is $100 or less.

( ) V. I certify that in the performance of the work for which this Permit is issued, I shall not employ any person in any manner so as to become subject to the workman's compensation laws of California. I further acknowledge that I understand, in the event that I should become subject to the workman's compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the Permit herein applied for shall be deemed revoked.

(✓) VI. I certify as the owner (or the agent of the owner) that in the performance of the work (for which this Permit is issued, I will employ a contractor who complies with the workman's compensation laws of California and who has on file, or prior to the commencement of any work will file, with the Central Permit Bureau evidence that workman's compensation insurance is carried.

Applicant's Signature Date

CONDITIONS AND STIPULATIONS

REFER — APPROVED: CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE SUBDIVISION. WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED ... DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN ... LEGALLY PERMITTED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY ... AND UPON WHICH HAS NOT BEEN VERIFIED.

Any electrical or plumbing work will require appropriate separate permits.

DATE: _____
REASON:

4/17/91
BUILDING INSPECTOR, BUR. OF BLDG. INSP.
NOTIFIED MR.

APPROVED FOR NEW BATHROOM LOCATION & MINIMART AS SHOWN IN PLANS STAMPED ON APR 16

APPROVED: FOR WORK STATED AS INDICATED PER PLANS AND TO ABATE VIOLATION (COMPLAINT No. 8900697) AS INDICATED UNDER BUILDING PERMIT APPLICATION No. 9102781

DATE: _____
REASON:

CATEGORICAL EXEMPTION FROM ENVIRONMENTAL REVIEW
Miriam Chion 5/14/91
CITY PLANNING
NOTIFIED MR.

APPROVED: PLANS TO BE CHIN as noted on plans

DATE: _____
REASON:

R. Curtin 09/22/91
BUREAU OF FIRE PREVENTION & PUBLIC SAFETY
NOTIFIED MR.

APPROVED:

DATE: _____
REASON:

CIVIL ENGINEER, BUR. OF BLDG. INSPECTION
NOTIFIED MR.

APPROVED:

DATE: _____
REASON:

BUREAU OF ENGINEERING
NOTIFIED MR.

APPROVED: Per Notes of Approved Plans, Comply with Attached Health Requirements as Noted on Approved Plans

DATE: _____
REASON:

5/17/91
DEPARTMENT OF PUBLIC HEALTH
NOTIFIED MR.

APPROVED:

DATE: _____
REASON:

REDEVELOPMENT AGENCY
NOTIFIED MR.

APPROVED:

DATE: _____
REASON:

NOTIFIED MR.

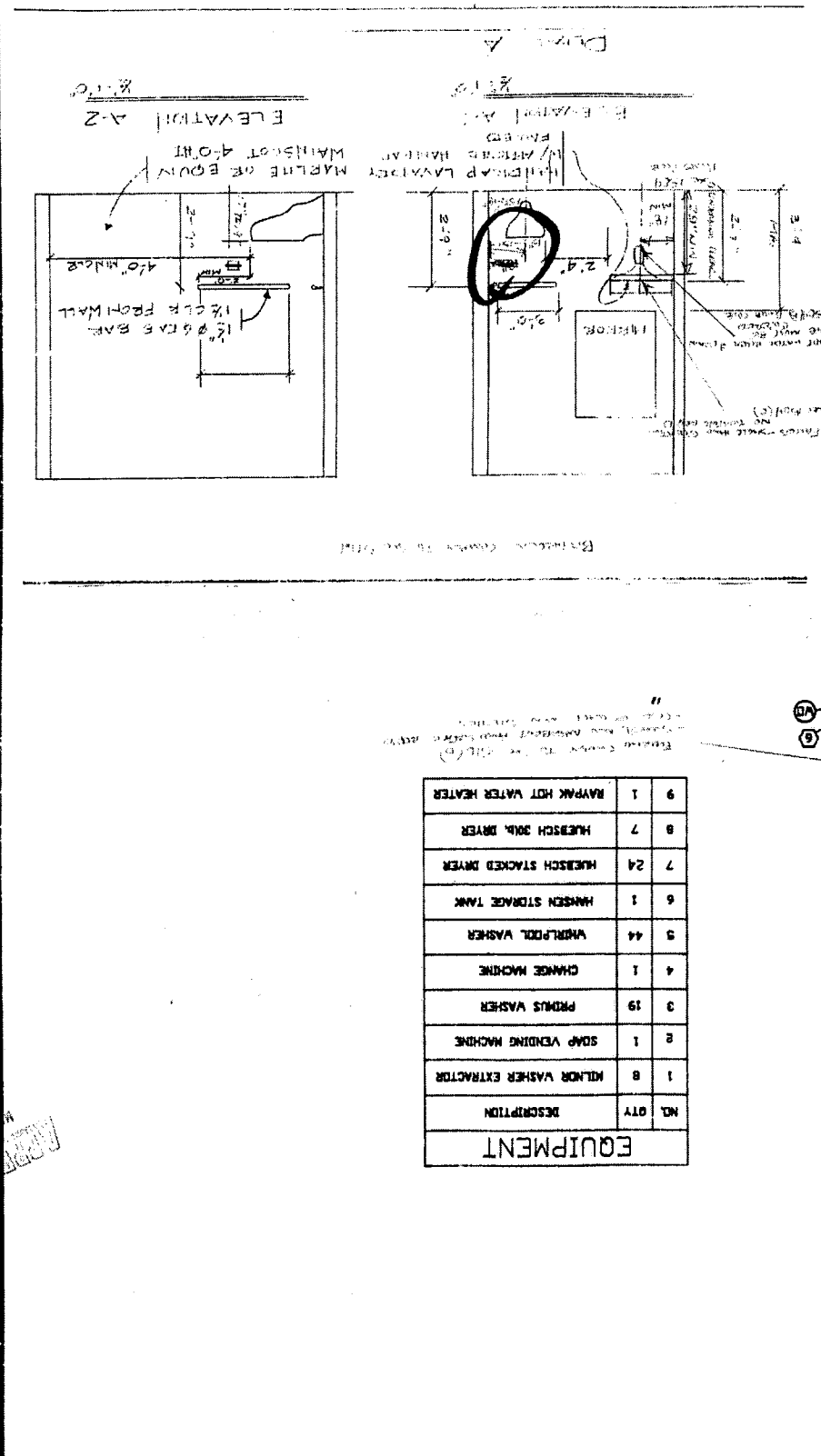
HOUSING INSPECTION DIVISION

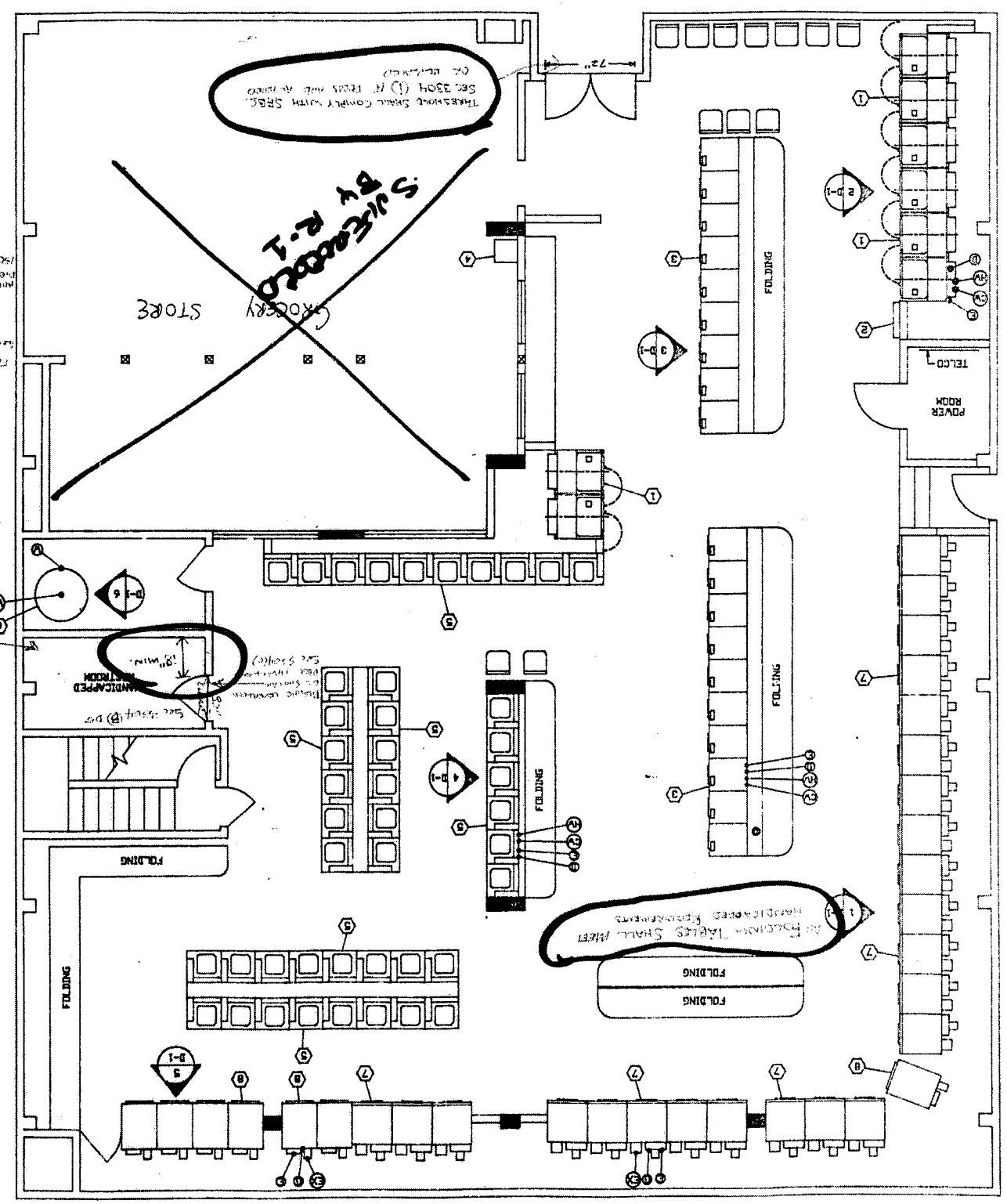
I agree to comply with all conditions or stipulations of the various departments noted on this application, and all attached statements of conditions or stipulations, which are hereby made a part of this application.

Number of attachments ☐

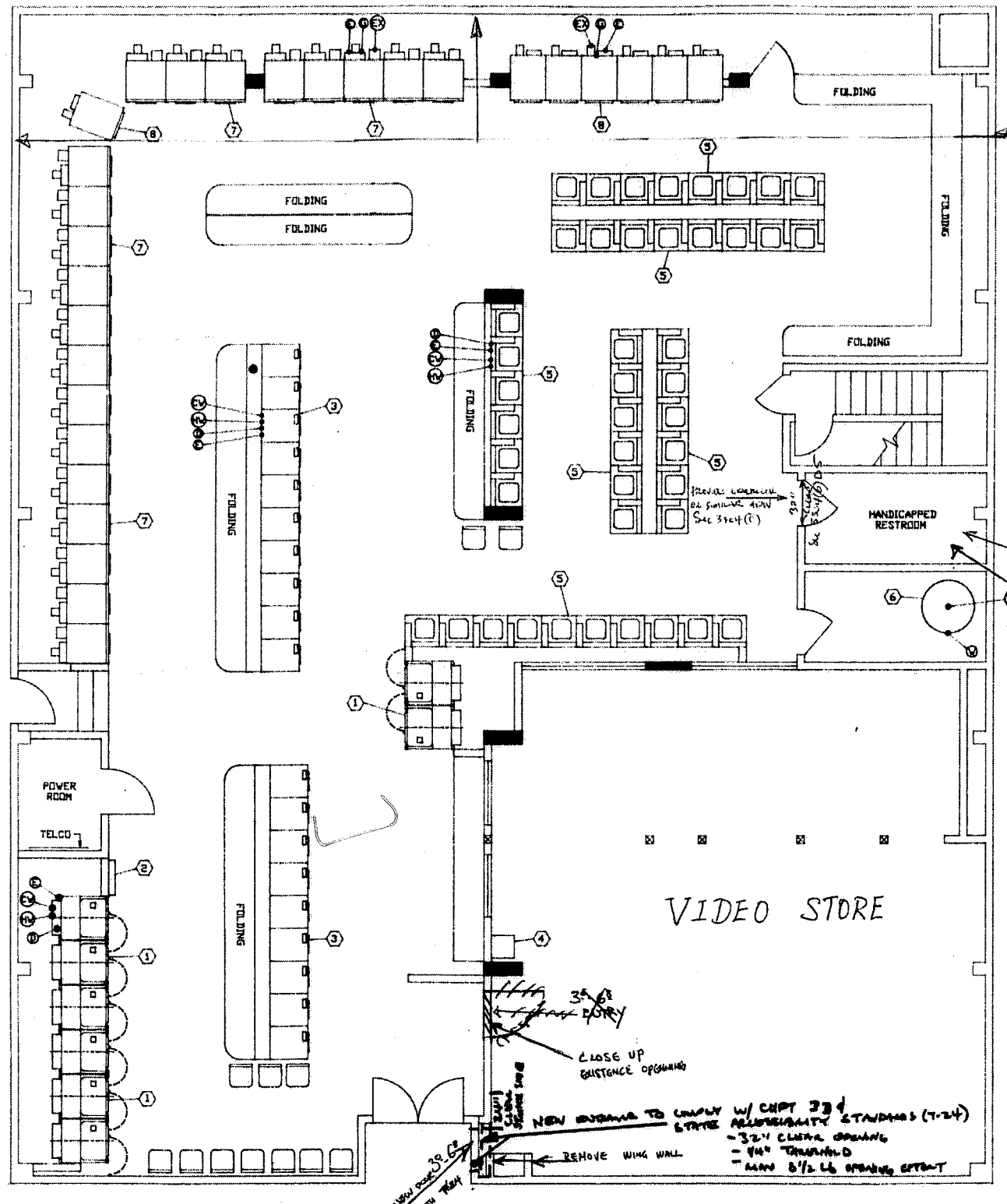
OWNER'S AUTHORIZED AGENT

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING





9101936



EQUIPMENT		
NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	21	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

Provide 1 hour fire assembly to all utility shafts and trash chutes in accordance with UBC Table 7-A

Provide a mop sink connected to the sewer system and provided with hot & cold running water through a mixing valve protected with an approved back flow prevention device

HANDICAPPED RESTROOM
to be in accordance w/ TITLE 24
AND LOCAL CODE REQUIREMENTS.

PERMIT NUMBER
9101936
REVIEWED
For Compliance with City and County Ordinances and State Codes
The stamping of this drawing or specification SHALL NOT be held to permit or to be an approval of the violation of any City and County ordinance or State law
Approval is subject to field inspection by the Fire Department.
R. Cotton 03/11/91
These plans must be kept on the premises and accessible to the inspector at all times

60x80 = 4800 ϕ

FOLDING TABLES COMPLY W/ (FIGURE) 5237(b)4 OF CAL STATE ACCESSIBILITY STANDARDS T-24

17" MIN
PROVIDE 30" CLEAR SPACE
29" CLEAR
34" MAX
SUGGESTED HEIGHT
MIN OBSTACLE CLEARANCE SURFACES SHALL BE 27 INCHES

APPROVED
Depart. of Public Works
MAR 2 5 1991
BY
ESTIMATOR
DEPT. OF BUILDING INSPECTION

REVISION RECEIVED
MAR 01 1991
DEPT. OF BUILDING INSPECTION

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (FILED-FWNC NO. 104-0(M)). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF WORK INSTALLED WHICH IS DONE IN STRICT NONCOMPLIANCE WITH ALL APPLICABLE CODES

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR CONSTRUCTION OF THIS STRUCTURE OR ITS SITE.

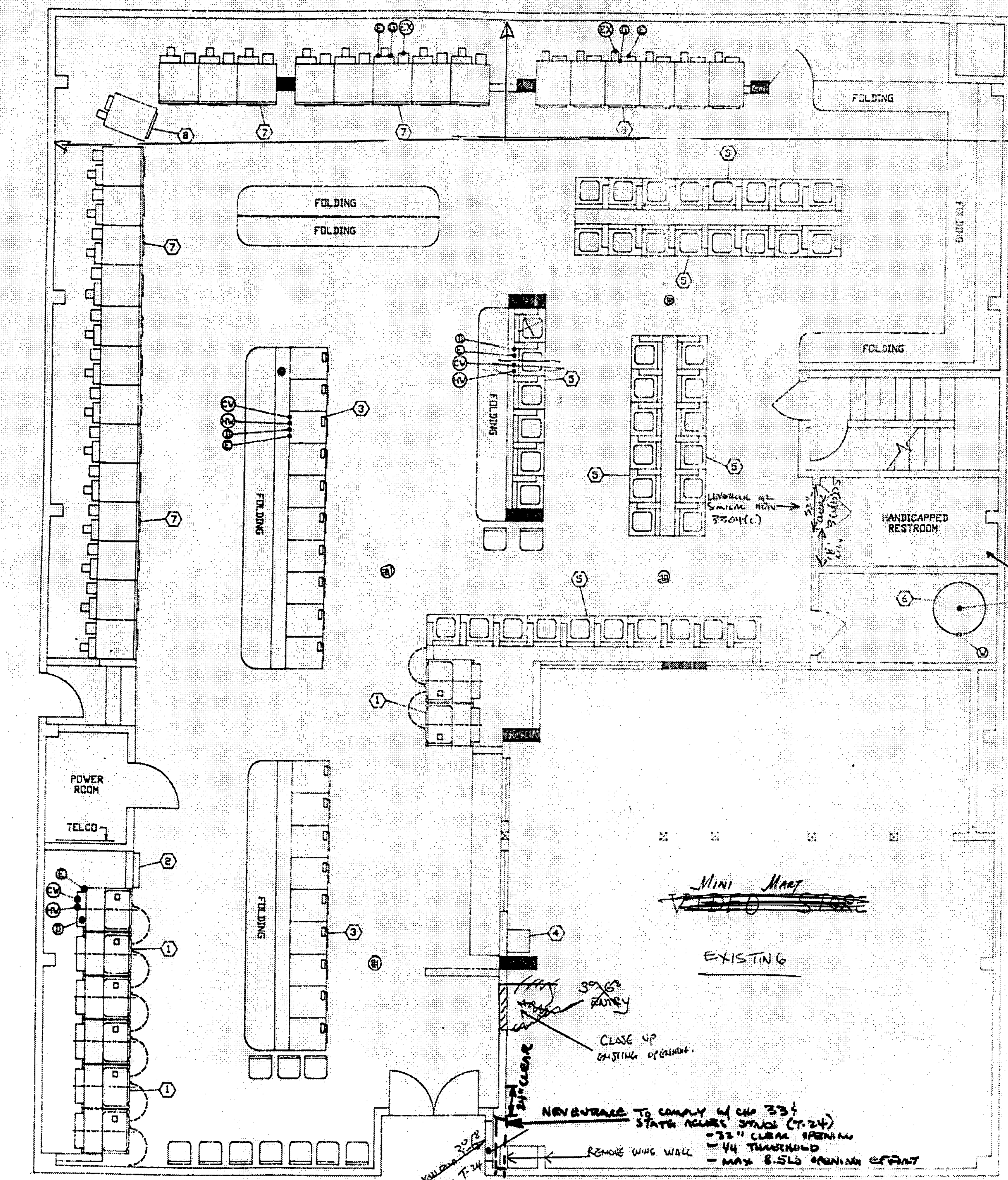
3/12/91

REVISIONS BY

Western State Design
2565 NICKEL PLACE, HAYWARD, CA 94545 • TLX: 5106001127

PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:

DRAWING NUMBER
1/4" = 1'
EQ-1
SHEET 1 OF 1



PROVIDE 1 HR FIRE RESIST. TO ALL WALLS WITHIN 20 FEET OF PROPERTY LINE TABLE 5-A

EQUIPMENT		
NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	21	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

HANDICAPPED RESTROOM TO BE IN ACCORDANCE W/ TITLE 24 AND LOCAL CODE REQUIREMENTS

Provide a mop sink connected to the sewer system and provided with hot & cold running water through a mixing valve protected with an approved back flow prevention device

PERMIT NUMBER 9101936
REVIEWED
For Compliance with City and County Ordinances and State Codes. The stamping of this plan and these specifications SHALL NOT be held to permit or to be an approval of the violation of any City and County ordinance or State law. Approval is subject to field inspection by the Fire Department.
R. [illegible] 03/13/91
These plans must be kept on the premises and accessible to the inspector at all times.

NEW 4800 ft TOTAL

FOLDING TABLES COMPLY W (FIG 5-5C) 522 (C)4 OF CAL STATE ACCESSIBILITY STANDARDS T-24

PROVIDE 30" CLEAR SPACE IN FRONT OF FOLDING TABLE
17" MIN
SUGGESTED HEIGHT
28"-34"
MIN DISTANCE BETWEEN SURFACES SHALL BE 30 INCHES
SIMILAR TO SEC 1604 PP. ACCESSIBILITY CLEARANCES

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED UNTIL BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED SCOPE OF WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY RECORDED USE OR CHARACTER OF THIS STRUCTURE. APPROVAL IS BASED UPON INFORMATION SUPPLIED BY THE APPLICANT WHICH HAS NOT BEEN VERIFIED.

[illegible] 4/9/91

RECEIVED
APR 09 1991
BUREAU OF BUILDING INSPECTION

[illegible] 3/7/91

APPROVED
DEPT. OF PUBLIC HEALTH
MAY 28 1991

[redacted]

REGISTERED PROFESSIONAL ENGINEER
STATE OF CALIFORNIA

9105909

MISSION WASH CLUB
2922 MISSION ST.

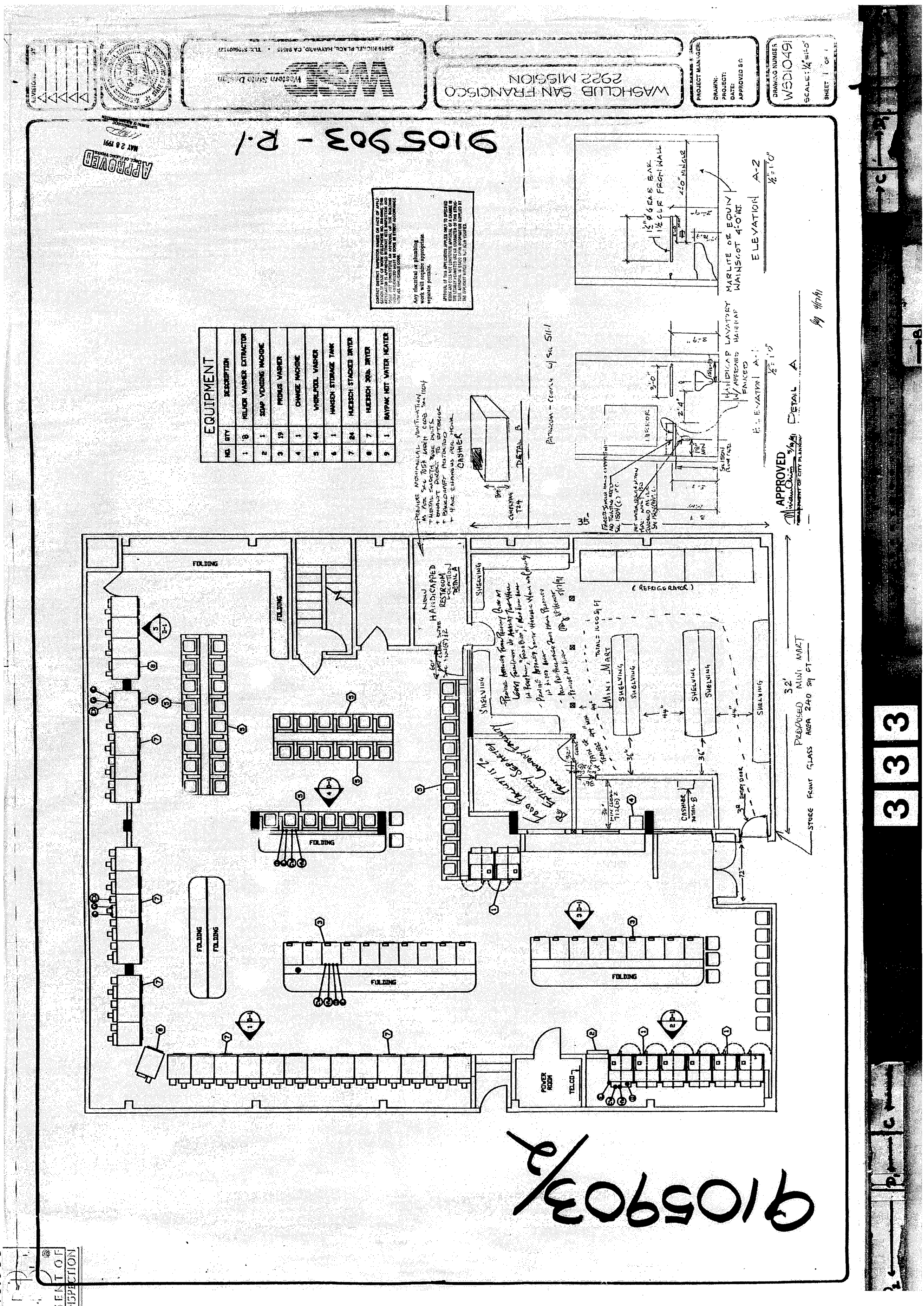
[redacted]

9105903 ~~[illegible]~~

Western State Design
2615 NICKEL PLACE, HAYWARD, CA

REVISIONS BY
PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:
DRAWING NUMBER
1/8" = 1'
EQ-1
SHEET 1 OF 1

333


WASHCLUB SAN FRANCISCO
2922 MISSION
WSD Western State Design
25818 NICHEL PLACE, HAYWARD, CA 94545 • TLX: 5106001127
PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:
DRAWING NUMBER
WSD1049I
SCALE: 1/4"=1'-0"
SHEET 1 OF 1
REVISIONS
APPROVED
Dept. of Public Works
MAY 2 8 1991
910590 3 - R.1
Any electrical or plumbing work will require appropriate separate permits.
PROVIDE MECHANICAL VENTILATION AS PER SEC 705 MECH CODE SEC 1104
+ METAL SMOOTH BORE DUCTS
+ EXHAUST DIRECT TO EXTERIOR
+ BACKDRAFT PROTECTED
+ 4 AIR CHANGES PER HOUR
CASHIER
SHELVING T24
DETAIL B
BATHROOM - COMPLY W/ SEC 511
MIRROR
3'-0"
2'4"
18" MIN
HANDICAP LAVATORY W/ APPROVED HANDICAP FAUCETS
ELEVATION A-1
1/2" = 1'-0"
DETAIL A
1 1/2" Ø GRAB BAR 1 1/2" CLR FROM WALL
4'-0" MIN CLR
MARLITE OR EQUIV WAINSCOT 4'-0" HI
ELEVATION A-2
1/2" = 1'-0"
APPROVED
DEPARTMENT OF CITY PLANNING 5/18/91
35'
32'
NEW HANDICAPPED RESTROOM LOCATION DETAIL A
60" MIN CLEAR SPACE
FOLDING
SHELVING
(REFRIGERATOR)
MINI MART
TOTAL = 1600 SQ FT
SHELVING
44"
36"
CASHIER DETAIL B
ENTRY DOOR
PROPOSED MINI MART
STORE FRONT GLASS AREA 240 SQ FT
72"
POWER ROOM
TELCO
910590 3/2

EQUIPMENT

NO.	QTY	DESCRIPTION
1	8	MILNOR WASHER EXTRACTOR
2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	24	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

OFFICIAL COPY

REROOFING

APPROVED
Dept of Building Insp.
DEC 26 2000
DIRECTOR
DEPT OF BUILDING INSPECTION

APPROVED FOR ISSUANCE
DEC 26 2000

BLDG. FORM 3/8

APPLICATION NUMBER 2000/12/26/9329

OSHA APPROVAL NUMBER: APPROVAL REQ'D ☐

APPLICATION FOR BUILDING PERMIT ADDITIONS, ALTERATIONS OR REPAIRS

FORM 3 ☐ OTHER AGENCIES REVIEW REQUIRED

FORM 8 ☒ OVER-THE-COUNTER ISSUANCE DP

W/O 9/20/01

0 NUMBER OF PLAN SETS

CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF BUILDING INSPECTION

APPLICATION IS HEREBY MADE TO THE DEPARTMENT OF BUILDING INSPECTION OF SAN FRANCISCO FOR PERMISSION TO BUILD IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS SUBMITTED HEREWITH AND ACCORDING TO THE DESCRIPTION AND FOR THE PURPOSE HEREINAFTER SET FORTH.

▼ DO NOT WRITE ABOVE THIS LINE ▼

DATE FILED	FILING FEE RECEIPT NO	(1) STREET ADDRESS OF JOB	BLOCK & LOT
12/26/00		2922 MISSION ST	6529 - 28
PERMIT NO.	**ISSUED**	**(2A) ESTIMATED COST OF JOB**	**(2B) REVISED COST:**
929219	12/26/00	17,500.-	BY: DATE:

INFORMATION TO BE FURNISHED BY ALL APPLICANTS

LEGAL DESCRIPTION OF EXISTING BUILDING

(4A) TYPE OF CONSTR.	(5A) NO. OF STORIES OF OCCUPANCY:	(6A) NO. OF BASEMENTS AND CELLARS:	(7A) PRESENT USE:	(8A) OCCUP. CLASS	(9A) NO. OF DWELLING UNITS:
V	2	N/A	COMMERCIAL	B	0

DESCRIPTION OF BUILDING AFTER PROPOSED ALTERATION (06) (10)

(4) TYPE OF CONSTR.	(5) NO. OF STORIES OF OCCUPANCY:	(6) NO. OF BASEMENTS AND CELLARS:	(7) PROPOSED USE (LEGAL USE)	(8) OCCUP. CLASS	(9) NO. OF DWELLING UNITS:
V	2	N/A	COMMERCIAL	B	0

(10) IS AUTO RUNWAY TO BE CONSTRUCTED OR ALTERED?	(11) WILL STREET SPACE BE USED DURING CONSTRUCTION?	(12) ELECTRICAL WORK TO BE PERFORMED?	(13) PLUMBING WORK TO BE PERFORMED?
YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒	YES ☐ NO ☒

(14) GENERAL CONTRACTOR	ADDRESS	ZIP	PHONE	CALIF. LIC. NO.	EXPIRATION DATE
ABC ROOFING	1610 ARMSTRONG S.F.	94124	822-5003	483862	12/31/00

(15) OWNER - LESSEE (CROSS OUT ONE)	ADDRESS	ZIP	BTNO #	PHONE (FOR CONTACT BY DEPT.)
SUGARMAN	2922 MISSION ST. S.F.	CA. 94110		433-5761

(16) WRITE IN DESCRIPTION OF ALL WORK TO BE PERFORMED UNDER THIS APPLICATION (REFERENCE TO PLANS IS NOT SUFFICIENT)

TEAR OFF EXISTING OLD ROOF
APPLY 30 YR COMP. SHINGLE
WITH #15 BASE FELT

ADDITIONAL INFORMATION

(17) DOES THIS ALTERATION CREATE ADDITIONAL HEIGHT OR STORY TO BUILDING?	(18) IF (17) IS YES, STATE NEW HEIGHT AT CENTER LINE OF FRONT	(19) DOES THIS ALTERATION CREATE DOOR OPENING, EXTENSION TO BUILDING?	(20) IF (19) IS YES, STATE NEW GROUND FLOOR AREA
YES ☐ NO ☐	FT.	YES ☐ NO ☐	SQ. FT.

(21) WILL SIDEWALK OVER SUB SIDEWALK SPACE BE REPAIRED OR ALTERED?	(22) WILL BUILDING EXTEND BEYOND PROPERTY LINE?	(23) ANY OTHER EXISTING BLDG ON LOT? (IF YES, SHOW ON PLOT PLAN)	(24) DOES THIS ALTERATION CONSTITUTE A CHANGE OF OCCUPANCY?
YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐	YES ☐ NO ☐

(25) ARCHITECT OR ENGINEER (DESIGN) (CONSTRUCTION)	ADDRESS	CALIF. CERTIFICATE NO.

(26) CONSTRUCTION LENDER (ENTER NAME AND BRANCH DESIGNATION IF ANY. IF THERE IS NO KNOWN CONSTRUCTION LENDER, ENTER "UNKNOWN") ADDRESS

IMPORTANT NOTICES

No change shall be made in the character of the occupancy or use without first obtaining a Building Permit authorizing such change. See San Francisco Building Code and San Francisco Housing Code.

No portion of building or structure or scaffolding used during construction, to be closer than 6'0" to any wire containing more than 750 volts. See Sec. 385, California Penal Code.

Pursuant to San Francisco Building Code, the building permit shall be posted on the job. The owner is responsible for approved plans and application being kept at building site.

Grade lines as shown on drawings accompanying this application are assumed to be correct. If actual grade lines are not the same as shown revised drawings showing correct grade lines, cuts and fills together with complete details of retaining walls and wall footings required must be submitted to this department for approval.

ANY STIPULATION REQUIRED HEREIN OR BY CODE MAY BE APPEALED.

BUILDING NOT TO BE OCCUPIED UNTIL CERTIFICATE OF FINAL COMPLETION IS POSTED ON THE BUILDING OR PERMIT OF OCCUPANCY GRANTED, WHEN REQUIRED.

APPROVAL OF THIS APPLICATION DOES NOT CONSTITUTE AN APPROVAL FOR THE ELECTRICAL WIRING OR PLUMBING INSTALLATIONS. A SEPARATE PERMIT FOR THE WIRING AND PLUMBING MUST BE OBTAINED. SEPARATE PERMITS ARE REQUIRED IF ANSWER IS 'YES' TO ANY OF ABOVE QUESTIONS (10) (11) (12) (13) (22) OR (24).

THIS IS NOT A BUILDING PERMIT. NO WORK SHALL BE STARTED UNTIL A BUILDING PERMIT IS ISSUED.

In dwellings all insulating materials must have a clearance of not less than two inches from all electrical wires or equipment.

CHECK APPROPRIATE BOX

☐ OWNER ☐ ARCHITECT
☐ LESSEE ☐ AGENT
☒ CONTRACTOR ☐ ENGINEER

APPLICANT'S CERTIFICATION

I HEREBY CERTIFY AND AGREE THAT IF A PERMIT IS ISSUED FOR THE CONSTRUCTION DESCRIBED IN THIS APPLICATION, ALL THE PROVISIONS OF THE PERMIT AND ALL LAWS AND ORDINANCES THERETO WILL BE COMPLIED WITH

3003.03 (REV 1-96)

NOTICE TO APPLICANT

HOLD HARMLESS CLAUSE: The permittee(s) by acceptance of the permit, agree(s) to indemnify and hold harmless the City and County of San Francisco from and against any and all claims, demands and actions for damages resulting from operations under this permit, regardless of negligence of the City and County of San Francisco, and to assume the defense of the City and County of San Francisco against all such claims, demands or actions.

In conformity with the provisions of Section 3800 of the Labor Code of the State of California, the applicant shall have coverage under (I), or (II) designated below or shall indicate item (III), or (IV), or (V), whichever is applicable. If however item (V) is checked item (IV) must be checked as well. Mark the appropriate method of compliance below:

I hereby affirm under penalty of perjury one of the following declarations:

( ) I. I have and will maintain a certificate of consent to self-insure for workers' compensation, as provided by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued.

(X) II. I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work for which this permit is issued. My workers' compensation insurance carrier and policy number are:

Carrier VILLANOVA

Policy Number WC309525

( ) III. The cost of the work to be done is $100 or less.

( ) IV. I certify that in the performance of the work for which this permit is issued, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California. I further acknowledge that I understand that in the event that I should become subject to the workers' compensation provisions of the Labor Code of California and fail to comply forthwith with the provisions of Section 3800 of the Labor Code, that the permit herein applied for shall be deemed revoked.

( ) V. I certify as the owner (or the agent for the owner) that in the performance of the work for which this permit is issued, I will employ a contractor who complies with the workers' compensation laws of California and who, prior to the commencement of any work, will file a completed copy of this form with the Central Permit Bureau.

Signature of Applicant or Agent

12/26/00
Date

OFFICIAL COPY

SAN

DEPARTMENT OF BUILDING INSPECTION

CONDITIONS AND STIPULATIONS

REFER TO

APPROVED:

CONTACT DISTRICT INSPECTOR (NAMED ON FACE OF APPLICATION) AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITH CUT SHEET & SECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED. IT MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODE.

DP
12/26/00

BUILDING INSPECTOR, DEPT. OF BLDG. INSP.

DATE:
REASON:
NOTIFIED MR.

Any electrical or plumbing work will require appropriate separate permits.

APPROVED:

☐ N/A

DEPARTMENT OF CITY PLANNING

DATE:
REASON:
NOTIFIED MR.

APPROVED:

☐

BUREAU OF FIRE PREVENTION & PUBLIC SAFETY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

☐

CIVIL ENGINEER, DEPT. OF BLDG. INSPECTION

DATE:
REASON:
NOTIFIED MR.

APPROVED:

☐

BUREAU OF ENGINEERING

DATE:
REASON:
NOTIFIED MR.

APPROVED:

☐

DEPARTMENT OF PUBLIC HEALTH

DATE:
REASON:
NOTIFIED MR.

☐

REDEVELOPMENT AGENCY

DATE:
REASON:
NOTIFIED MR.

APPROVED:

☐

POLICE DEPARTMENT

DATE:
REASON:
NOTIFIED MR.

I agree to comply with all conditions or stipulations of the various bureaus or departments noted on this application and attached statements of conditions or stipulations, which are hereby made a part of this application.

Number of attachments ☐

OWNER'S AUTHORIZED AGENT

HOLD SECTION — NOTE DATES AND NAMES OF ALL PERSONS NOTIFIED DURING PROCESSING

Appendix B

County Assessor's Real Property Record

TAB No. 5537 CARD 1 OF 2

REAL. PROPERTY RECORD

CITY & COUNTY OF SAN FRANCISCO

ASSESSORS OFFICE VALUATION DIVISION

SEE CARD 2 OF 2 FOR BLDG. VALUATION ON 2 LOTS

VOL 39 BLOCK 6529 LOT 2

ADDRESS 2920-22 MISSION ST.

CODE CLASS G-COMM. GARAGE

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25						1	TOTAL
ROOMS		4																														2	

RESIDENTIAL				CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM	
Dwelling D R		B R		1A	1B	2	3	4	5	Rustic		Plaster		Electric	Gas Oil
Flats										Panels		Sheetrock		Forced Air	
Apartment				FOUNDATION						Stucco		Wallboard		Steam	
Hotel				Concrete						Metal		Paneling		Radiant	
Motel				Brick						Shingles		Unfinished		Baseboard	
Rooming House				Slab						Brick				Vent & Air Cond.	
				Conc. Block						Concrete		BATH ROOM		Gravity	
NON-RESIDENTIAL				Piers						Tilt-Up		Number of Rooms			
Public Building				Misc.						Conc. Block		Tubs	Built-in	MECHANICAL	
School										Veneer		Shower		Sprinkler System	
Office				BASEMENT						ROOF		Tile		ELEVATOR	
Commercial				Unfinished	¼	½	¾	F		Comp	Flat	Separate Toilet		Passenger Capacity	
Industrial				Finished	¼	½	¾	F		Metal	Hip			Freight Capacity	
				Number Car Spaces						T&G	Gable	KITCHEN		Automatic Elevator	
										Concr.		Tile	Sink		
CLASSIFICATION										FLOORS		BUILT - INS			
Service Station				Medical						Softwood		Dwsh.	Disp.	MISCELLANEOUS	
Loft				Theatre						Hardwood		Oven	Range	Fire Escape	
Warehouse				Club						Terrazzo				Vault	
Condominium				Bank						Marble		PLUMBING		Skylights	
Greenhouse				Store						Concrete		W. C.	Lavs	Family Room	
Co-Operative				Garage						Earth		Urn	S. S.		
Shed				Church						Tile					
										Metal					

COMPUTATIONS

APPRAISER & DATE 4-10-68 M. MURPHY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
SEE CARD 1 OF 2													
Total	5135 sp on Lots 2+2A												
Normal % Good													
R. C. L. N. D.											Daniel	4/29/68	

LAND ATTRIBUTES

Square feet LOT 2.	2600
Acres	
Zoning	C-2
Square feet usable	100%
Corner	Yes ☐ No ☐
Curb, Sdwk	Yes ☐ No ☐
Level	Yes ☐ No ☐
Grade	Yes ☐ No ☐
View	Yes ☐ No ☐
Utilities	Yes ☐ No ☐
Alley	Yes ☐ No ☐

IMPROVEMENT ATTRIBUTES

Year built	1924
Effective Year	
Total Rooms	
Bedrooms	
Family Room	Yes ☐ No ☐
Total Finished Area	
Finished Basement Area	
Finished Attic Area	
Full Baths	
Half Baths	
Garage spaces	
Built-in-Kitchen	Yes ☐ No ☐
Central Heating	Yes ☐ No ☐
Condition	E ☐ G ☐ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

Single family use	☐
Multi-family use	☐
Commercial use	☐
Industrial use	☐
Zoning conform.	Yes ☐ No ☐
Desirability	Yes ☐ No ☐
Built-up	Yes ☐ No ☐
Date of Improvements	
Trend	G. ☐ F. ☐ P. ☐

APPRAISABLE CONCLUSIONS TO LOT 2

Land Value	23700
Improvement Value	12600
Total Value	36300

CONSTRUCTION RECORD				EFFEC. YEAR	APPR. YEAR	NORMAL % GOOD			
PERMIT NO.	FOR	AMT.	DATE			AGE	REM. LIFE	TABLE	%

REMARKS:

PHOTO

LAND DATA

FRONT	DEPTH	AREA	ZONING	TOPOGRAPHY			
32.5 FT. x 80	FT. = 2600 SF.	C-3	LEVEL		GRADE		%
			SOIL		VIEW		

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$	$ 012	$ 720
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:

INCOME ANALYSIS

GROSS INCOME:		
Vacancy %		
Effective Gross Income		
Expenses		
Total Expense:		
NET INCOME:		

NET INCOME:

INCOME IMPUTABLE PERSONALTY:

LIFE	DEPR.	YIELD	TAX	RATE
YR	%	%	%	%

$ x %

INCOME IMPUTABLE TO LAND:

YIELD	TAX	RATE
%	%	%

$ x %

RESIDUAL IMPUTABLE TO BLDG:

LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.
YR	%	%	%		

Bldg. Val. $

Rounded to:

Land Value

TOTAL

Sales History:

Summary:

ESTIMATED VALUE: $ 3,500--

5538

BL 6529 lot 2D

2922 Miami St

ATLAS MOTORS GAR. + AUTO SALES.

BUILDING CARD
ASSESSORS OFFICE
CITY & COUNTY OF SAN FRANCISCO

BLOCK NO. 6529
LOT NO. 2 & 2A
STREET & NO. 2920-22 MISSION ST.
DATE 12/15 1935
1-10-61 CC.

STORIES	B	1 (✓)	M	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	TOTAL
ROOMS		3																					3	

USE	FOUNDATION	ROOF	FLOORS (No.)	ELEVATORS
RESIDENTIAL	X CONCRETE	TYPE	HARDWOOD	ELECTRIC
DWELLING	BRICK	MANSARD	PINE	HYDRAULIC
FLAT	PILES	GABLE	TILE	FREIGHT
APARTMENT	MISC.	X FLAT	MARBLE	PASSENGER
NON RESIDENTIAL		DORMER	3 CEMENT	AUTOMATIC
HOTEL	BASEMENT	PLAIN	COMPOSITION	MISC.
OFFICE BLDG.	✓ NONE / PART / FULL	MISC.	PLUMBING	
STORE	CEMENT FLOOR		SPEC. / FAIR / ✓ CHEAP	FEATURES
LOFT	UNFINISHED	MATERIAL	4 No. FIXTURES	FIRE ESCAPES
X GARAGE	FINISHED	X TAR & GRAVEL	HOT WATER	VENTILAT. SYSTEM
WAREHOUSE	NO. CAR GARAGE	SLATE	BATHROOMS	VAC. CL. SYSTEM
INDUSTRIAL	MISC.	ASBESTOS	No. ROOMS	SPRINKLER SYS.
THEATRE		SHINGLE	TUB / BLT. IN	INCINERATOR
CLUB	EXTERIOR	TILE	TILE SHOWER	REFRIGERATORS.
BANK	WALLS	METAL	TILE WALLS	WALL BEDS
CHURCH	BRICK — PRESS / COMMON	MISC.	2 SEP. TOILET	BOOKCASES
SCHOOL	X CONCRETE		MISC.	PORCHES
SERVICE STA.	RUSTIC	INTERIOR TRIM		BARS
MISC.	SHINGLE	BEST / ✓ FAIR / CHEAP	HEATING	SOCIAL HALL
X AUTO SALES	✓ STUCCO	✓ PINE	FURNACE	No. CLOSETS
CONSTRUCTION	STONE	HARDWOOD	GAS / OIL / COAL	LAUNDRY ROOM
A / B / C	CORRUG. IRON	X PLASTER	STEAM	ATTIC
WOOD FRAME	MISC.	PLASTER BOARD	No. FIREPLACES	SUB BASEMENT
STEEL		CANVAS	CIRC. HEATER	SPECIAL
MILL	TRIM	PANELED	MISC.	— —
BRICK	X PLAIN	BEAMED CEILING	OUT BUILDINGS (No.)	CONVERTED FROM
X REIN. CONC.	SPECIAL	UNFINISHED	GARAGE	SUPER MARKET TO REPAIR
MISC.	MISC.	MISC.	SHED	GAR. 1957 —
			OTHER	{TO AUTO SALES & GARAGE + OFC.

1	65	X 78	X	= 5070	SQ. FT. @ $ 3.00	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
		X	X	=	CU. FT. SQ. FT. @ $.	$
TOTAL				5070		$

YEAR BUILT 1924

GENERAL CONDITION			
EXCEL	✓ GOOD	FAIR	POOR

BUILDING VALUATION

YEAR	AMOUNT	CHANGED BY
1925	5000	[illegible]
'33	4500	R.V.
61	5600	ALT

ALTERATIONS

YEAR	AMOUNT	DESCRIPTION
1953	500	REPAIR FRONT TRIM [illegible]
1954	450	TERMITE, WINDOW [illegible]
1957	500	REMOVE ALL FIXT + SOME PARTITIONS. [illegible] NOW GARAGE [illegible]
1960	4000	PARTITION ACROSS CENTER. PLASTER WALLS & CEILING. CHANGE GLASS FRONT

COMPILED BY F C
APPROVED BY

RUSSELL L. WOLDEN, JR. COPYRIGHT 1937

16000

10-23-24	Coml Centre Realty Co.	#132404	1 Sty Rl St.	$8,000
6-3-53	H. Sitzer	#156052	Garage	$500
7-6-54	B.D.	D. Fire Wl	#166462	Alt St. $450
8-1-56	H. Sugarman	#187926	Alt St	$7000
12-12-56	"	#192846	" "	$1200
6-4-57	Volvo Motors	#198255	" Coml	$480
5-26-60	Atlas "	#233126	Alt Show Rm	$4000

2609

Lot #2A
77 (L) 29900
(I) 14100
44,000

Lot #2

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
1975	29600	13900	43,500	RV
77	29600	13900	43,500	RV

Lot 2
M. V. 36300
L. 23700 Imps 12600

Lot 2A
M. V. 36700
L. 23900 Imps 12800

TAB No. 5538 CARD 2 OF 2

CITY & COUNTY OF SAN FRANCISCO

REAL PROPERTY RECORD

ASSESSORS OFFICE VALUATION DIVISION

see #5537

ON 2 LOTS.

VOL. 39 BLOCK 6529 LOT 2A

ADDRESS 2920-22 MISSION ST.

CODE CLASS G - COMM. GARAGE

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25					1	TOTAL
ROOMS		4																													4	

RESIDENTIAL				CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM		
Dwelling D R		B R		1A	1B	2	3	4	5	Rustic		Plaster	X	Electric	Gas X	Oil
Flats							X			Panels		Sheetrock		Forced Air		X
Apartment				FOUNDATION						Stucco	X	Wallboard		Steam		
Hotel				Concrete					X	Metal		Paneling	X	Radiant		
Motel				Brick						Shingles		Unfinished		Baseboard		
Rooming House				Slab						Brick				Vent & Air Cond.		
				Conc. Block						Concrete	X	BATH ROOM		Gravity		
NON-RESIDENTIAL				Piers						Tilt-Up		Number of Rooms				
Public Building				Misc.						Conc. Block		Tubs	Built-in	MECHANICAL		
School										Veneer		Shower		Sprinkler System		
Office				BASEMENT NONE						ROOF		Tile		ELEVATOR		
Commercial		X		Unfinished	1/4	1/2	3/4	F		Comp		Flat	X	Separate Toilet	2	
Industrial				Finished	1/4	1/2	3/4	F		Metal		Hip		Passenger Capacity		
				Number Car Spaces						T&G	X	Gable		Freight Capacity		
										Concr.				KITCHEN NONE		Automatic Elevator
CLASSIFICATION										FLOORS				Tile	Sink	
Service Station				Medical						Softwood				BUILT - INS NONE		
Loft				Theatre						Hardwood				Dwsh.	Disp.	MISCELLANEOUS
Warehouse				Club						Terrazzo				Oven	Range	Fire Escape
Condominium				Bank						Marble						Vault
Greenhouse				Store						Concrete				PLUMBING		Skylights
Co-Operative				Garage					X	Earth				W. C.		Family Room
Shed				Church						Tile				Urn		
										Metal						

2610

LAND ATTRIBUTES

Square feet LOT 2A	2600
Acres	
Zoning	C2
Square feet usable	100%
Corner	Yes ☐ No ☐
Curb, Sdwk	Yes ☐ No ☐
Level	Yes ☐ No ☐
Grade	Yes ☐ No ☐
View	Yes ☐ No ☐
Utilities	Yes ☐ No ☐
Alley	Yes ☐ No ☐

IMPROVEMENT ATTRIBUTES

Year built Blr	1924
Effective Year	
Total Rooms	
Bedrooms	
Family Room	Yes ☐ No ☐
Total Finished Area	
Finished Basement Area	
Finished Attic Area	
Full Baths	
Half Baths	
Garage spaces	
[illegible]itchen	Yes ☐ No ☐
[illegible]eating	Yes ☐ No ☐
h	E ☐ G ☐ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

mily use	☐
hily use	☒
ial use	☒
l use	☐
onform.	Yes ☒ No ☐
ity	Yes ☒ No ☐
	Yes ☒ No ☐
Improvements	
	G. ☒ F. ☐ P. ☐

COMPUTATIONS

APPRAISER & DATE 4-10-68 M. MURRAY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	
1ST FLOOR MAIN BLDG	4810 ☐	6.25	30653						
5'X65'X7.5 HIGH	325 ☐	2.50	813						
FIN. OFFICES	(592)	4	2368	($4 over Basic Bldg cost					
MEZZ	(180)	2	360	$2 ✓	✓	✓	✓		
Total	5135		34194						
Normal % Good			80%	($13,600 IMPR. ON BLDG. SINCE 1953)					
R. C. L. N. D.			27200					Denied	4/29/68

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
13	29400	14600	44,000	RY
17	"	"	44,000	RY

SUITABLE CONCLUSIONS TO LOT 2A

Land Value	23900
Improvement Value	12800
Total Value	36700

C-2 LOT 2

CONSTRUCTION RECORD

PERMIT NO.	FOR	AMT.	DATE
122404		8.00	10-22-54
			4/3/57
			7-6-54
			8-1-56
			12-12-56
			6-4-57
			5-26-60

EFFEC. YEAR | APPR. YEAR | NORMAL % GOOD: AGE | REM. LIFE | TABLE | %

REMARKS: TAXES 1967-68 1966-67
LOT 2 $798.60 $813.44
LOT 2A 807.40 817.50
Less this year

LAND DATA

FRONT	DEPTH	AREA	ZONING	TOPOGRAPHY			
32.75 FT. x	80'	FT. = 2620 SF.	C2	LEVEL		GRADE	%
				SOIL		VIEW	

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$ 23900-	$ 912-	$ 730-
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

PHOTO

Land as Vacant
C2 5-22-63 W. MISSION 104 S. 24TH 6526-12 3350# 1550 884
C2 7-21-64 NW 25TH 6517-11 1625# 1550 953
C2 4/4/63 W Mission bet 25+26 6529-5 3525# 26025
Sold @ $7.37 on 4/4/63 - VALUE ON SEC. 2 = 830

LEASE
LOT 2 } $550 A MO 5 YRS TO 3-31-70
LOT 2A }
LOT 3 350 A MO ✓ ✓ ✓
SIGN SPACE 120 A YEAR
TAX ADJ. 377 1967

TAB NO. 5538
VOL. 39 BLOCK 6529 LOT 2A
REIN. CONC. GARAGE
2920-22 MISSION ST. BET. 25TH + 26TH
BLDG. COVERS LOTS 2+2A.
BUILT 1924

ON ROLLS FOR M.V. $36,700 (L $23900 LOT 2A
IMP 12800)
✓ ✓ ✓ ✓ $36300 (L 22700 LOT 2
IMP 13600)
8-28-89 M MURPHY

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:	LAND	BLDG AGE	BLDG	TOTAL PROPERTY LOTS 2+2A
SUBJ. 2920-22 MISSION	6529	2A	1+MEZZ.	5135		2 LOTS	5220# x $9.12 = $47600		1924 IMPR.	5135# x $5 = $25700	= $73,300

INCOME APPLICABLE TO LOTS 2-2A+3 BL. 6529

INCOME ANALYSIS

GROSS INCOME:			11297
$900 X 12		10800-	
SIGN RENT		120	
TAX ADJ.		377	
Vacancy	%		
Effective Gross Income			11297
Expenses			
Total Expense:			136
NET INCOME:			11161

NET INCOME:						11161
INCOME IMPUTABLE PERSONALTY:						
LIFE	DEPR.	YIELD	TAX	RATE		
YR	%	%	%	%		
$		x		%		
INCOME IMPUTABLE TO LAND:						
		YIELD	TAX	RATE		
(23,900 + 23900 $49600	97200 x	6 %	2.2 %	% - 8.2%		7970
RESIDUAL IMPUTABLE TO BLDG:						3191
LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.	
33YR	3 %	6 %	2.2%	SL	11.2	
Bldg. Val. $						+
Rounded to:				28500		
Land Value				97200		
TOTAL LOT 2 + 2A + 3				125700	2 → 2A → 3 →	36600 37100 52900

Sales History:
TAXES ON LOTS 2-2A+3 BLOCK 6529
1966-67 LOT 2 $813.44
1966-67 LOT 2A 817.50
1135.76
TOTAL $ 2493- 2766.60 2743.40

COST (DEDUCT) MAIN BLDG 4810# @ 4.00 = $19250
Rear 3254# 500
Office area 2nd flr Bldg 2000
Summary: Mezzanine ✓ ✓ 95
Since 1953 $13630 IMPR (ALLOW 60% OBSOL M+R) 5400
PRESENT BLDG VAL $27,200 $27245

LOT 2		LOT 2A	
LAND	$23,700	LAND	$ 23,900
½ OF BLDG	13600	½ OF BLDG	13600
	$37300		$37500

ESTIMATED VALUE: LOT 2 $36500 LOT 2A $36900

BLOCK NO. 6529
LOT NO. 3
STREET & NO. 2924? MISSION ST.

BUILDING CARD
ASSESSORS OFFICE
CITY & COUNTY OF SAN FRANCISCO

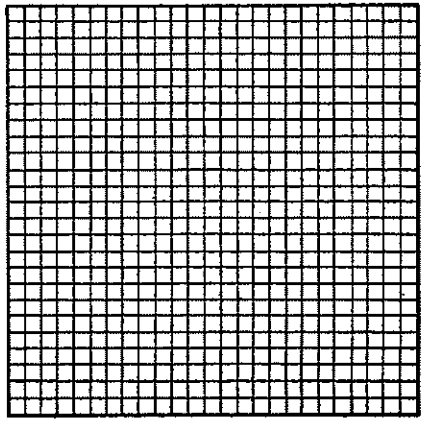
DATE 1-13 1959

STORIES	B	①	M	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	TOTAL
ROOMS		1																						1

GENERAL CONDITION

EXCEL	X GOOD	FAIR	POOR

USE		FOUNDATION		ROOF		No.	FLOORS	ELEVATORS	
	RESIDENTIAL		CONCRETE	TYPE			HARDWOOD		ELECTRIC
	DWELLING		BRICK		MANSARD	1	PINE		HYDRAULIC
	FLAT		PILES		GABLE		TILE		FREIGHT
	APARTMENT		MISC.		FLAT		MARBLE		PASSENGER
	NON RESIDENTIAL	X	WOOD		DORMER		CEMENT		AUTOMATIC
	HOTEL	BASEMENT			PLAIN		COMPOSITION		MISC.
	OFFICE BLDG.	X NONE	PART	FULL	MISC.	PLUMBING			
	STORE		CEMENT FLOOR	X	SLOPING		SPEC. FAIR CHEAP	FEATURES	
	LOFT		UNFINISHED	MATERIAL		No	No. FIXTURES		FIRE ESCAPES
	GARAGE		FINISHED		TAR & GRAVEL		HOT WATER		VENTILAT. SYSTEM
	WAREHOUSE		NO. CAR GARAGE		SLATE	BATHROOMS			VAC. CL. SYSTEM
	INDUSTRIAL		MISC.	X	ASBESTOS	No	No. ROOMS		SPRINKLER SYS.
	THEATRE				SHINGLE		TUB BLT. IN		INCINERATOR
	CLUB	EXTERIOR			TILE		TILE SHOWER		REFRIGERATORS.
	BANK	WALLS			METAL		TILE WALLS		WALL BEDS
	CHURCH		BRICK PRESS COMMON		MISC.		SEP. TOILET		BOOKCASES
	SCHOOL		CONCRETE				MISC.		PORCHES
	SERVICE STA.	X	RUSTIC	INTERIOR TRIM					BARS
	MISC.		SHINGLE	BEST X FAIR CHEAP		HEATING			SOCIAL HALL
X	USED CAR SALES DEC.		STUCCO	X	PINE	No	FURNACE		No. CLOSETS
	CONSTRUCTION		STONE		HARDWOOD		GAS OIL COAL		LAUNDRY ROOM
	A B C		CORRUG. IRON		PLASTER		STEAM		ATTIC
X	WOOD FRAME		MISC.		PLASTER BOARD		No. FIREPLACES		SUB BASEMENT
	STEEL				CANVAS		CIRC. HEATER	SPECIAL	
	MILL	TRIM			PANELED		MISC.		
	BRICK	X	PLAIN		BEAMED CEILING	No.	OUT BUILDINGS		
	REIN. CONC.		SPECIAL		UNFINISHED		GARAGE		
	MISC.		MISC.		MISC.		SHED		
							OTHER		



BUILDING VALUATION

YEAR	AMOUNT	CHANGED BY
1959	100	MOVED
1965	300	111

1	10	X 9	X	=	90	~~SQ. FT.~~ SQ. FT. @ $ 9.00	$ 810
Paving	54'9"	X 117'6"	X	=	6433	SQ. FT. @ $ .20	$ 1286
		X	X	=		CU. FT. SQ. FT. @ $.	$
		X	X	=		CU. FT. SQ. FT. @ $.	$
		X	X	=		CU. FT. SQ. FT. @ $.	$
TOTAL							$

ALTERATIONS

YEAR	AMOUNT	DESCRIPTION

YEAR BUILT 1940? MOVED ON 38

COMPILED BY CARRELL

APPROVED BY

2612

TAB No. 5538

REAL PROPERTY RECORD

CITY & COUNTY OF SAN FRANCISCO

ASSESSORS OFFICE VALUATION DIVISION

VOL 39 BLOCK 6529 LOT 3

ADDRESS 2924 MISSION ST

CODE CLASS X USED CAR LOT

STORIES	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25							TOTAL
ROOMS		1																														1	

RESIDENTIAL			CLASS						EXTERIOR CONSTRUCTION		INTERIOR FINISH		HEATING SYSTEM	
Dwelling D R		B R	1A	1B	2	3	4	5	Rustic		Plaster		Electric	Gas	Oil
Flats									Panels		Sheetrock		Forced Air	
Apartment			FOUNDATION						Stucco		Wallboard		Steam	
Hotel			Concrete						Metal		Paneling		Radiant	
Motel			Brick						Shingles		Unfinished		Baseboard	
Rooming House			Slab						Brick				Vent & Air Cond.	
			Conc. Block						Concrete		BATH ROOM		Gravity	
NON-RESIDENTIAL			Piers						Tilt-Up		Number of Rooms			
Public Building			Misc.						Conc. Block		Tubs	Built-in	MECHANICAL	
School									Veneer		Shower		Sprinkler System	
Office			BASEMENT						ROOF		Tile		ELEVATOR	
Commercial			Unfinished	¼	½	¾	F		Comp	Flat	Separate Toilet		Passenger Capacity	
Industrial			Finished	¼	½	¾	F		Metal	Hip			Freight Capacity	
			Number Car Spaces						T&G	Gable	KITCHEN		Automatic Elevator	
									Concr.		Tile	Sink		
CLASSIFICATION									FLOORS		BUILT - INS			
Service Station			Medical						Softwood		Dwsh.	Disp.	MISCELLANEOUS	
Loft			Theatre						Hardwood		Oven	Range	Fire Escape	
Warehouse			Club						Terrazzo				Vault	
Condominium			Bank						Marble		PLUMBING		Skylights	
Greenhouse			Store						Concrete		W. C.	Lavs	Family Room	
Co-Operative			Garage						Earth		Urn	S. S.		
Shed			Church						Tile					
									Metal					

2614

LAND ATTRIBUTES

Square feet	6378
Acres	
Zoning	C-2
Square feet usable	100%
Corner	Yes ☐ No ☒
Curb, Sdwk	Yes ☒ No ☐
Level	Yes ☒ No ☐
Grade	Yes ☐ No ☒
View	Yes ☐ No ☒
Utilities	Yes ☒ No ☐
Alley	Yes ☐ No ☒

IMPROVEMENT ATTRIBUTES

Year built MOVED IN 1958	1940
Effective Year	
Total Rooms	1
Bedrooms	0
Family Room	Yes ☐ No ☒
Total Finished Area	904
Finished Basement Area	0
Finished Attic Area	0
Full Baths	0
Half Baths	0
Garage spaces	
Built-in-Kitchen	Yes ☐ No ☒
Central Heating	Yes ☐ No ☒
Condition	E ☐ G ☒ F ☐ P ☐

NEIGHBORHOOD ATTRIBUTES

Single family use	☐
Multi-family use	☐
Commercial use	☒
Industrial use	☐
Zoning conform.	Yes ☒ No ☐
Desirability	Yes ☒ No ☐
Built-up	Yes ☒ No ☐
Date of Improvements	
Trend	G. ☒ F. ☐ P. ☐

CONCLUSIONS

Land Value	49600
Improvement Value	2100
Total Value	51700

COMPUTATIO

APPRAISER & DATE 4-1068 M. MURPHY

UNIT	AREA	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST
USED CAR OFFICE	90 #	10	900 -				
ASP. PAVING	6264 #	.035	2192 -				
CH. LINK FENCE	211 LF	1.75	369 -				
SIGN STANDARD	1	@	180 -				
LIGHT FIX.	1	@	50				
Total			3691				
Normal % Good			70%				
R. C. L.N. D.			2600				

VALUATION RECORD

YR.	LAND	IMPTS.	TOTAL	CH. BY
75	49600	2100	51700	RJ
77	62000	2100	64100	RJ

CONSTRUCTION RECORD				EFFEC. YEAR	APPR. YEAR	NORMAL % GOOD			
PERMIT NO.	FOR	AMT.	DATE			AGE	REM. LIFE	TABLE	%

REMARKS: TAXES 1967-68 are $23.20 less than 1966-67 on the 3 parcels Bl. 6529, Lots 2-2A+3

PHOTO

Land as vacant

C2 5/23/63 W. Mission 104' S. 24th 6516-18 3375 ft $30,000 = $8.89
C-2 7/21/64 NW 25th & Lilac 6517-18 1625 ft 15.570 = 9.53
C-2 4/4/63 W. Mission Cor 25+26 6529-5 3525 ft 26025 } 8.32
Sold @ $7.37 on 4/2/63 — VALUE ON DEC '64 =

TAB NO 5538
VOL. 39 BLOCK 6529 LOT 3
2924 MISSION ST., BET 25TH + 26TH ST.

IMPROVEMENTS:

6264 ft PAVED AREA @ 20¢ =	$1253.00
211 L.F. Chain Link FENCE @ 1.75	369 —
904 ft M. FRAME OFFICE 7½ CEIL.	
2 WALLS MAHOG. PANEL.	
2 ALUM. WINDOWS @ $8.00	720 —
SIGN STANDARD	90 —
ELECT. STANDARD	40 —
	$2630
+ Roll Land	49600
MKT. VAL.	$52200

LAND DATA									
FRONT	DEPTH		AREA	ZONING	TOPOGRAPHY				
54.15' FT. x	117.5 FT. =	6378 SF.		C-2	LEVEL		GRADE		%
					SOIL		VIEW		

DESCRIPTION			ADJUSTMENT		VALUE	SFV.	FFV.
CORNER		CURB	%	STD. DEPTH	$ 49600 —	$ 725	$ 906 —
INSIDE		SIDEWALK	%	STD. WIDTH			
		UTILITIES	%	COR. INFL.			

REMARKS:

MARKET APPROACH

ADDRESS	BLOCK	LOT	DESC.	SQ. FT.	SALES PRICE - DATE	GRM	REMARKS:
5538 2924 MISSION	6529				30500 10/10/66		

INCOME ANALYSIS

GROSS INCOME: ON LOT 3		4200
Vacancy 0 %	PARKING LOT WITH SMALL IMPR	
Effective Gross Income		
Expenses		
Total Expense:		
NET INCOME:		

NET INCOME: 4200

INCOME IMPUTABLE PERSONALTY:

LIFE	DEPR.	YIELD	TAX	RATE
YR	%	%	%	%

$ x %

INCOME IMPUTABLE TO LAND:

YIELD	TAX	RATE
6 %	2.2%	%

$49600 x 8.2 % 4067 —

RESIDUAL IMPUTABLE TO BLDG:

LIFE	DEPR.	YIELD	TAX	METHOD	RATE/P.V.
YR	%	%	%		

Bldg. Val. $
Rounded to:
Land Value
TOTAL

Sales History: ON ROLLS FOR $51700 (49600 IMP 2100)

COST APPR
Imp. $26 00
Land (ROLL) 49600
$52,200 Sight Val
MKT: VACANT LAND $53,000

Summary:

INCOME — SEE CARD 2-OF 2 6529-2
(R) 8-28-69

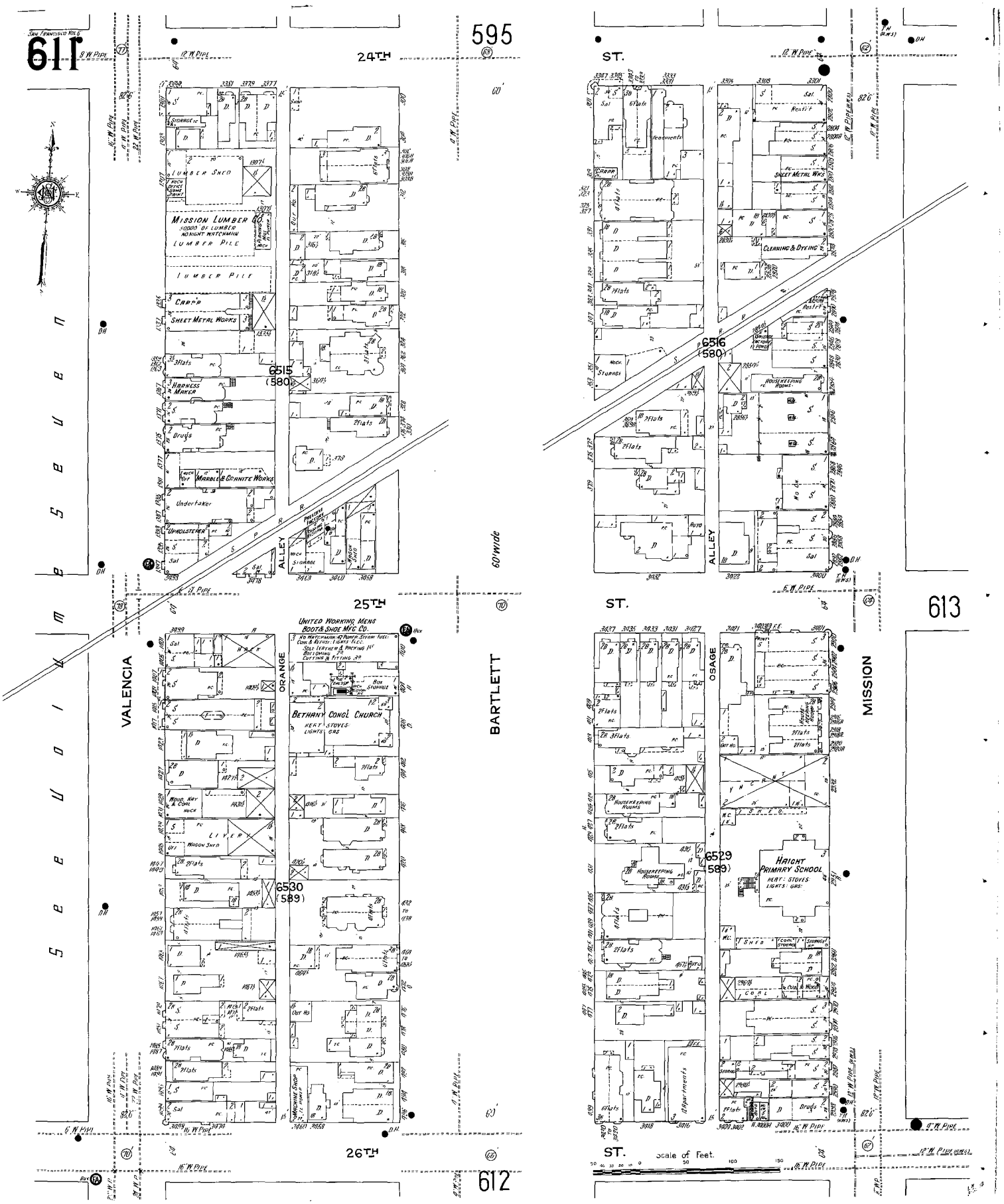
ESTIMATED VALUE: $52,000 —

Appendix C

Sanborn Fire Insurance Maps

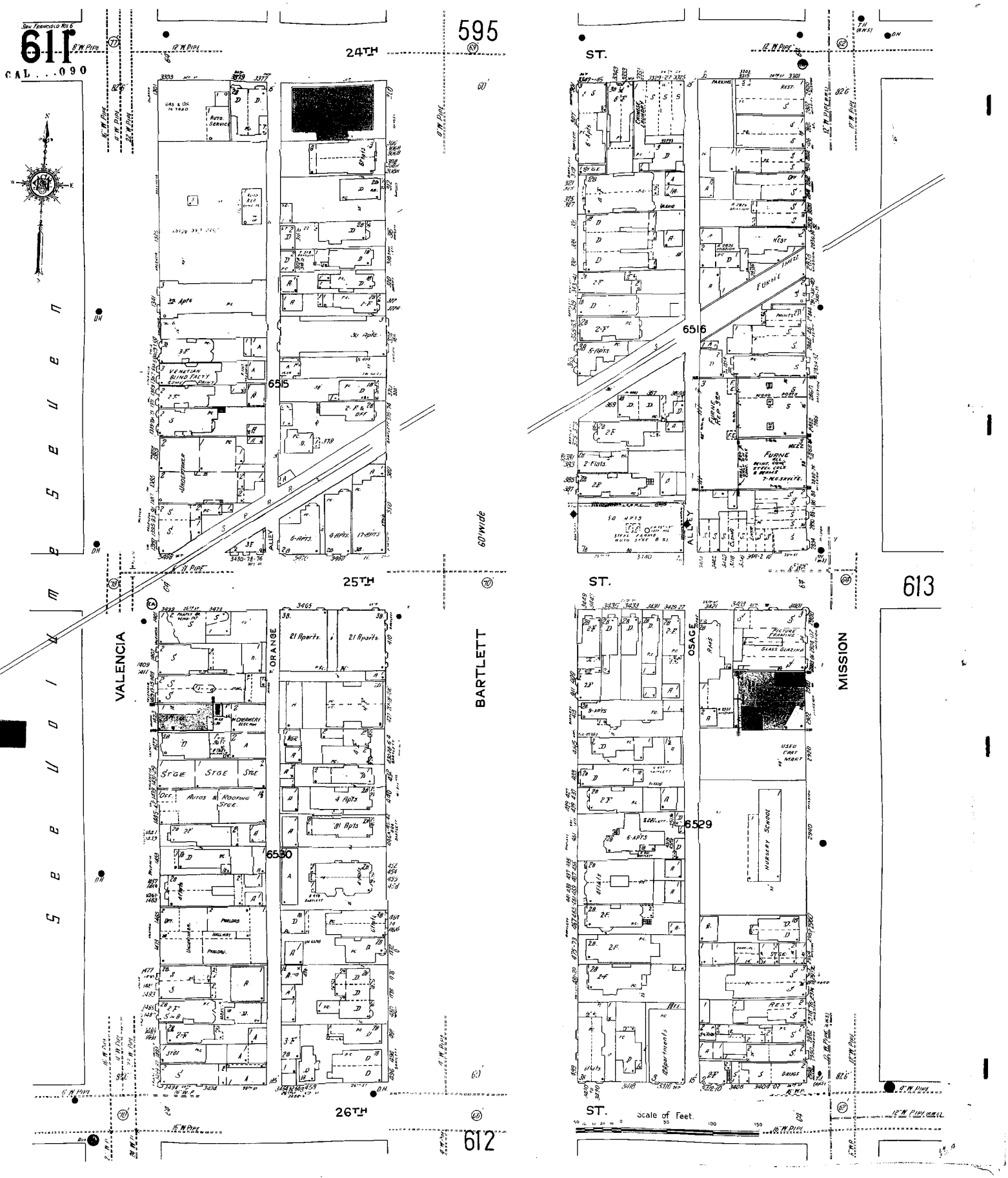

627
24TH
ST.
580
580
ALLEY
ALLEY
60 ft wide.
636
25TH
ST.
64 ft wide.
501
UNITED WORKINGMEN'S COOPERATIVE BOOT & SHOE M'F'G CO.
BETHANY CONG'L CHURCH.
VALENCIA
ORANGE
BARTLETT
OSAGE
MISSION
HAIGHT PRIMARY SCHOOL
589
589
See Volume Five

1914

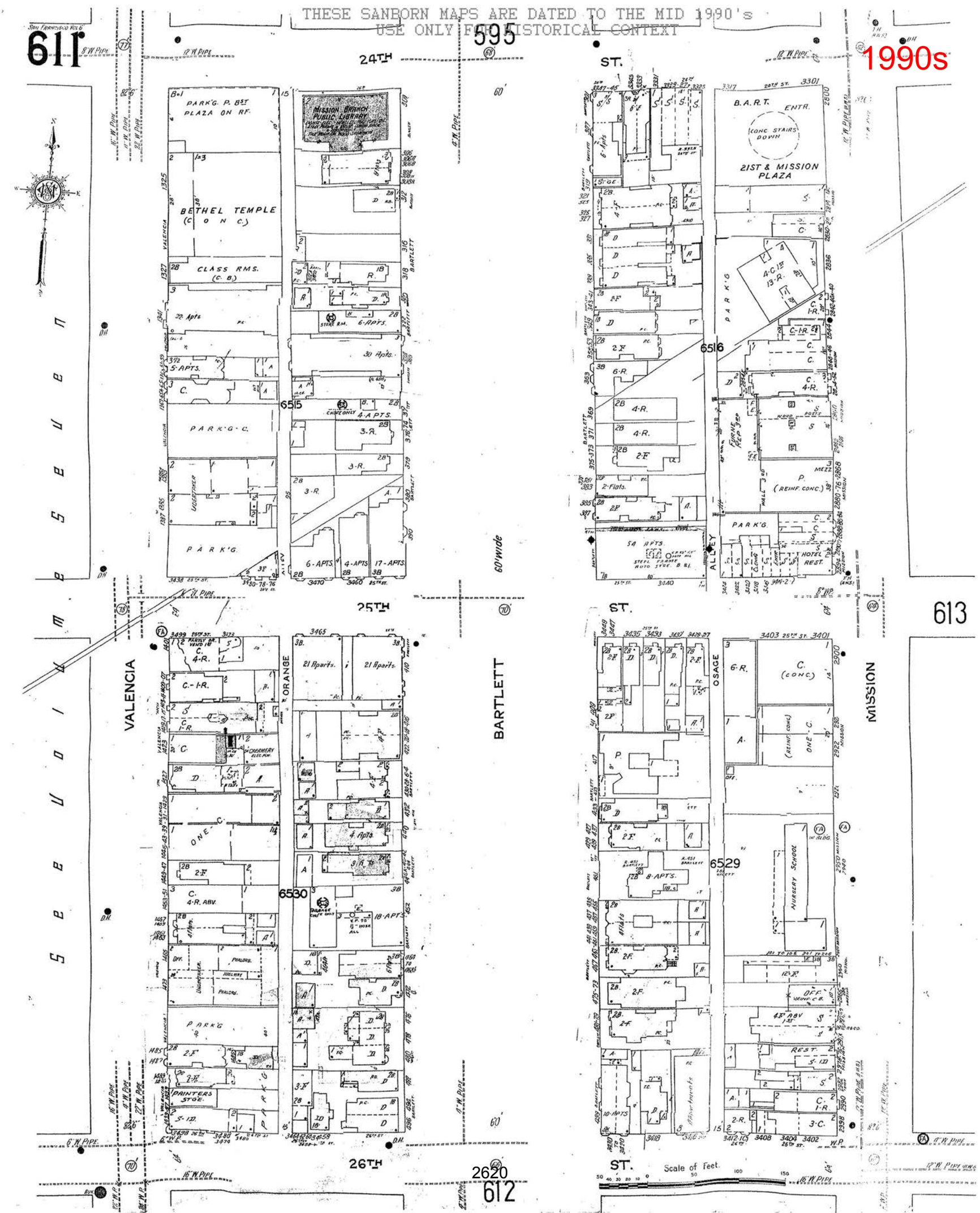

611
595
24TH
ST.
MISSION LUMBER
LUMBER PILE
CARPP
SHEET METAL WORKS
HARNESS MAKER
Drugs
MARBLE & GRANITE WORKS
Undertaker
UPHOLSTERER
6515
(580)
6516
(580)
ALLEY
60' wide
25TH
613
UNITED WORKING MENS BOOT & SHOE MFG CO.
BETHANY CONGL CHURCH
VALENCIA
ORANGE
BARTLETT
OSAGE
MISSION
HAIGHT PRIMARY SCHOOL
6530
(589)
6529
(589)
26TH
612
Scale of Feet.

2618

1950


611
595
24TH
25TH
26TH
612
613
ST.
6515
6516
6529
6530
60' wide
ALLEY
VALENCIA
ORANGE
BARTLETT
OSAGE
MISSION
FURNE
NURSERY SCHOOL
Scale of Feet.

2619



Attachment E

San Francisco Planning Department
Historic Resource Evaluation Response
2918-2922 Mission Street

May 31, 2018

SAN FRANCISCO
PLANNING DEPARTMENT

Historic Resource Evaluation Response

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Date	May 30, 2018
Case No.:	2014.0376APL
Project Address:	**2918-2922 Mission Street**
Zoning:	Mission Street Neighborhood Commercial Transit (NCT) District 65-B/55-X and 65-B/55-X Height and Bulk District
Block/Lot:	6529/002 and 002A
Staff Contact:	Julie Moore (Environmental Planner) (415) 575-8733 julie.moore@sfgov.org Michelle Taylor (Preservation Planner) (415) 575-9197 michelle.taylor@sfgov.org

PART I: HISTORIC RESOURCE EVALUATION

Buildings and Property Description

2918-2922 Mission Street is located on the west side of Mission Street between 25th and 26th Streets in the Mission neighborhood. The property is located within the Mission Street Neighborhood Commercial Transit (NCT) District) Zoning District and a 65-B/55-X and 65-B/55-X Height and Bulk District.

2918-2922 Mission Street is a one story with mezzanine commercial building in a simplified Gothic Revival style constructed c.1924 by an unknown builder and architect. The subject building occupies two lots (6529/002 & 002A) and a parking lot associated with the building occupies a third lot (6529/003) to the south of the building. The building's primary (east) elevation is clad in smooth stucco and features a parapet with decorative gothic style frieze. The front elevation is dominated by aluminum frame full-height storefront windows, some with horizontal dividing muntins, above a concrete bulkhead. A cloth awning installed above the storefront windows runs the full length of the primary elevation. A recessed entry at the center of the building includes a storefront door to the extant laundromat and a storefront door to a vacant commercial retail space. The south elevation, adjacent to the parking lot, is visible from Mission Street and features a painted board-form concrete wall with a painted wall sign for the laundromat and a single personnel door.

The interior of the 2918-2922 Mission Street building is comprised of two large, open commercial spaces with a vacant retail space on the south half of the building and a laundromat on the north half. A set of stairs in the north half of the building provides access to a mezzanine level located at the rear of the building. Full-height partitions along the south and west perimeter walls of the laundromat provide narrow maintenance halls behind long banks of washing and drying machines. In the center of the space is an additional double bank of machines that runs nearly the full length of the room. Both ground floor commercial spaces are largely free from ornamentation or defining features. The finishes in the spaces include contemporary tile flooring (laundromat), vinyl flooring (vacant retail space), painted gypsum board and painted steel columns and beams.

Pre-Existing Historic Rating / Survey

The subject property, 2918-2922 Mission Street, was previously evaluated in the South Mission Historic Resource Survey adopted by the Historic Preservation Commission on November 17, 2011, and given a National Register Status Code of 6Z (Found ineligible for NR, CR or Local designation through survey evaluation). The building is considered a "Category C" property (No Historic Resource Present/Not Age Eligible) for the purposes of the Planning Department's California Environmental Quality Act (CEQA) review procedures. The Department determined that re-evaluation of the property was warranted given new information about community-based organizations that occupied the subject building in the 1970's and 1980's.

Neighborhood Context and Description

2918-2922 Mission Street is located in the Mission District neighborhood, an area with borders generally considered to be Division Street to the north, Cesar Chavez to the south, Guerrero to the west and Potrero Avenue to the east. The neighborhood is mixed residential/commercial/industrial with major commercial corridors located along Mission and 24th Streets.

The destruction of the 1906 earthquake and fire destroyed many of the homes and businesses in the Mission District, particularly the inner Mission; however, in less than a decade much of the district was rebuilt and the neighborhood's commercial and residential enclaves thrived. In the years following, the Mission District maintained its reputation as an affordable neighborhood, attracting a growing population of middle and working class families.

Following World War II, changes to national and local approaches to urban planning resulted in what many saw as destructive development policies such as "urban renewal". In the Mission District, these policy changes coincided with a growing Spanish-speaking population in the Mission District that included residents of Mexican descent along with recent immigrants from Central America.[1] By the 1960's, threats of urban renewal in the Mission District pushed residents of all classes, races and political leanings to organize as a unified voice to halt such development. This foray into local activism ultimately led to the establishment of several community-based organizations in the 1960's and 1970's, many of which served and represented the neighborhood's thriving Latino population.

Today, the Mission District neighborhood contains a range of residential and commercial building types, including single-family residences, multi-family residential structures, mixed-use buildings with retail on the ground floor with residential flats above, small scale commercial buildings and institutional buildings. The buildings are designed in a variety of styles, including Victorian, Edwardian, Modernistic, Period Revival and contemporary styles which reflect the various stages of development within the neighborhood.

The subject propert is located at the south end of the Mission District on Mission Street, a strong commercial corridor that serves the surrounding mixed residential and commercial neighborhood. The neighboring building stock include a mix of generally low-scale commercial, institutional and residential buildings. A contemporary bank building constructed in 1988 sits directly adjacent to the building to the north. To the south is a parking lot associated with the subject building and then a single story housing a childcare center (built c.1949) operated by the San Francisco Unified School District. Directly across the

[1] Ibid, 3-4.

street from 2918-2922 Mission Street is a two-story, stucco clad building that houses the Instituto Familiar de la Raza, Inc. (built 1907) and a single story grocery store (built 1924).

It should be noted that the immediate blocks surrounding the subject property were surveyed in the South Mission Historic Resource Survey (adopted 2011). The subject building is not located adjacent to any known historic resources (Category A properties) and the South Mission Historic Resource Survey did not identify any potential historic district or important context on this portion of Mission Street.

CEQA Historical Resource(s) Evaluation

Step A: Significance

Under CEQA section 21084.1, a property qualifies as a historic resource if it is "listed in, or determined to be eligible for listing in, the California Register of Historical Resources." The fact that a resource is not listed in, or determined to be eligible for listing in, the California Register of Historical Resources or not included in a local register of historical resources, shall not preclude a lead agency from determining whether the resource may qualify as a historical resource under CEQA.

Individual		Historic District/Context	
Property is individually eligible for inclusion in a California Register under one or more of the following Criteria:		Property is eligible for inclusion in a California Register Historic District/Context under one or more of the following Criteria:	
Criterion 1 - Event:	☒ Yes ☐ No	Criterion 1 - Event:	☐ Yes ☒ No
Criterion 2 - Persons:	☐ Yes ☒ No	Criterion 2 - Persons:	☐ Yes ☒ No
Criterion 3 - Architecture:	☐ Yes ☒ No	Criterion 3 - Architecture:	☐ Yes ☒ No
Criterion 4 - Info. Potential:	☐ Yes ☒ No	Criterion 4 - Info. Potential:	☐ Yes ☒ No
Period of Significance: 1973-1985		Period of Significance: ☐ Contributor ☐ Non-Contributor	

To assist in the evaluation of the properties associated with the proposed project, the Department requested that a qualified historic resource consultant prepare an historic resource evaluation report according to an approved scope of work

- ICF, *2918-2922 Mission Street, San Francisco, CA, Historic Resource Evaluation – Part 1* (May 2018) (ICF Part 1 report)

Below is a brief description of the historical significance per the criteria for inclusion on the California Registers for 2918-2922 Mission Street. This summary is based upon the ICF Part 1 report. Staff generally concurs with the findings of this report and refers the reader to it for a more thorough evaluation of significance.

The subject building located at 2918-2922 Mission Street has been identified as being individually eligible for listing in the California Register of Historical Resources under Criterion 1 (Events); however, the building lacks integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. These findings are discussed below.

Furthermore, staff finds that the subject building is not located adjacent to any known historic resources (Category A properties) and does not appear to be located in or eligible to contribute to a potential historic district.

Criterion 1: Property is 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.
Staff concurs with the ICF finding that the subject property appears eligible for listing on the California Register under Criterion 1. To be eligible under the event Criterion, the building cannot merely be associated with historic events or trends but must have a specific association to be considered significant. 2918-2922 Mission Street is a locally significant property as defined in the California Office of Historic Preservation's *Latinos in Twentieth Century California: National Register of Historic Places Context Statement,* under the "Headquarters and Offices of Prominent Organizations" "associated with struggles for inclusion".[2] As a shared workspace of several organizations, the subject property is representative of community-based activism and service in the Mission District. The period of significance for the subject building encompasses the years that the subject organizations occupied the building, 1973-1985.

From 1973 to 1985, several community-based organizations (Mission Hiring Hall Inc., Mission Housing Development Corporation, Mission Models Neighborhood Corporation, Mission Childcare Consortium Inc., and Mission Community Legal Defense Fund) occupied the subject building and provided services, such as legal guidance, childcare, job placement, and housing/tenant assistance, to Mission District residents. Born out of the Mission Coalition Organization, a locally organized and federally funded Model Cities program with a history of neighborhood-based activism, the subject organizations represented and served the Mission District's Latino population, providing services in Spanish and English, while also assisting residents overcome racial barriers and discrimination. The subject property was also the former site of *Latinoamerica*, a celebrated mural by local Latina artists group, Mujeres Muralistas. The mural represented the vibrant Mission community and further underscored the tie of the organizations housed at 2918-2922 Mission Street to the community.

See ICF report for additional historic context.

Criterion 2: Property is associated with the lives of persons important in our local, regional or national past.
Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 2. Although the work of the organizations based at 2918-2922 Mission Street is significant under Criterion 1, it is the work of many individuals collectively that is recognized, rather than any individual person(s) associated with one or all of the organizations. It does not appear that any one person's actions would rise to the level of importance that the subject property would be significant by association. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 2.

See ICF report for additional historic context.

Criterion 3: Property 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.
Staff concurs with the ICF report finding that the subject property does not appear eligible for listing on the California Register under Criterion 3. Additionally, the subject building was previously surveyed in

[2] California Office of Historic Preservation. *Latinos in Twentieth Century California: National Register of Historic Places Context Statement*. Sacramento: California State Parks, 2015, page 139.

the South Mission Historic Resource Survey (adopted 2011) and was not determined to be a eligible under Criterion 3 at that time.

Architecturally, 2918-2922 Mission Street features a simple design that has undergone several interior and exterior alterations since construction. The building does not present distinctive characteristics of a particular style, period, or method of construction. The subject building is not associated with a particular builder or architect. Therefore, 2918-2922 Mission Street, is not eligible under Criterion 3.

See ICF report for additional historic context.

Criterion 4: Property yields, or may be likely to yield, information important in prehistory or history.[3]
Based upon a review of information in the Departments records, the subject property is not significant under Criterion 4 since this significance criterion typically applies to rare construction types when involving the built environment. The subject property is not an example of a rare construction type.

Step B: Integrity
To be a resource for the purposes of CEQA, a property must not only be shown to be significant under the California Register of Historical Resources criteria, but it also must have integrity. Integrity is defined as "the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's period of significance." Historic integrity enables a property to illustrate significant aspects of its past. All seven qualities do not need to be present as long the overall sense of past time and place is evident.

The subject property has retained or lacks integrity from the period of significance noted in Step A:

Location:	☒ Retains	☐ Lacks	**Setting:**	☒ Retains	☐ Lacks
Association:	☐ Retains	☒ Lacks	**Feeling:**	☐ Retains	☒ Lacks
Design:	☐ Retains	☒ Lacks	**Materials:**	☐ Retains	☒ Lacks
Workmanship:	☐ Retains	☒ Lacks			

The Department concurs with ICF's analysis that the building no longer retains sufficient integrity to convey its significance under Criterion 1 and no longer qualifies as a historic resource for the purposes of CEQA. The location and setting of the subject property have retained integrity; however, significant interior and exterior alterations to the subject property that occurred after the Period of Significance (1973-1985) have resulted in a lack of Association, Feeling, Design, Workmanship and Materials.

In 1973, the community organizations that occupied the subject building added new finishes and constructed several new interior partitions for office space. In 1991, most of these partitions and finishes were removed to create large, open interior spaces for a laundromat and retail use. Additional changes for the new uses included new mechanical systems and infrastructure to support banks of laundry machines, construction of new partitions for maintenance halls, and all new finishes. Exterior changes to the building after 1985 included the addition of mullions to the doors and windows, the installation of a cloth awning along the length of the front façade, and painting over of the *Latinoamerica* mural on the south elevation.

[3] Assessment of archeological sensitivity is undertaken through the Department's Preliminary Archeological Review process.

The removal of the finishes and interior division of space that occurred after 1985 has resulted in a loss of the original meeting spaces and offices of the community-based organizations that occupied the building from 1973 to 1985. These alterations, along with changes to the exterior, have resulted in a lack of integrity in workmanship, materials, and design, and have rendered the property unable to convey integrity of association and feeling as an administrative hub for several community-based organizations.

See ICF report for additional context.

Step C: Character Defining Features

If the subject property has been determined to have significance and retains integrity, please list the character-defining features of the building(s) and/or property. A property must retain the essential physical features that enable it to convey its historic identity in order to avoid significant adverse impacts to the resource. These essential features are those that define both why a property is significant and when it was significant, and without which a property can no longer be identified as being associated with its significance.

Because 2918-2922 Mission Street, although significant under Criterion 1, was determined to lack integrity of association, feeling, design, workmanship and materials necessary to identify it as eligible for the California Register of Historical Resources, this analysis was not conducted.

CEQA Historic Resource Determination

☐ Historical Resource Present
- ☐ Individually-eligible Resource
- ☐ Contributor to an eligible Historic District
- ☐ Non-contributor to an eligible Historic District

☒ No Historical Resource Present

PART I: PRINCIPAL PRESERVATION PLANNER REVIEW

Signature: _____ Date: 5/31/18

M. Pilar LaValley, *Acting ~~Principal~~ Preservation Planner*

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cc: Virnaliza Byrd, Environmental Division/ Historic Resource Impact Review File
Environmental Planner, Julie Moore

Attachment F

Fehr & Peers

Transportation Analysis Memorandum

June 5, 2018

FEHR PEERS

MEMORANDUM

Date: June 5, 2018
To: Manoj Madhavan, San Francisco Planning Department
From: Jesse Cohn & Eric Womeldorff, Fehr & Peers
Subject: 2918 Mission Transportation Analysis

SF18-0978

Introduction

On November 30, 2017, the San Francisco Planning Commission approved the Community Plan Evaluation for the proposed development at 2918 Mission Street (Proposed Project). An appeal was filed by Calle 24 Latino Cultural District Council on January 1, 2018, based on concerns that the Eastern Neighborhoods Area Plan and subsequent 2008 EIR analysis are outdated, and that their determination of limited impacts to transit, traffic, and circulation is no longer accurate.

This memo summarizes new data collection in the Mission District, including vehicle volumes at key intersections in the neighborhood, and transit reliability as a result of new development. These observations reveal the following key findings:

- Intersection volumes at key locations in the Mission District do not exceed forecasts from the Eastern Neighborhoods Area Plan EIR, and in some cases are lower than the 2000 baseline.
- Transit speeds have improved along Mission Street in the past 10 years.

Project Description

The Proposed Project Site, 2918 Mission Street, is located on the west side of Mission Street between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building (a laundromat) and an associated surface parking lot. In total, the site is approximately 11,653 square feet. With the exception of two spaces that are rented to the adjacent bank, all spaces in the surface parking lot are for customers of the laundromat (and there is a sign posting this parking restriction). Laundromat staff watch for people using the parking lot and not visiting the laundromat, and warn them if observed.

The Proposed Project would include the demolition of the existing building and new construction of an eight-story, 67,314 square foot mixed-use building with 75 dwelling units and 6,724 square feet of ground floor retail. The Proposed Project would not include any off-street vehicle parking, but would include 76 Class I bicycle parking spaces and 14 Class 2 bicycle parking spaces. The dwelling unit mix includes 18 studios, 27 one-bedroom units, and 30 two-bedroom units. The Proposed Project would include 9,046 square feet of usable open space.

Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid (both 14 Muni lines run in their own exclusive travel lane), 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile.

Intersection Volumes

The Eastern Neighborhoods EIR analyzed several intersections within the Mission District. Fehr & Peers worked with the Planning Department to select three of these intersections and conduct one-day PM peak hour turning movement counts in April 2018: Potrero Street/23rd Street, Mission Street/24th Street, and South Van Ness Avenue/26th Street. These counts were then compared to the Eastern Neighborhoods EIR expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 to 2018. In addition, traffic counts were compared to observed traffic volumes collected in 2015 included in the 1515 South Van Ness Avenue Transportation Impact Study (TIS).

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2018 relative to the 2025 projections), and around 10 percent complete[1] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission.

Table 1 shows a summary of observed and estimated traffic volumes from the Eastern Neighborhoods EIR for the intersections analyzed. On average, observed traffic volumes in 2018 were around 25 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[2]. At two of the three intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The observed traffic counts include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

Table 1. Comparison of Observed and Estimated Volumes (Eastern Neighborhoods EIR)

Intersection	2000 Baseline Volume	2025 Option C Projected Volume	2018 Projected Volume[1]	2018 Observed Volume	Difference (2018 Observed – 2018 Projected)	% Diff.
Potrero / 23rd	2,663	2,837	2,680	2,546	-134	-5%
Mission / 24th	1,615	1,935	1,647	1,142	-505	-44%

1. 2018 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

Source: Fehr & Peers, 2018; Eastern Neighborhoods TIS, 2008

Table 2 shows a summary of observed traffic volumes from the 1515 South Van Ness TIS compared with these 2018 traffic counts for the intersections analyzed. On average, observed traffic volumes in 2018 were around 8 percent lower than the observed volumes in the 1515 South Van Ness TIS. At Mission Street/24th Street, total traffic volume decreased from the 2015 observed volumes. At 26th Street and South Van Ness, there was an increase in traffic volume traveling northbound and

[1] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

[2] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations with the installation of bus-only lanes in 2015.

Table 2. Comparison of Observed Volumes (1515 South Van Ness TIS)

Intersection	2015 Observed Volume	2018 Observed Volume	Net Difference (2018 Observed – 2015 Observed)	% Difference
Mission / 24th	1,476	1,142	-334	-29%
S. Van Ness / 26th	1,534	1,759	225	13%

Source: Fehr & Peers, 2018; 1515 South Van Ness TIS, 2017

Transit Effects

Three bus routes run along Mission Street past the Proposed Project Site: 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Increased development and density throughout the Mission District has resulted in an increase in demand for transit in the neighborhood, and the 2918 Mission Street appeal cites concerns about transit reliability. In addition, the increased prevalence of on-demand transportation, such as Uber and Lyft, has resulted in an increase in passenger loading. When curb space is unavailable, loading and unloading vehicles may stand in the transit-only lane or travel lane, potentially delaying transit vehicles.

Table 3 shows transit speeds between 2007 and 2017, along Mission Street between 14th Street and Cesar Chavez. Transit travel speeds have generally increased. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the AM peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the PM peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the AM peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the PM peak period. It should be noted that transit-only lanes were implemented on Mission Street during this time (in 2015), which has contributed to the increase in speed noted between 2015 and 2017.

Table 3. Transit Travel Speeds Along Mission Street (14th Street to Cesar Chavez)

Time Period	AM Peak Period		PM Peak Period	
Direction	**Southbound**	**Northbound**	**Southbound**	**Northbound**
2007	7.8	N/A	5.4	7.1
2009	8.4	N/A	6.6	7.1
2011	8.8	8.5	6.9	7
2013	8.6	8.3	6.6	6.8
2015	8.9	8.3	6.7	6.8
2017	9.3	8.1	7.3	7.9
% Change (2007-2017)	19%	-5%	35%	11%

Source: SFCTA Congestion Management Program, 2018

Attachment G

RWDI

Shadow Analysis

2918 Mission Street

February 2, 2018

600 Southgate Drive
Guelph ON Canada
N1G 4P6

Tel: +1.519.823.1311
Fax: +1.519.823.1316
E-mail: solutions@rwdi.com

MEMORANDUM

DATE:	2018-02-07	**RWDI Reference No.:** 1604031
TO:	Robert Tillman	**EMAIL:** rrti@pacbell.net
FROM:	Ryan Danks	**EMAIL:** ryan.danks@rwdi.com
RE:	**Shadow Analysis** **2918 Mission Street** **San Francisco, CA**	

Dear Mr. Tillman,

As requested, we have conducted an analysis to understand the potential for shadowing from the proposed 2918 Mission Street development on two nearby schoolyards. The methodology we followed is the same as what is required for shadow studies on public spaces in San Francisco.

With respect to the Zaida T. Rodriguez Child Development Center (2950 Mission Street) we make the following observations:

- The proposed building is predicted to cast a small amount of new shadow onto the northern-most area of the playground during the morning and evening from April through August.
- No new shadows from the proposed building are predicted to fall anywhere on the playground between 8:59 am and 4:44 pm at any point in the year.
- The predicted morning shadows range in duration from 1 to 92 minutes and the evening shadows last between 1 and 102 minutes.
- If we ignore impacts outside of the school year (June 5 – Aug 19, per the SFUSD 2018/2019 calendar), the longest new morning shadow lasts 85 minutes and the longest new evening shadow lasts 99 minutes

With respect to the Zaida T. Rodriguez Early Education School (421 Bartlett Street) we make the following observations:

- The proposed building is predicted to cast new shadows onto this space throughout the morning all year.
- No new shadows from the proposed building are predicted to occur after 11:51 am on any day of the year.
- The new shadows range in duration from 143 minutes to 270 minutes and if impacts outside the school year are ignored, the maximum duration reduces to 266 minutes.

Separate to this email we have included point-in-time shadow plots illustrating the location of the new shadow cast by the proposed building over the course of the summer and winter solstices and the vernal and autumnal equinoxes to provide additional context.

We would be happy to discuss our analysis and its findings further if desired.

Yours truly,

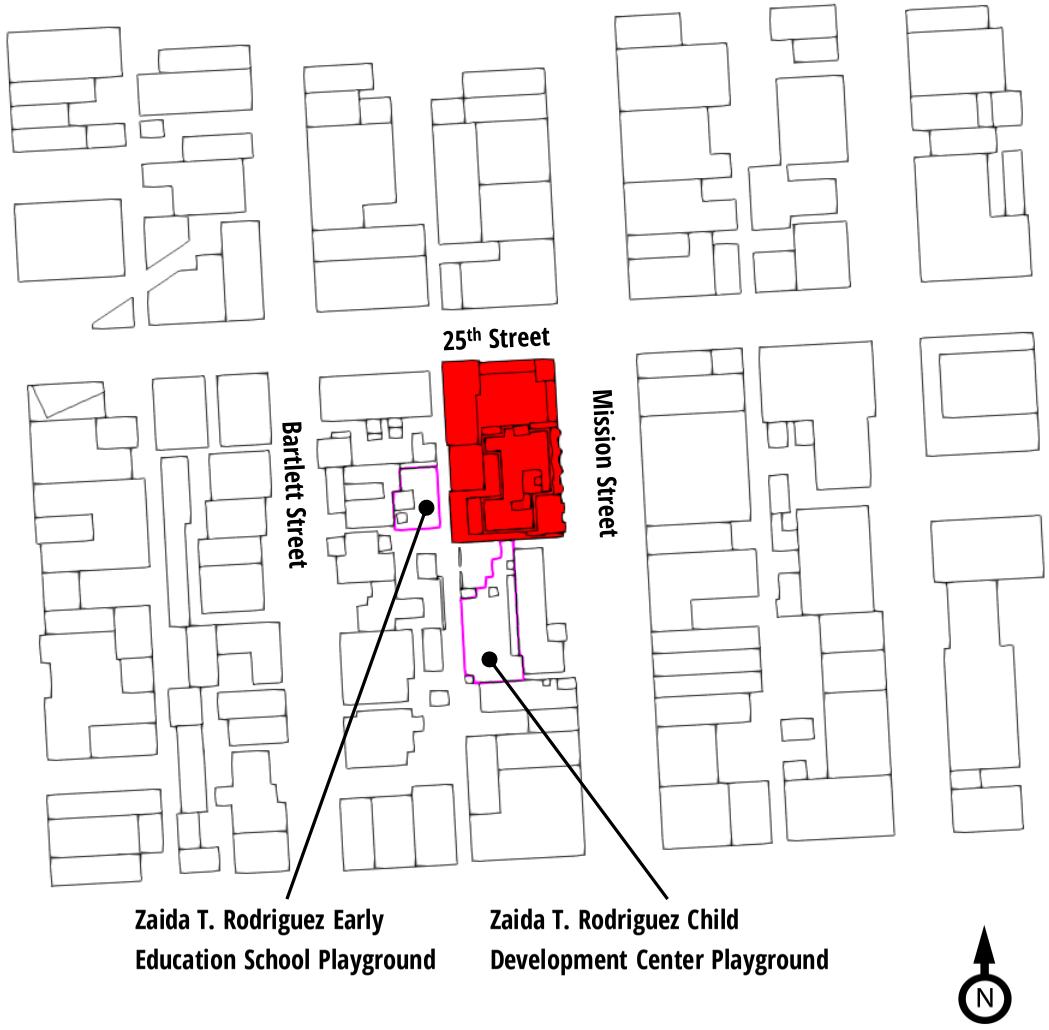
RWDI

Ryan Danks, B.A.Sc., P.Eng.
Senior Engineer

Frank Kriksic, BES, CET, LEED AP, C.Dir
Senior Project Manager / Principal

STUDY AREAS

2641



RWDI Project # 1604031
February 7, 2018

MARCH 21

2642

8:11 am PDT - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

MARCH 21

2643

9:00 am PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

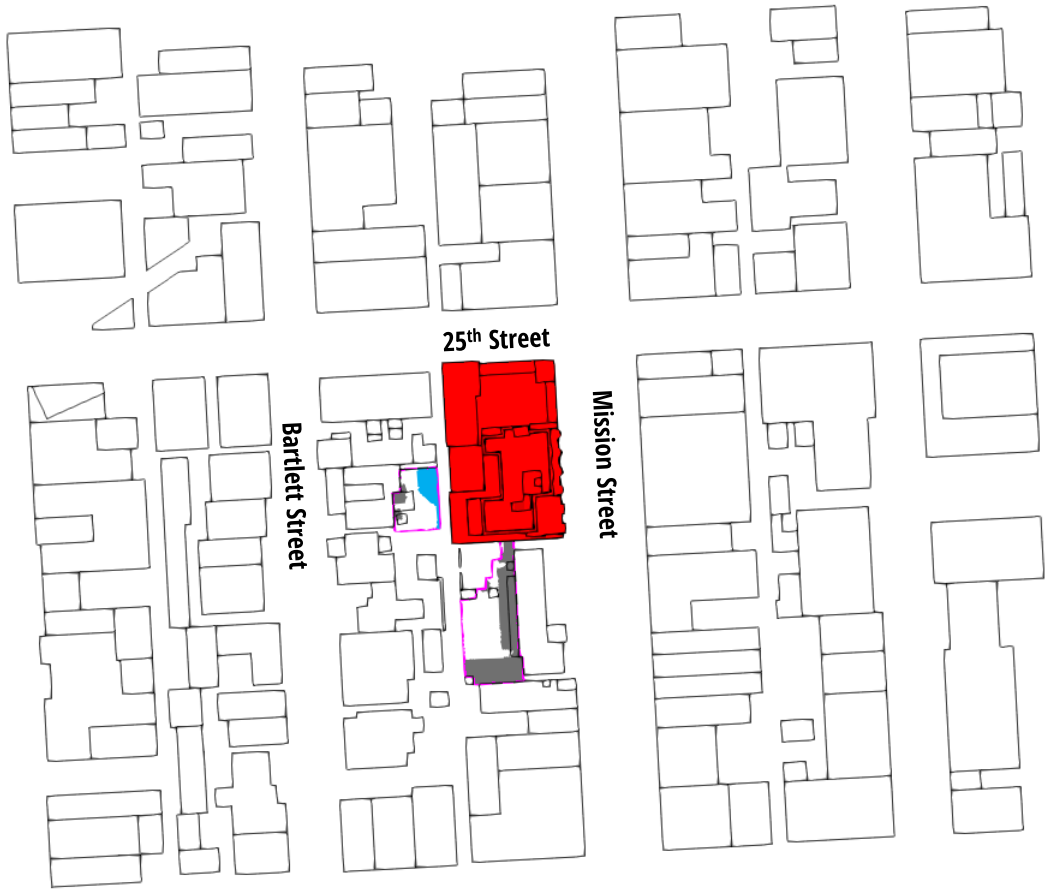
2644

10:00 am PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2645



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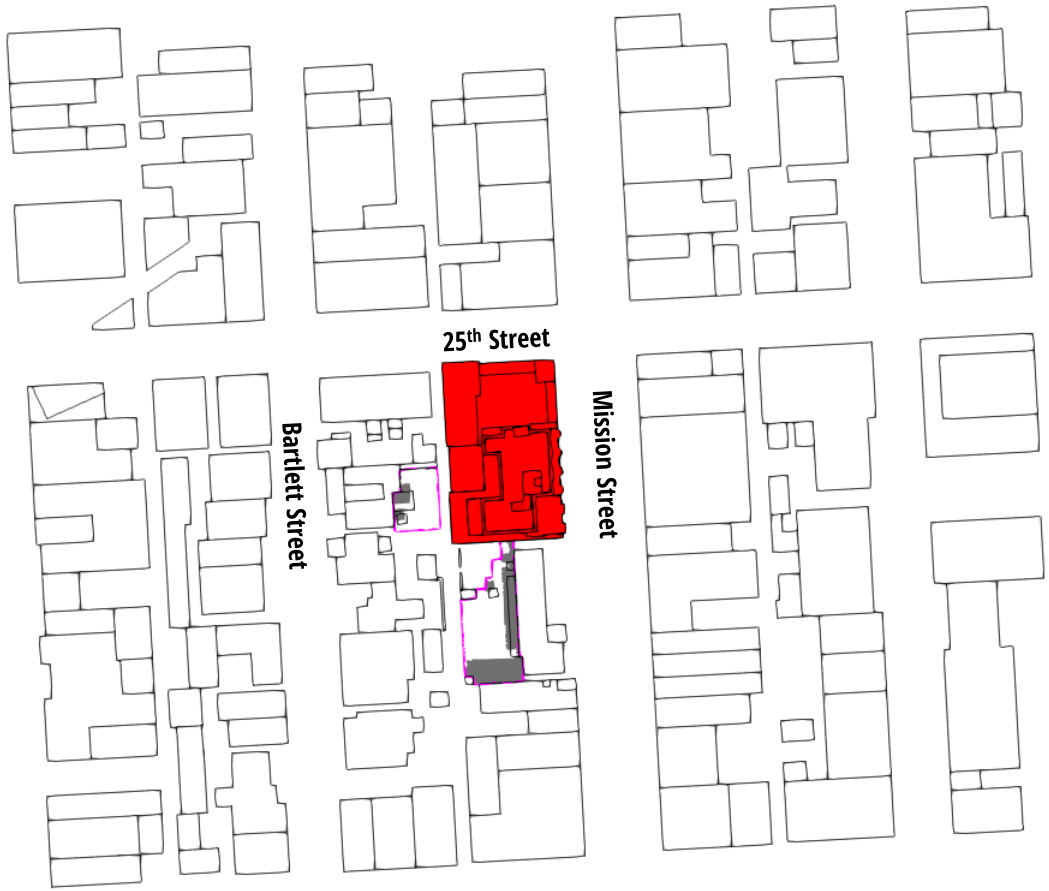
RWDI Project # 1604031
February 7, 2018

MARCH 21

2646



12:00 pm PDT

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February 7, 2018

MARCH 21

2647

1:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

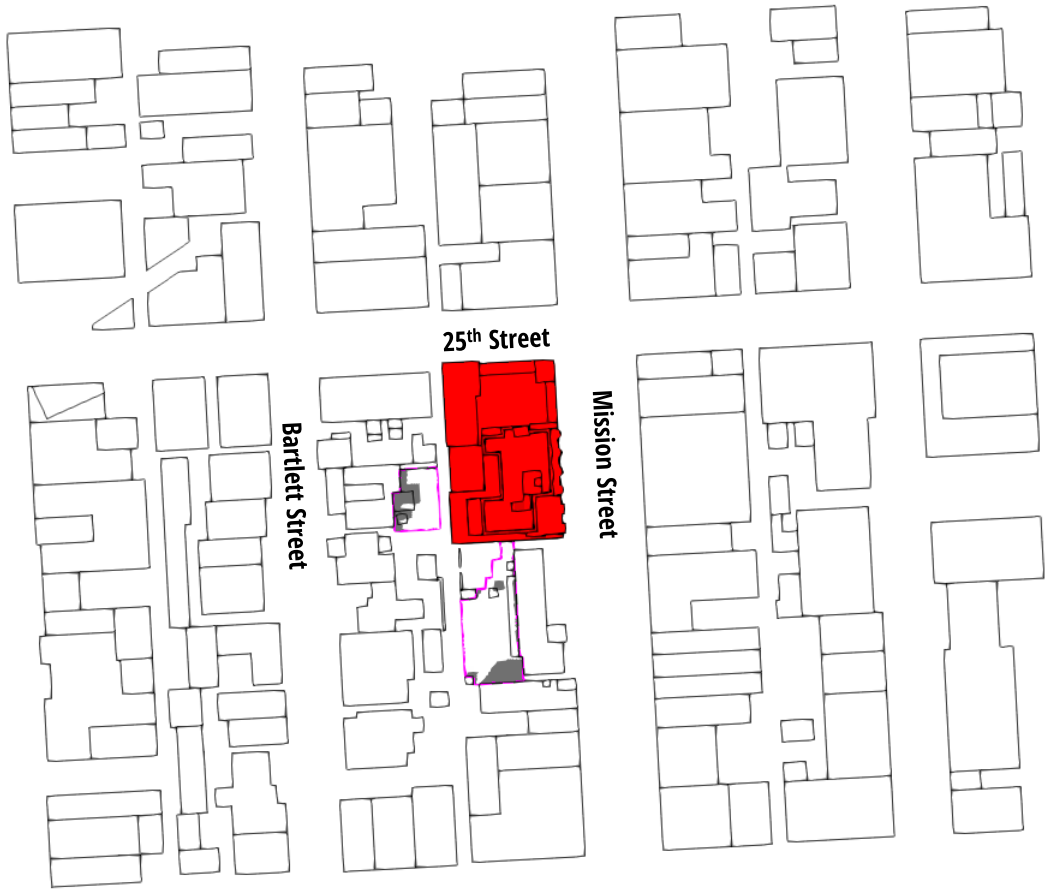
2648

2:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2649



3:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2650

4:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2651

5:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2652

6:00 pm PDT

RWDI Project # 1604031
February 7, 2018

MARCH 21

2653

6:23 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

JUNE 21

2654

6:48 am PDT - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

JUNE 21

2655

7:00 am PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2656

8:00 am PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2657

9:00 am PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2658

10:00 am PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2659

11:00 am PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2660

12:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2661

1:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2662

2:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2663

3:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2664

4:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2665

5:00 pm PDT

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February 7, 2018

JUNE 21

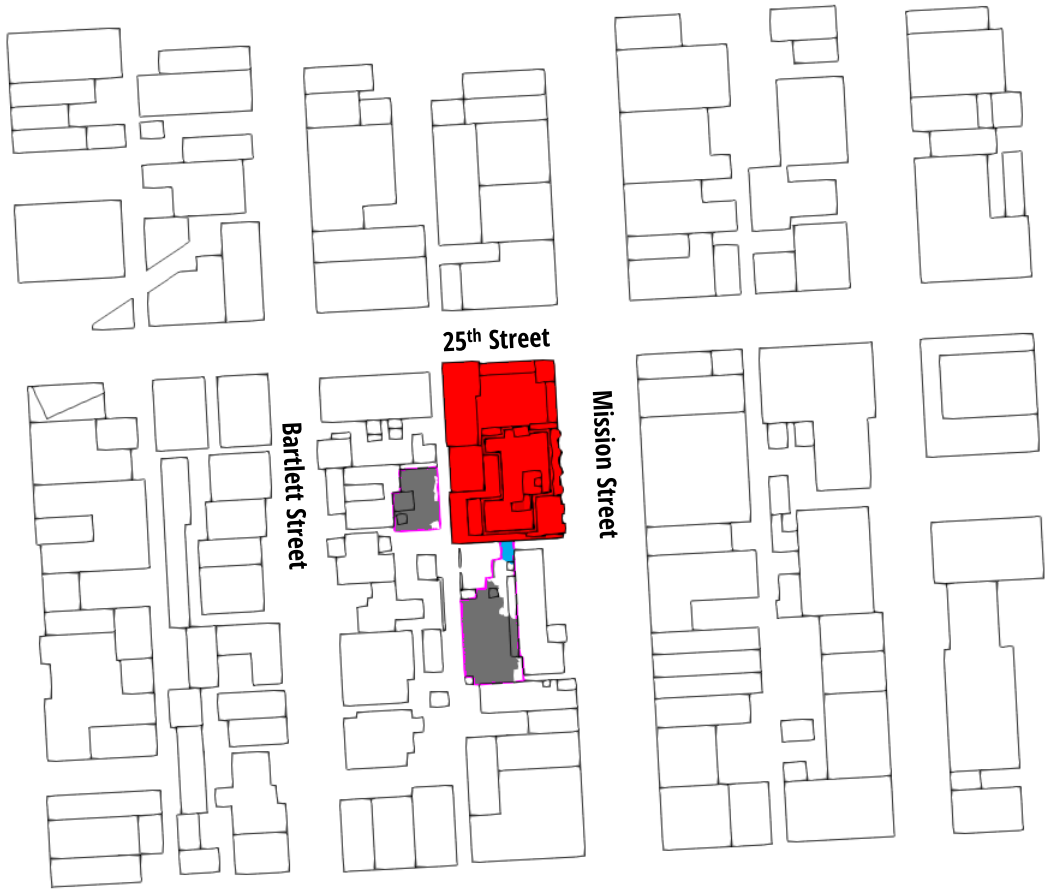
2666

6:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2667



7:00 pm PDT

RWDI Project # 1604031
February 7, 2018

JUNE 21

2668

7:35 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2669

7:57 am PDT - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2670

8:00 am PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

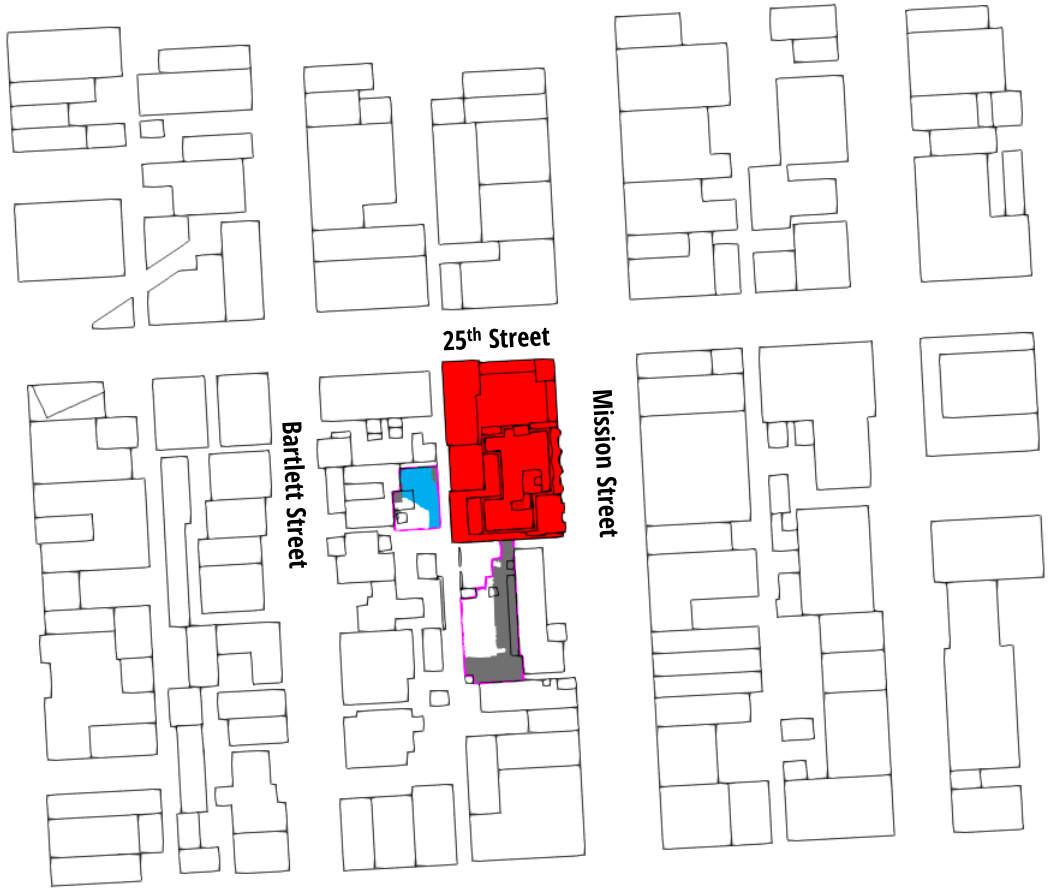
2671

9:00 am PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2672



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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

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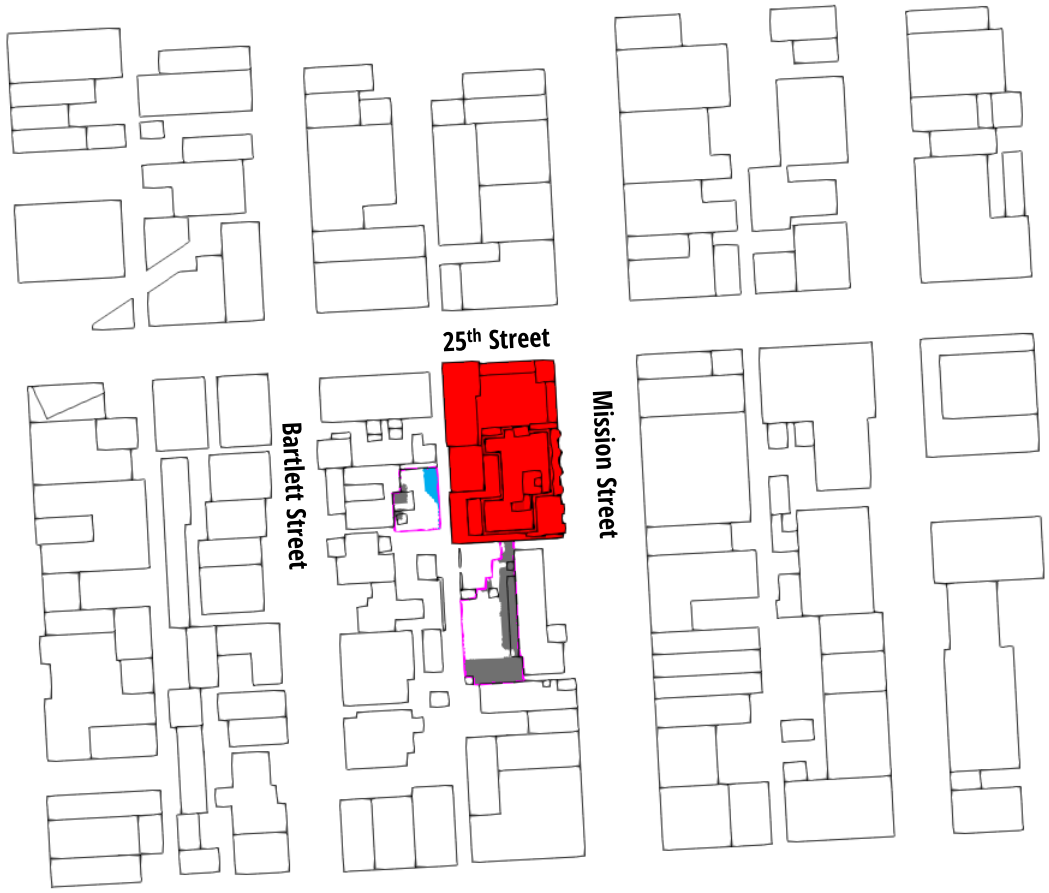

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February 7, 2018

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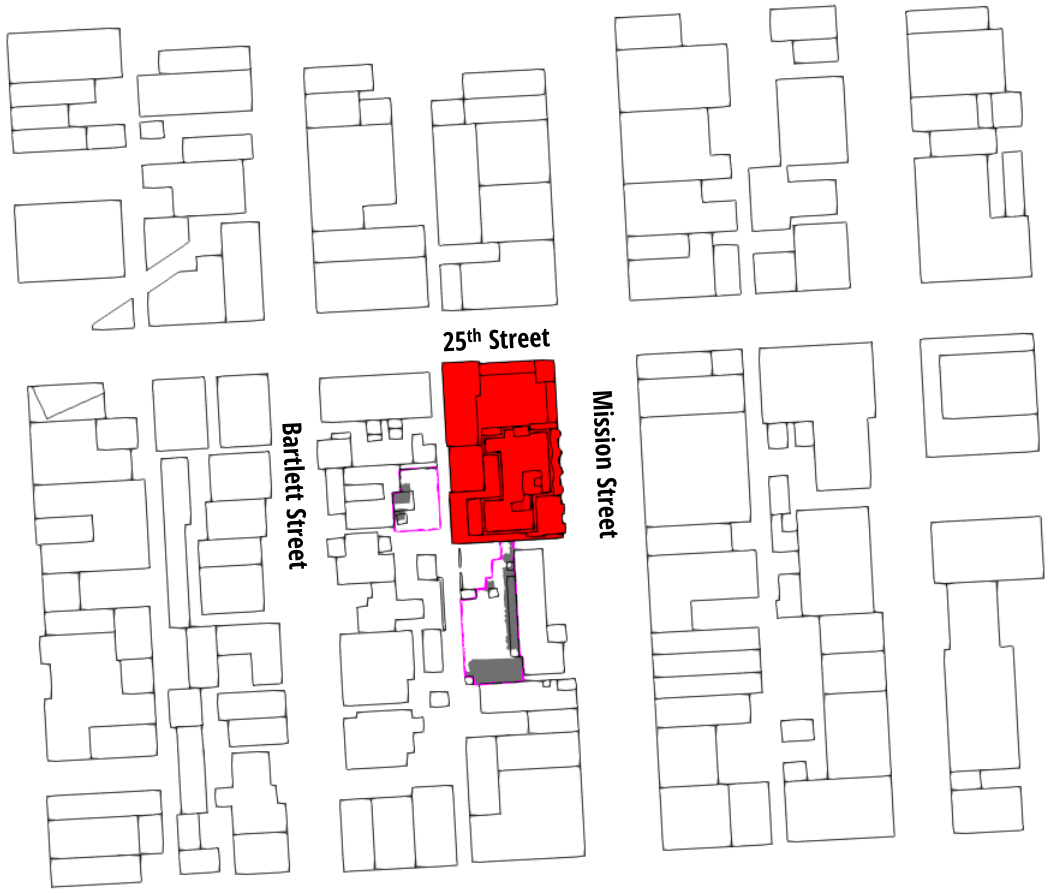

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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2675

1:00 pm PDT

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February 7, 2018

SEPTEMBER 21

2676

2:00 pm PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

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RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2678

4:00 pm PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2679

5:00 pm PDT

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2680

6:08 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

SEPTEMBER 21

2681

6:08 pm PDT - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2682

8:22 am PST - (Sunrise +1 hour)

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

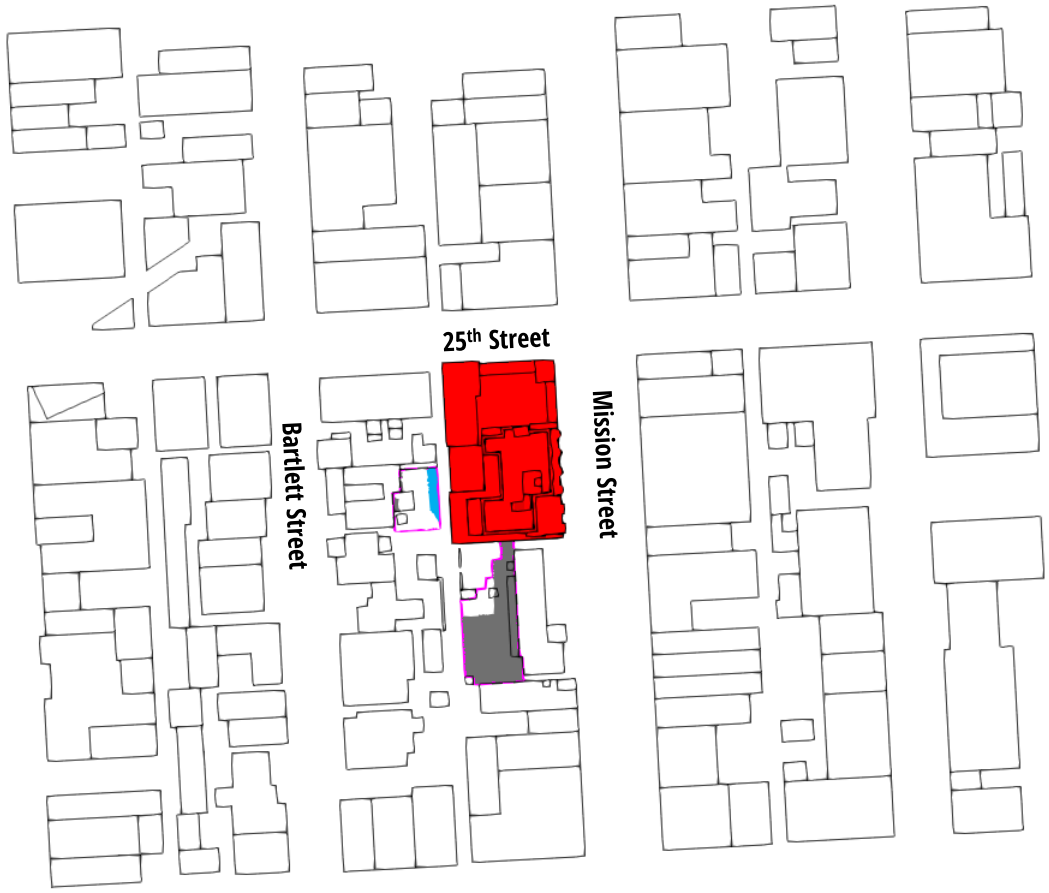
2683

9:00 am PST

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2684



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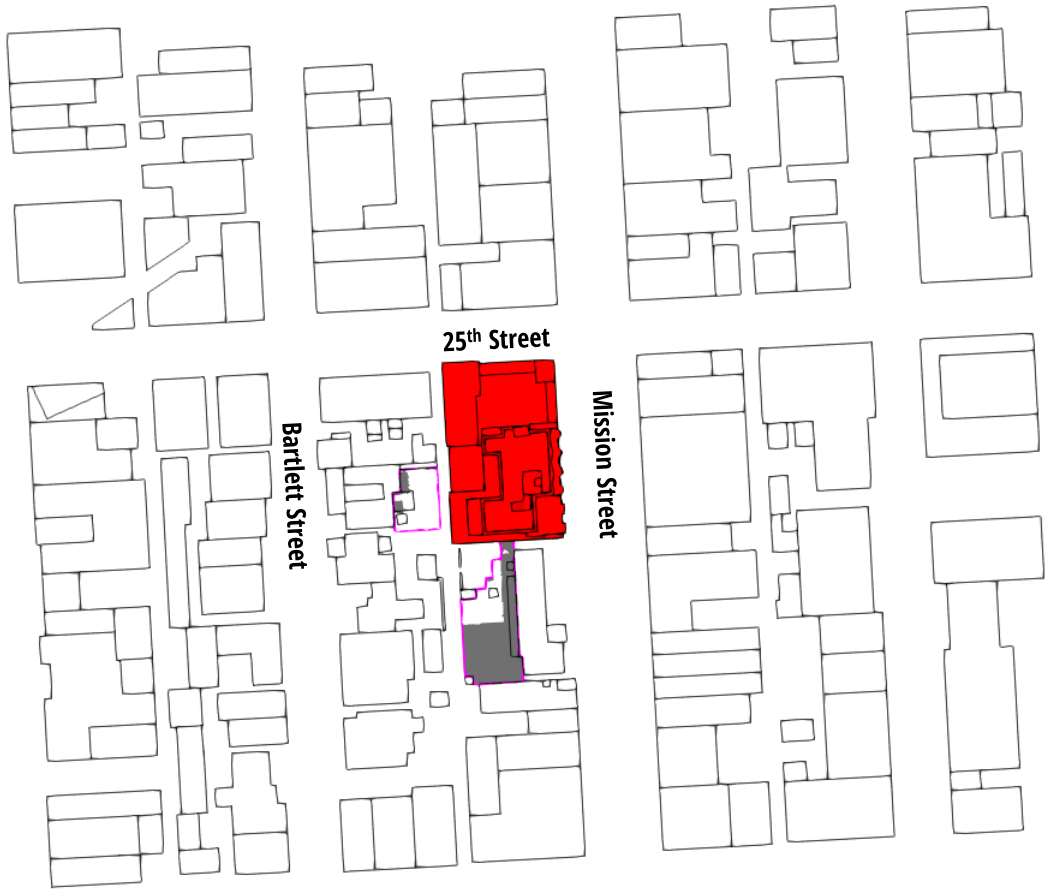
RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2685



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RWDI Project # 1604031
February 7, 2018

DECEMBER 21

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RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2687

1:00 pm PST

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2688

2:00 pm PST

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2689

3:00 pm PST

RWDI Project # 1604031
February 7, 2018

DECEMBER 21

2690

3:55 pm PST - (Sunset -1 hour)

RWDI Project # 1604031
February 7, 2018

Attachment H

ALH Urban & Regional Economics

Socioeconomic Effects of 2918 Mission Street Market Rate Development

June 2018

Socioeconomic Effects of 2918 Mission Street Market-Rate Development

Prepared for:

The City and County of San Francisco
Planning Department

Prepared by:

ALH | ECON

ALH Urban & Regional Economics

June 2018

ALH | ECON
ALH Urban & Regional Economics

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Berkeley, CA 94705
510.704.1599
aherman@alhecon.com

June 14, 2018

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development Associated with 2918 Mission Street Project, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Mission District, specifically at 2918 Mission Street. The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to the entitlement process for the 2918 Mission Street project.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,

Amy L. Herman
Principal

ALH Econ\2018 Projects\1802\Report\1802.r03.doc

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I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

RRTI, Inc. is proposing development of a 75-unit multifamily apartment project with ground floor retail space at 2918 Mission Street, the site of a current laundromat. The Calle 24 Latino Cultural District Council (appellant) is appealing decisions of the Planning Commission made on November 230, 2017 regarding the proposed project. Among the many reasons cited for the appeal, the appellant believes that the CEQA findings did not consider potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, which is a defined sub-area within San Francisco's Mission District.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues, especially regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

- 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.

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRs for well over ten years and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort. For the purpose of some of the analysis, two areas of interest associated with the 2918 Mission Street project were defined. These include a one-half mile radius around the site, in order to capture the most likely area for pedestrian-oriented activity and neighborhood retail demand, and an additional one-quarter mile radius area, whose new residents could also provide some additional demand for commercial space near the 2918 Mission Street project site.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with pipeline residential projects within three-quarter miles of the planned 2918 Mission Street project finds that the amount of neighborhood-oriented retail demand generated by new residents is unlikely to result in

commercial market shifts, such as the displacement of existing commercial establishments. Pipeline residential projects include the following: projects that have filed applications, but are still under review; projects that have received Planning/DBI entitlements but have not yet broken ground; and projects that are under construction.

The amount of demand for neighborhood-oriented retail generated by residents of the Pipeline projects within the three-quarter mile radius - equivalent to 30,300 square feet of new retail space - is close to the amount of net retail space planned in those projects (38,528 square feet). As a point of comparison, the Mission District is estimated to have 3.0 million square feet of retail space, and the one-half mile area around 2918 Mission Street has 1.4 million square feet of retail space. It is therefore not a likely result that commercial gentrification would result from pressure exerted by current Pipeline projects on the existing retail base in the one-half mile radius around 2918 Mission Street. Thus, there is no basis to support the claim that existing commercial establishments will be displaced as a result of increased demand for retail from new residents moving into the Pipeline projects in the areas surrounding the 2918 Mission Street project.

Retail supply and demand analysis for the Mission as a whole and the one-half mile radius around the 2918 Mission Steet project demonstrates that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents. ***This is especially pronounced for the Mission District as a whole.*** This indicates three issues: (1) regional socioeconomic change and broad trends in the retail industry are greater influences on these commercial uses than is the composition of the immediate population of the neighborhood; (2) new residential development in the areas play a relatively insignificant role in influencing the overall commercial make-up of the districts, as the commercial bases are supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development given the scale of the existing stock relative to new development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20+ years. From 1996 to 2016, average rents at larger complexes increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco began to slow citywide, with some sources reporting a modest rental decline. This slowdown in rental rate growth continued through 2017 and into 2018. At the neighborhood level, the results have been more variable depending upon availability and relative rent levels. Historic market trends suggest that increases in rents will continue to occur, albeit modestly in the near-term. However, 71% of San Francisco's market-rate rentals are rent-controlled, with the residents insulated from short-term annual increases that occur.[1]

ALH Economics reviewed case study as well as academic and related literature to probe whether market-rate apartment production at and around 2918 Mission Street will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress increases in home prices and rents in existing buildings. Failure to increase housing stock to accommodate demand resulting from job growth and a generally increasing population will result in greater competition for existing housing, with higher income households outbidding lower income households and otherwise exerting upward price pressure on existing housing. Further, the studies find that both market-rate and affordable housing

[1] This percentage is pursuant to City of San Francisco Planning Department research currently in progress.

development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in very small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the highly localized level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic and associated literature does not support the concern that gentrification associated with new market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIRs prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development at or around 2918 Mission Street will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL DISPLACEMENT

ISSUE OVERVIEW AND LITERATURE REVIEW

The appellant is concerned about the ***commercial*** displacement impacts of new residential development in the Mission District and at 2918 Mission Street, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies.

The academic community is increasingly exploring issues and questions associated with commercial gentrification and displacement. Even in the past 1.5 years academic literature has surfaced with increasing frequency exploring different aspects of commercial gentrification, such as its relationship to transit-oriented development or changes in consumer demand. Yet, in the words of Karen Chapple, a key academic from UC Berkeley, and associated researchers and colleagues at UCLA, "commercial gentrification …. is largely understudied."[2] This statement pertains to a September 2017 Chapple et.al. study probing the linkages between transit-oriented development and commercial gentrification, that includes a literature review of other studies that probe and discuss different aspects of commercial gentrification, including causation and effects.

Some, but not all, of the studies referenced in the Chapple September 2017 paper directly or indirectly address the impact of changing neighborhood demographics on commercial gentrification. Some of these include other studies authored by Chapple, et. al., among other authors. The cited findings most germane to residential development or changing demographic impacts on commercial development are mixed, with one summary statement in the Chapple paper as follows: "it is difficult to unpack the mechanism by which commercial gentrification relates to residential gentrification (if it does at all)."[3] Yet another summary statement in this paper, based upon Chapple et. al.'s findings from case studies in Oakland and Los Angeles, California, is: "Proximity to a transit station is likely not associated with commercial gentrification. More important factors that ***may*** (emphasis added) relate to commercial gentrification are the demographic characteristics of a neighborhood, particularly the percent of non-Hispanic black, foreign-born, and renter residents, as well as overall population density. In some contexts, residential gentrification ***may*** (emphasis added) lead to commercial gentrification."[4]

In a 2016 paper published in "Cityscape," R. Meltzer, Assistant Professor at the New School, discusses how the process of commercial gentrification can occur through changes in consumer demand.[5] In this paper, Meltzer theorizes that changes in the consumer base brought about by residential gentrification may lead to changes in both the business environment and local patrons. Meltzer

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[2] Karen Chapple & Anastasia Loukaitou-Sideris, et. al., "Transit-Oriented Development & Commercial Gentrification: Exploring the Linkages," September 2017, page 8.
See https://www.urbandisplacement.org/sites/default/files/images/commercialgentrificationreport_9-7-17.pdf
[3] Ibid.
[4] Ibid., page 4.
[5] Meltzer, R. (2016). Gentrification and small business: Threat or opportunity? *Cityscape*, 18(3), 57-85. https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/article3.html

additionally discusses how increasing property values may halt new business startups and put existing operations out of businesses if revenue gains do not keep pace with appreciation. This pressure, however, can take a long time to occur, since commercial leases are structured on a more long-term basis than residential leases, with less potential for near-term appreciation than residential leases. Also in this paper, Meltzer further demonstrates through analysis of New York City business micro-data that chain stores are more likely to replace displaced businesses in gentrifying neighborhoods than in other neighborhoods not experiencing gentrification. While this finding in New York City may or may not be transferrable to other communities, the Mission District and other San Francisco neighborhoods are well-protected from this potential displacement trend as a result of San Francisco's extensive controls on formula retail. These controls effectively prohibit many chain store operations; thus San Francisco's policy tools minimize the threat of this type of commercial displacement in San Francisco.

While the Mission District and San Francisco are well protected from the threat of chain stores displacing existing commercial businesses, K. Chapple and R. Jacobus in 2009 wrote a paper discussing how retail reinvestment might lead to neighborhood revitalization.[6] In this paper, Chapple and Jacobus showed that changes in the demographic composition of San Francisco Bay Area residential neighborhoods resulted in significant shifts in the mix of commercial establishments, with some establishments providing products and services less tailored to neighborhood demand. However, they also indicate this process could result in stiffer competition, resulting in lower prices for consumers, which could comprise a positive outcome for neighborhood residents. Thus, Chapple and Jacobus found that commercial changes resulting from gentrification, and potentially leading to displacement, can also be characterized as neighborhood or retail revitalization.

Some research studies have findings regarding the type of businesses that are more susceptible to commercial displacement. One such study was prepared by R. Meltzer and S. Capperis in 2016 and published in "Urban Studies."[7] In this study, Meltzer and Capperis created a business typology using four categories of businesses, including necessary, discretionary, frequent, and infrequent. In their typology, necessary establishments are businesses that fulfill every day, immediate needs of residents, such as grocery stores and hardware stores. Discretionary establishments provide more luxury or recreational goods that enhance quality of life. Frequent stores provide goods or services that are frequently consumed and/or perishable, for which short travel times are essential to their appeal, and include establishments like banks, laundromats, and pharmacies, while infrequent establishments attract demand from outside the local neighborhood, providing goods such as furniture, clothing, and recreational goods.

The summary findings of this Meltzer and Capperis paper indicate that frequent and necessary establishments contribute to a neighborhood's well-being by serving a broad market that cuts across income classes, while infrequent and discretionary goods offer "local luxuries" catering to only one, high income group. The findings indicated that frequent and necessary establishments had higher retention rates than discretionary and infrequent ones, suggesting they are "less susceptible to shocks and changes in consumer demand."[8] As stated by Chapple et. al., "the implications of these

[6] Chapple, K., & Jacobus, R. (2009). Retail Trade as a Route to Neighborhood Revitalization. In M.A. Turner, H. Wial, & H. Wolman (Eds.), *Urban and Regional Policy and its Effects* (Vol. II, pp. 19-68). Washington, D.C.: Brookings Institutions Press.
http://www.rjacobus.com/resources/archives/Retail%20Trade%20Proof.pdf

[7] Meltzer, R., & Capperis, S. (2016). Neighbourhood differences in retail turnover: Evidence from New York. *Urban Studies*, 0042098016661268. https://doi.org/10.1177/0042098016661268

[8] Chapple and Jacobus, page 10.

distinctions is that decreasing shares of frequent and necessary establishments or increasing shares of discretionary and infrequent establishments could indicate commercial gentrification."[9]

In their 2017 paper, Chapple et. al. state that only a few studies have explored the impacts of commercial gentrification, producing mixed results. For example, with regard to a paper published by R. Meltzer and J. Schuetz in 2012,[10] a paper written by L. Freeman and F. Braconi in 2004,[11] and other previously referenced works, they state:

- "In a study of neighborhood retail change in residentially-gentrifying neighborhoods of New York City, Meltzer and Schuetz (2012) found that retail access improved at a notably higher rate in low-value neighborhoods that 'experienced upgrading or gentrification', as 'low-income neighborhoods have lower densities of both establishments and employment, smaller average establishment size, and less diverse retail composition' and 'fewer chain stores and restaurants, somewhat contrary to conventional wisdom'".[12]

- "Interviewing residents of changing New York neighborhoods, Freeman and Braconi (2004) found that most lauded the return of supermarkets and drugstores, rather than lamenting the invasion of restaurants and expensive boutiques. The authors argued that if this does not lead to widespread displacement, gentrification can help to 'increase socioeconomic, racial, and ethnic integration' in both resident and commercial areas."[13]

- "Some argue that under certain conditions, commercial changes associated with gentrification may benefit local businesses. If transit investments, for example, result in increased pedestrian traffic from transit riders and station-are development, this could lead to more patrons for nearby businesses, higher sales, and more employees in commercial districts."[14]

- "Commercial districts may also benefit from forces associated with residential gentrification. As a neighborhood's consumer income and population density increase, business sales may also increase because of more customers and/or more disposable incomes (Meltzer, 2016). However, even if changes to a local consumer base result in neighborhood economic development, the benefits for businesses could be outweighed by the rising rents and operating costs. In addition, different tastes and a different socio-demographic composition of a new consumer base could result in stagnant or falling sales for certain existing businesses (Ibid.)."[15]

Despite the research findings identified and summarized in the Chapple et. al. September 2017 study, in somewhat of a summary statement of the state of the current literature and their own findings regarding the TOD and commercial gentrification linkage, Chapple et. al. state "The relationship

[9] Ibid.
[10] Meltzer, R. & Schuetz, J. (2012) Bodegas or Bagel Shops? Neighborhood Differences in Retail and Household Services. Economic Development Quarterly, 26(1), 73-94. https://doi.org/10.1177/089124211430328
[11] Freeman, L., & Braconi, F. (2004). Gentrification and Displacement New York City in the 1990s. *Journal of the American Planning Association, 70*(1), 39-52. https://doi.org/10.1080/01944360408976337
[12] Chapple and Jacobus, page 10.
[13] Ibid.
[14] Ibid.
[15] Ibid.

between residential and commercial gentrification also needs further exploration. The results of this study are rather mixed, and it is not clear when and where one type of gentrification follows the other, or which comes first. We suspect that there may not be a universal pattern, and this relationship may change from one neighborhood to the other."[16] For example, in discussing their qualitative case study research in Oakland, Chapple et. al. indicate that survey responses from some businesses "suggest that rent increases - more than changing consumer preferences - may be a factor driving displacement of businesses."[17] Yet in their literature review summary, they indicate "In short, the academic literature has only just begun to explore commercial gentrification. Much about the phenomenon is not yet fully understood, including what kind of effects commercial gentrification can be expected to have to area employees, consumers, and residents."[18]

ALH Economics reached out to Rachel Meltzer of the New School to discuss some of her research findings and overall oeuvre with regard to commercial displacement and gentrification. The primary purpose of this outreach was to discuss Meltzer findings reported on by ALH Economics in a prior report prepared for the San Francisco Planning Department associated with another residential project appeal in the Mission District. In that report, ALH Economics extrapolated a finding from Meltzer's above-referenced 2016 study, based on case study analysis in three New York neighborhoods, and applied the finding directly to the Mission District. This finding pertained to a conclusion presented by Meltzer, stating that "[t]he fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[19] ALH Economics then directly applied this statement to the Mission District (specifically the LCD sub-area), stating that it was reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification.

In discussion with Meltzer, ALH Economics now recognizes that the reported finding comprised an average effect, and that Meltzer's findings vary by neighborhood. Thus, it may not be reasonable to apply an aggregated finding to a specific neighborhood not included as part of Meltzer's study. Meltzer indicated that neighborhood-based findings are more idiosyncratic and qualitatively nuanced than the citywide average effect, and she suggested an individual case study in her analysis might be a better match to the Mission District than the aggregated New York City effect. This case study is the Sunset Park neighborhood in southwest Brooklyn, which has a predominant Hispanic and Asian population base and is a commercial shopping destination. However, the Sunset Park neighborhood has other characteristics that are not well-matched with the conditions in the Mission District, such as large swaths of land zoned for manufacturing, and the attraction of big chain stores to this manufacturing section, such as Home Depot and Costco. Thus, ALH Economics believes the findings specific to the Sunset Park neighborhood are not apt for the Mission District.

ALH Economics engaged in a generalized discussion with Meltzer, covering a range of topics relevant to her research on commercial displacement and gentrification. Some of what was discussed included San Francisco's formula retail store controls, which are not present in the communities Meltzer studies, and how these controls would likely mitigate against the worst displacement effects she sees in some of her research. The discussion also included a brief reference to a study prepared by Meltzer on gentrification's impacts on local employment and its nuanced findings, including questioning if there

[16] Ibid, page 5.
[17] Ibid., page 74.
[18] Ibid, page 15.
[19] Meltzer, 2016, page 80.

is an upside to the introduction of new businesses, bringing employment opportunities not already present in a neighborhood. Melzer indicated this study also probed the nature of a "local" job, and if there are circumstances where there was a bump up in local jobs, the type of businesses that tended to hire more locally, and if they were good paying and representative of upward mobility. The discussion with Meltzer did not end with any specific conclusions reached regarding commercial gentrification and displacement, and applicability to the Mission District. However, the conversation highlighted that there are many nuanced questions and findings that continue to provide strong fodder for continuing research on the topics.

IMPLICATIONS OF LITERATURE REVIEW

The Mission District, including areas near 2918 Mission Street, is a varied commercial shopping district, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other restaurants catering to a variety of personal incomes as well as bars, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Other commercial tenants in the general area, several blocks from the 2918 Mission Street development site, such as along Valencia Street, where there is a wider array of commercial operations, including more upscale eateries, boutiques, food purveyors, and accessory stores.

Valencia Street exemplifies the type of commercial gentrification discussed in some of the research papers summarized above, comprising a commercial area that has experienced significant change in past decades, including retail upscaling. In a previous Mission District residential project appeal, the appellants claimed that new residential development in the Mission District would result in the type of gentrification that occurred on Valencia Street. As demonstrated by research conducted by the City of San Francisco Planning Department, , however, the change in the Valencia Street Corridor occurred ***in the absence*** of intense new residential development, which suggests that other factors aside from residential development and the influx of a changing population base may be more directly associated with commercial gentrification in this area. The example of Valencia Street is relevant because of its proximity to the project and location within the Mission District. This most comparable and potent nearby example of commercial gentrification happened without and prior to significant new market-rate residential construction in the corridor. In fact, some of the most significant and transformative recent new housing construction on Valencia Street was Valencia Gardens (bet 14th and 15th), a very large 100% BMR project, which replaced the distressed and blighted older public housing development on that site. Thus, based on the Valencia Street evidence presented and the above academic literature summary, there is not clear evidence that new residential development in and of itself will cause gentrification of commercial space, including in the areas around the 2918 Mission Street project.

To further probe this analytically, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects within one-half mile of 2918 Mission Street, as well as an additional one-quarter mile radius, whose residents could potentially generate retail and services demand near 2918 Mission Street. The analysis estimates the amount of space likely to be supported by the Pipeline households and assesses if this could result in a change of the composition of the commercial base within one-half mile of 2918 Mission Street. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes a wide variety of other restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores,

laundromats, a variety of other neighborhood-oriented businesses, some more upscale food and retail establishments, and a limited number of commercial vacancies.

To summarize the following findings, the analysis finds that the amount of neighborhood-oriented retail demand generated by the identified Pipeline projects is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, ALH Economics concludes that existing commercial establishment displacement is unlikely to occur as a result of the residential development Pipeline in or near 2918 Mission Street.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for the fourth quarter of 2017[20] was examined to identify proposed residential projects near 2918 Mission Street. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Projects that are under construction

The Pipeline projects reflected in the analysis include projects of 7 or more net dwelling units. This threshold was selected because, as of the date of the Pipeline report, it matched the San Francisco Planning Department's definition of moderate to large projects, which require a preliminary project assessment (PPA).[21]

Projects near 2918 Mission Street were identified based on a radius of one-half mile from the site, while other projects near but outside this area were identified within an additional one-quarter mile radius. These geographies were selected because of their walkability, with sites within one-half mile of 2918 Mission Street deemed very walkable for general shopping purposes, while the walkability of sites in the additional area could partially overlap with this primary one-half mile radius area. There may be yet other projects close to these areas, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to 2918 Mission Street. The projects, their net unit counts, and net new retail square footage are listed in Table 1 on the following page. The Pipeline project locations are mapped in Map 1, which indicates size range of project by location relative to the 2918 Mission Street project site. Summaries of the net unit counts and retail square footages are presented below in Table 2.

[20]See https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq for the database.
[21] The PPA requirement was modified on April 13, 2018 to apply to projects of 10 or more dwelling units.

Table 1
Pipeline Projects Net New Units (1)
Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
By Location, Approvals Status, Type of Housing Units, and Net New Retail

Project Location and Status	Total Net Units	Market Rate	Affordable Housing Units (2) Rental	Owner	Total	Affordability Target	Net New Retail Sq. Ft.
One-Half Mile Radius Projects							
Entitled							
1515 SOUTH VAN NESS AV	157	138	19	0	19	90% AMI;	1,451
2675 FOLSOM ST	117	98	19	0	19	90% AMI;	0
1296 SHOTWELL ST	94	0	94	0	94	30% AMI; 60% AMI;	0
1198 VALENCIA ST	49	43	0	6	6	90% AMI;	5,050
3620 CESAR CHAVEZ ST	24	24	0	0	0		672
2600 HARRISON ST	20	20	0	0	0		0
Sub Total Projects	*461*	*323*	*132*	*6*	*138*		*7,173*
Non-entitled							
2918 MISSION ST (3)	75	67	8	0	8	50% AMI; 55% AMI	6,651
3314 CESAR CHAVEZ ST	50	50	0	0	0		1,740
1278 - 1298 VALENCIA ST	35	35	0	0	0		0
3230 & 3236 24TH ST	21	21	0	0	0		4,150
606 CAPP ST	20	20	0	0	0		0
2632 MISSION ST	16	16	0	0	0		7,766
2610 MISSION ST	8	8	0	0	0		0
3310 MISSION ST	8	8	0	0	0		0
856 CAPP ST	8	8	0	0	0		0
981 - 987 VALENCIA ST	8	8	0	0	0		0
Sub Total Projects	*249*	*241*	*8*	*0*	*8*		*20,307*
Total One-Half Mile Radius	**710**	**564**	**140**	**6**	**146**		**27,480**
Projects Within Additional One-Quarter Mile Radius (4)							
Entitled	No projects meet the minimum threshold of 7 net units						
Non-entitled							
793 SOUTH VAN NESS AV	73	62	NA	NA	11	NA	4,577
2300 HARRISON ST	9	9	0	0	0		2,950
2410 MISSION ST	8	8	0	0	0		0
2799 24TH ST	7	7	0	0	0		-269
Sub Total Projects	*97*	*86*	*0*	*0*	*11*		*7,258*
Total Pipeline	**807**	**650**	**140**	**6**	**157**		**34,738**

Sources: San Francisco Development Pipeline, 2017, Q4; City and County of San Francisco Planning Department; RRT Partners LLC; and ALH Urban & Regional Economics.

(1) This pipeline includes projects of 7 or more net dwelling units. This threshold was selected because it matches the San Francisco Planning Department's definition of moderate to large projects at the time the pipeline was assembled, which require a preliminary project assessment (PPA). That threshold was subsequently changed to 10 in April 2018.
(2) All available information from the San Francisco Development Pipeline is provided. Unless otherwise noted, the analysis assumes the tenure of all units is rental.
(3) Project information provided ty RRT Partners LLC.
(4) The geography reflected by these projects is another 1/4 mile radius beyond the 1/2 mile radius around 2918 Mission Street. Thus, this area extends out up to 3/4 miles from 2918 Mission Street.

Map 1

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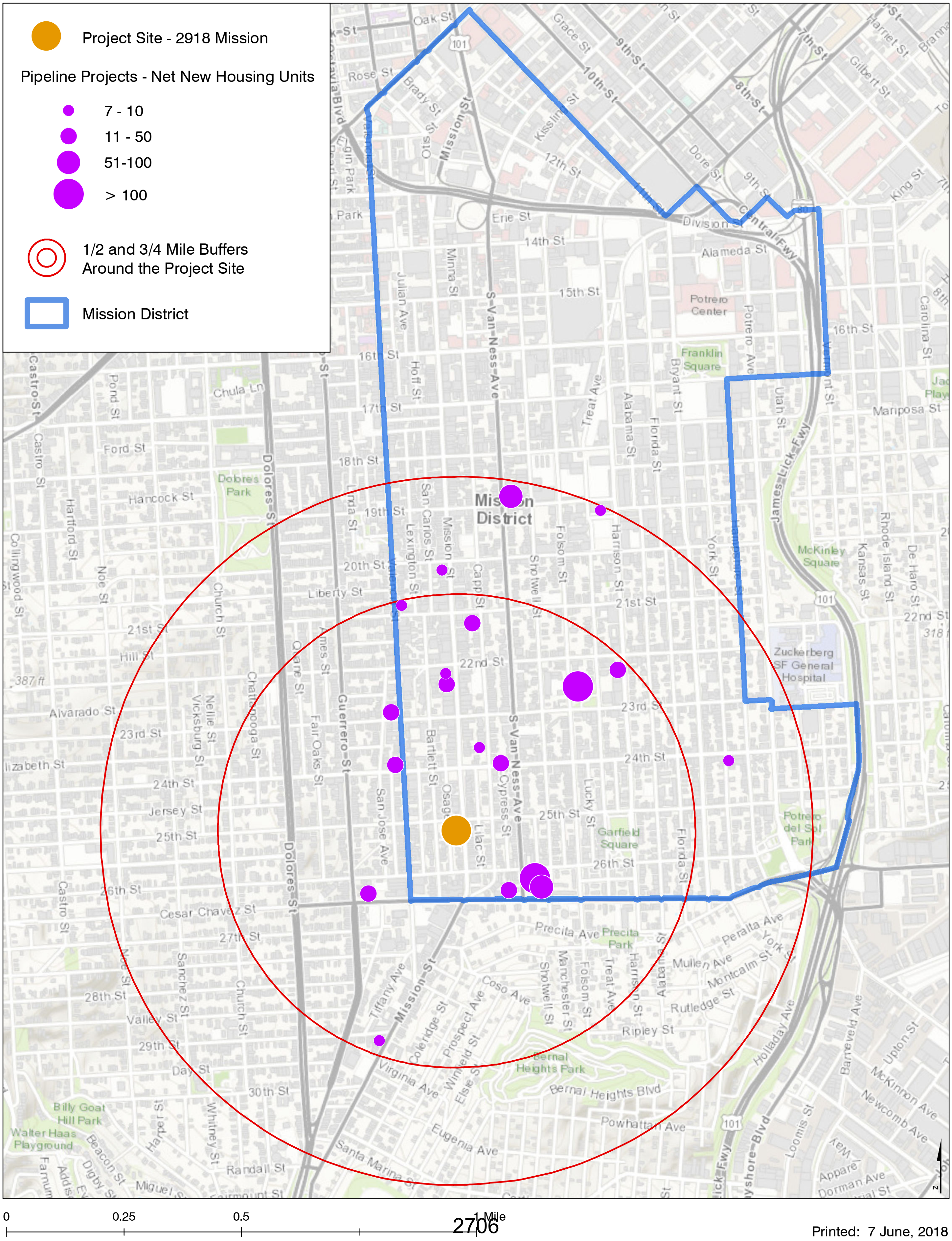

Printed: 7 June, 2018

Information extracted from the Development Pipeline indicates a total of 807 net new housing units. This includes 650 market rate units, comprising 564 in the one-half mile radius and 86 in the additional one-quarter mile radius. The Pipeline projects additionally include 146 affordable housing units in the one-half mile radius and 11 in the one-quarter mile radius, totaling 157 units overall. These comprise 21% of all units in the one-half mile radius and 11% of units in the additional one-quarter mile radius, for a cumulative total of 19% of all units. Most of the affordable housing units are rental, but a small number are owner units. In total, there are 710 units planned in the one-half mile radius and 97 units planned in the additional one-quarter mile radius.

Table 2
Summary of Pipeline Projects Net New Units and Net New Retail Sq. Ft.

Project Location and Status	Total Net Units	Units by Type: Market Rate	Units by Type: Affordable	Net New Retail Sq. Ft.
One-Half Mile Radius Projects				
Entitled	461	323	138	7173
Non-entitled	249	241	8	20,307
Total	710	564	146	27,480
Projects Within Additional One-Quarter Mile Radius (4)				
Entitled	0	0	0	0
Non-entitled	97	86	11	7,258
Total	97	86	11	7,258
Total Pipeline	807	650	157	34,738

Source: See Table 1.

In addition, these projects include 27,480 net new square feet of retail space in the one-half mile radius and another 7,258 square feet in the additional one-quarter mile radius. This is a total of 34,738 square feet of net new retail space.

This residential pipeline reflects potential interest in new housing production in the Mission District. However, because of the nature of development and the development process in San Francisco, the pipeline units may not all be developed. Moreover, the timing of development is uncertain, such that only a portion of the Pipeline units that are built will be delivered to the market in any given year.

For context, based upon the City's Housing Inventory reports, a total of 2,379 net new housing units were built in the Mission between 2001 and 2017. This is equivalent to an average of 140 units per year,[22] and boosted the Mission District's housing units by 9.9% over 2010.[23] In comparison, the City as a whole gained 41,935 net new housing units between 2001 and 2017,[24] comprising a total boost of 11.4%.[25] These figures indicate that new housing development in the Mission since 2010 slightly

[22] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: http://sf-planning.org/citywide-policy-reports-and-publications.
[23] Per the City's Housing Inventory for 2010 the Mission District had an estimated 24,001 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.
[24] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2017. Reports can be found at: http://sf-planning.org/citywide-policy-reports-and-publications.
[25] Per the City's Housing Inventory for 2010 the City had an estimated 368,346 housing units in 2010. See http://default.sfplanning.org/publications_reports/2010_Housing_Inventory_Report.pdf.

lagged the City of San Francisco as a whole. However, these rates of development likely did not keep pace with housing demand, resulting in strong rental rate surges annually since 2010, softening only recently beginning in 2016 (see next report section on rent trends).

PIPELINE RETAIL DEMAND

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a generalized neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and percent of household income spent on housing. For the affordable units, incomes are based on the maximum income per the % of AMI expectations per project.

Since the Pipeline projects are planned and not in lease up phase, project rents for the market-rate units are not available. In addition, unit counts by number of bedrooms are also not available. Therefore, as this is a generalized analysis, one overall average market-rate rental rate is assumed for the Pipeline projects. This rate is $4,500, which is the median asking rent for San Francisco rental units in April 2018 as compiled by Zillow.[26]

Exhibit 1 presents the monthly rent assumptions for all the planned Pipeline market-rate apartments. The average household income for the market-rate rental units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of $162,000 for the market-rate units. In San Francisco, the rent burden is often much greater, but the analysis conservatively assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. For the market-rate owner units, for the lack of any further unit information, the analysis includes a generic assumption of $430,000 annual household income, based upon a March 2018 median San Francisco home sale price of $1.3 million as noted by Zillow[27] and the assumption that annual household income is one-third the housing price.

For the affordable units, the analysis assumes the maximum household income by percent of AMI, and where unit information is lacking, assumes an average three-person household. These assumptions are explained in the footnotes to Exhibit 1, and result in average annual household income estimates ranging from $48,800 for the 2918 Mission Street project to $95,000 for two other projects.

The amount households spend on retail goods varies by household income. Date published by the U.S. Bureau of Labor Statistics, 2016 Consumer Expenditures Survey, provides information regarding household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to ALH Economics estimates of the percentage of income spent on retail goods based on the type of

[26] See https://www.zillow.com/research/data/, accessed June 6, 2018.
[27] Ibid.

retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the $40,000 to $49,999 annual income range, with an average household income of $44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results are 25% of income for the market rate units and 31% to 39% for the affordable units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates, Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent by type of housing unit. The findings are summarized below in Table 3.

Table 3
Summary of Pipeline Projects Net New Units Household Spending on Retail

Project Location	Number of Households	Total Annual Retail Demand
One-Half Mile Radius Projects	682	$27,914,800
Projects Within Additional One-Quarter Mile Radius	93	$3,688,600
Total Pipeline	775	$31,603,400

Source: See Exhibit 1.

The annual per household retail spending figures range from a low of $19,200 for some of the households in the affordable rental units to $45,000 for the market-rate ownership units. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.[28] Therefore, given the occupancy assumptions, the total demand comprises $27.9 million for the households in the one-half mile radius Pipeline units and $3.7 million for the households in the additional one-quarter mile radius Pipeline households. The grand total is $31.6 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the type of retail demand one would most expect these households to exhibit for area retail.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2016 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.6% on home furnishings & appliances to a high of 17.2% on food & beverage stores (e.g., grocery stores). Other key categories include 12.0% on general merchandise (e.g., department and discount stores), 14.6% on food services & drinking places (e.g., restaurants and bars), and 13.1% on other retail, which includes drug stores, electronics,

[28] Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties was 95.3%, which rounds to 95%. This is the most recent standardized information available on rental vacancy rate in San Francisco.

health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods.

By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 4, below.

Table 4. Assumed Percentage of Pipeline Residents Spending at Neighborhood-Oriented Outlets

Retail Cateogry	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	15%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	20%
General Merchandise Stores	20%
Food Services & Drinking Places	75%
Other Retail Group (6)	20%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, the increasing incidence of online shopping, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 33% of retail spending by Pipeline households comprises neighborhood-oriented spending. This percentage is largely influenced by the high proportion of food and beverage sales and food services and drinking place sales anticipated to comprise neighborhood-oriented purchases.

The aggregated retail demand estimates for the one-half mile radius and additional one-quarter mile radius pipeline households were converted to supportable square feet based upon the following:

- industry average assumptions regarding store sales performance;
- an adjustment to allow for a modest vacancy rate; and
- an allocation of additional space for services, such as banks, personal, and business services.

The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2018 sales estimates. The resulting sales per square foot figures, summarized from data presented in Exhibit 4, range from a low of $310 per square foot for general merchandise stores to a high of $671 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. For service-oriented retail, the analysis assumes neighborhood-oriented

demand comprises 75% of total service demand. This assumption recognizes the strong neighborhood orientation of these services.

The Pipeline projects include those located in the one-half mile radius and those located in the additional one-quarter mile radius. Much of the neighborhood-oriented demand generated by households within the one-half mile radius could be directed at commercial operations located in that area, but some could also be directed to commercial operations within walking distance of the area or beyond, and thus outside the one-half mile radius. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households in the additional one-quarter mile radius could be directed to commercial operations in the one-half mile radius. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the one-half mile radius, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline households is likely to be directed to businesses located in the one-half mile radius, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

One-half Mile Radius Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the one-half mile radius indicate estimated support for 25,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the 2918 Mission Street Project is only 2,500 square feet (see Exhibit 6). This means the remaining, other Pipeline one-half mile radius projects are estimated to generate demand for 23,200 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the one-half mile radius, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the one-half mile radius, thus not all the 25,500 square feet of demand may be directed at one-half mile radius establishments.

Additional One-Quarter Mile Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the Pipeline projects within an additional one-quarter mile of 2918 Mission Street will generate estimated support for 3,400 square feet of neighborhood-serving retail and commercial space (see Exhibit 7). This includes projects within one-half and three-quarter miles of 2918 Mission Street, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the additional one-quarter mile radius projects, with only a portion likely directed toward one-quarter mile radius operations. Thus, only a portion of the 3,400 square feet of demand could comprise demand for retail and services located in the one-half mile radius area.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline projects within the three-quarter mile radius of 2918 Mission Street is presented in Exhibit 8 and summarized below in Table 5. The figures total 20,448 square feet of retail space, 8450 square feet of service space (e.g., service retail, such as finance, personal, and business services), resulting in a rounded total of 28,900 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 3,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located

in the one-half mile radius area. Moreover, a large portion of this demand comprises grocery store demand, which could help support the new Grocery Outlet store within the one-half mile area at 1245 South Van Ness, the location of the former DeLano's Market closed since 2010, as well as other existing small markets in the area.

Table 5. Pipeline Projects Neighborhood-Oriented Retail Demand
One-Half Mile and Three-Quarter Miles Radius Around 2918 Mission St.
Commercial Square Feet of Demand

	Square Feet Supported		
Retail Category	One-Half Mile	Add'l 1/4 Mile	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	729	96	825
Building Materials and Garden Equip.	616	81	697
Food and Beverage Stores	6,012	794	6,807
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	887	117	1,004
General Merchandise Stores	2,269	300	2,569
Food Services and Drinking Places	5,839	772	6,611
Other Retail Group	1,709	226	1,935
Subtotal	18,061	2,387	20,448
Additional Service Increment	7,464	986	8,450
Total	25,526	3,373	28,899
Total Rounded to Nearest 100	**25,500**	**3,400**	**28,900**
Net New Retail Planned	**27,480**	**7,258**	**34,738**

Sources: Exhibits 5, 7, and 8; and Table 1.

The summary in Table 5 also includes the net new retail space planned in the Pipeline projects in each radius area and total. As noted earlier, this totals 27,480 square feet in the one-half mile area and 7,258 square feet in the additional one-quarter mile area, for a combined total of 34,738 square feet. The geographic distribution of the net new retail space is presented in Map 2, depicting the location of the net new retail space by general size range.

As these figures indicate, there is close to equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in the combined areas. Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in these study areas. Thus, ***it is not a likely result that new residential developments in the one-half mile radius around the 2918 Mission Street project would exert pressure on the existing retail base that would lead to displacement of existing tenants.*** This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes displacement of existing tenants from the neighborhood's commercial space.

Map 2

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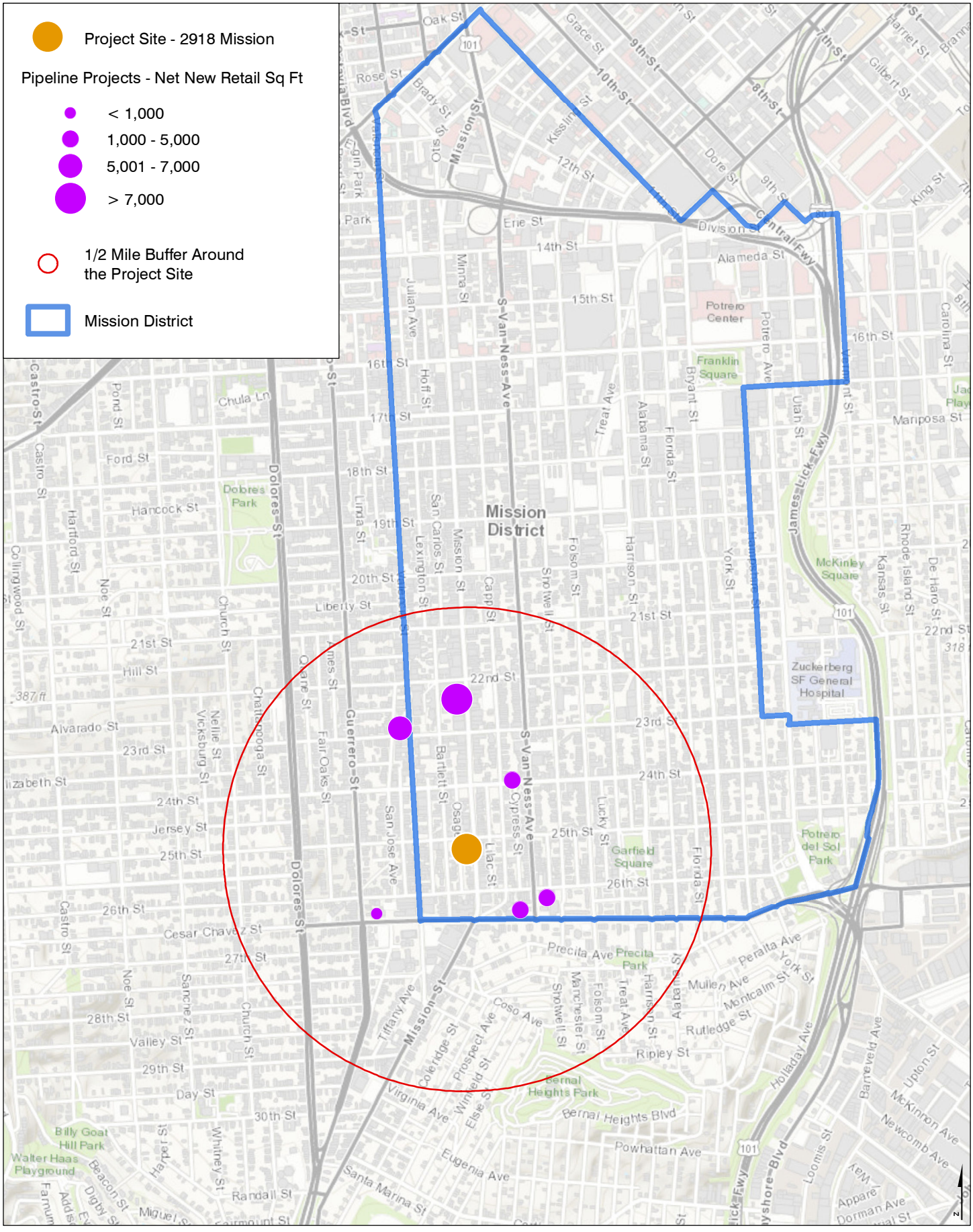


Printed: 7 June, 2018

Moreover, even without the net new addition of retail space in the Pipeline projects, the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the one-half mile area. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the one-half mile radius has approximately 1.4 million square feet of retail space.[29] If 75% of the one-half mile radius demand and 33% of the additional one-quarter mile radius demand were specifically directed to one-half mile radius establishments, this would equate to just about 20,200 square feet of space, or 1.5% of the existing commercial base in the one-half mile radius. This is a small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, as the Pipeline projects will be increasing the retail base, there is no risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the one-half mile radius around the 2918 Mission Street project, or the additional one-quarter mile radius area.***

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the one-half mile radius area as well as the Mission District. As noted above, the one-half mile area is estimated to have 1.4 million square feet of retail space. The Mission District has 3.0 million square feet of retail space.[30] ***Demand analysis for existing households in the Mission indicates that the Mission District is clearly characterized by retail attraction, meaning it attracts more retail sales, or demand, than is supportable by its population base.*** A similar finding could be made for the one-half mile radius area, although not as markedly as for the Mission District. These findings are demonstrated by the analysis in Exhibits 9 through 12, with Exhibit 9 presenting the household counts and weighted average household incomes for area households in 2016.[31] These household counts and average household incomes are 15,659 and $110,317 in the Mission, respectively, and 11,275 and $136,422 in the one-half mile radius, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the Pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 11 and 12 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 6, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.2 million square feet, with about 480,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for one-half mile radius households are 920,000 square feet of total demand, including about 350,000 square feet of neighborhood-oriented demand.

These demand estimates indicate that the supply of retail in the Mission as a whole outstrips locally-generated demand. In the Mission, the total retail supply is 2.4 times the amount of retail supportable by its residents, and 6.3 times the neighborhood-oriented demand generated by residents. In the one-half mile radius the total supply exceeds the amount supportable by residents, but to a lesser extent

[29] See https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q for the database.

[30] See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q.

[31] The household count and income figures for the one-half mile radius are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the one-half mile radius. These shares were estimated by ALH Economics based upon ArcGis analysis of the one-half mile area superimposed over area census tracts.

than the Mission District as a whole. Nevertheless, the one-half mile area total retail supply is 1.5 times the amount of retail supportable by its residents, and 3.8 times the neighborhood-oriented demand, suggesting this area as well is also characterized by retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail, especially in the Mission District.

Table 6. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

Area	Retail Inventory	Square Feet Supported		Supply Multiplier (1)	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,246,300	479,500	2.4	6.3
One-Half Mile Radius	1,362,900	920,900	354,300	1.5	3.8

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 11 and 12; and ALH Urban & Regional Economics.

(1) This metric comprises retail inventory divided by total square feet of retail supported, or demand. If the metric is $\geq$ 1.0 then there is a surplus of retail space relative to local demand, thus requiring demand from outside the area to support the retail inventory.

Table 7 presents another way of looking at the supply of retail in the Mission District compared to its resident base and the impact of the Pipeline households. This table identifies the number of Pipeline households, number of Mission District households, and calculates the approximate number of households needed to support the Mission District retail base. This number, which ranges from 37,979 to 98,715, comprises the number of households needed to support the retail if the Mission District captured 100% of all retail demand (37,979 households) or just 100% of the neighborhood-retail portion of demand (98,715). The high estimate of 98,715 households assumes capture of all neighborhood-serving retail. Thus, if some households make neighborhood goods purchases outside the Mission District, this figure would be even higher, which is likely the case.

Table 7. Mission District Retail Support Resident Household Deficits

Characteristic	Figure		
Number of Pipeline Households	775		
Mission District Households	15,659		
Households Needed to Support Mission District Retail (1)	37,979	-	98,715
Mission District Household Deficit to Support Retail	22,320	-	83,056
Pipeline Households as a Percent of Deficit	3.5%	-	0.9%

Sources: Table 3; Exhibit 10; Table 6; and ALH Urban & Regional Economics.

(1) Comprises the number of Mission District households multiplied by 2.4 and 6.3, which are the supply multipliers in Table 6, indicating that the Mission District's retail supply is estimated to be 2.4 times the amount of retail supportable by residents, at 100% of retail spending potential, and 6.3 times the amount of neighborhood-oriented retail supportable by residents.

Given the estimated number of existing Mission District households and the number needed to support the Mission District retail base, the figures in Table 7 indicate that an additional 22,320 to 83,056 households support the Mission District retail base beyond the existing residents. The 775

potential Pipeline households would comprise only 0.9% to 3.5% this amount, indicating that the new Pipeline households will have a very insignificant impact on the Mission District retail base.

The figures in Table 7 are generalized figures, based upon generalized sales assumptions. To the extent sales in the Mission District vary from the assumed levels, then the estimated household counts required to support the retail base will differ. However, the analysis amply demonstrates that the Mission District is clearly a regional shopping destination, as is the one-half mile radius area. Broad citywide and regional socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the Mission District exceeds the demand from existing residents and is largely supported by persons living beyond the area, new residential development within the Mission does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units at 2918 Mission Street and surrounding areas will be delivered.

San Francisco Apartment Rent Trends

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines. But overall, the overall trend is one of rising rents.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), tracked these trends generally for the San Francisco apartment market for a 20-year period. RealAnswers, however, only included "investment grade" properties with 50 or more units, which, as of December 2016,[32] was 24,066 units, or about 11% of San Francisco's 2016 renter-occupied housing units.[33] This is only a portion of San Francisco's rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco's rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco's large number of rental units that are subject to rent control.

Exhibit 13 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco's rents increased at an average annual rate of 5.5%. In absolute terms, this represented a near tripling of rents, from an average of $1,235 in 1996 to $3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.[34] Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some periods of strong rental rate growth (1996-1997, 1999-2000, 2010-2014), as well as a few periods marked by declining rents (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

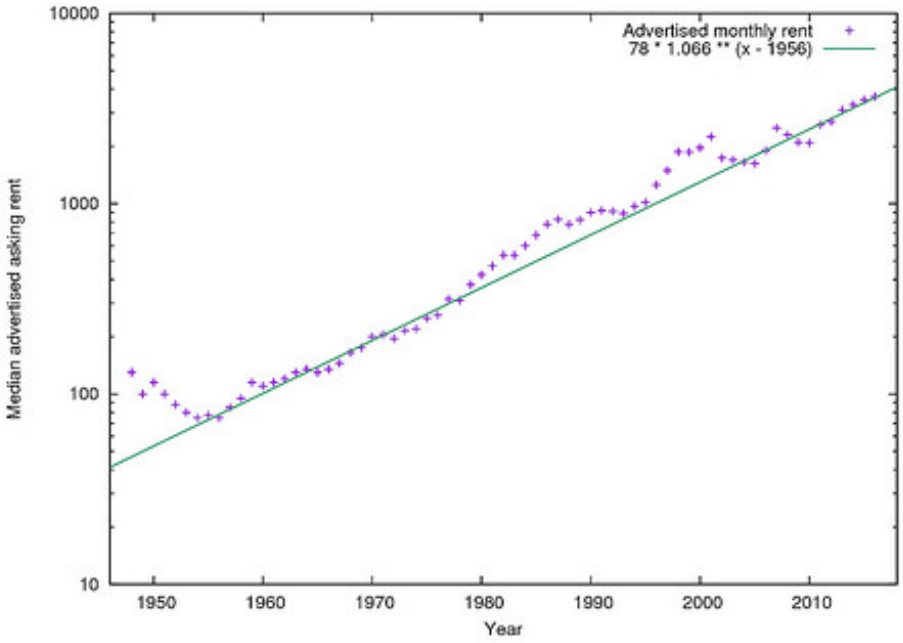
In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual

[32] RealAnswers ceased operation after this date, thus more current information based on these properties is not available.

[33] Pursuant to the U.S. Census for 2016. See: https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

[34] Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers. November 15, 2016.

rent increase of 6.6% (not adjusted for inflation). [35] While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.



Sources: Zillow.com; and ALH Urban & Regional Economics.

As shown by the RealAnswers data in Exhibit 13, San Francisco rents experienced a significant change in 2016, when the rate of recent rent increases for investment grade units slowed down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This slowdown in the rental market for the represented investment grade rental units is mirrored in other rental real estate sources, including Zillow, a national real estate and rental marketplace firm that tracks over 450 markets. The graph presented on the following page presents month-over-month rate changes in San Francisco median market rents from January 2014 to March 2018, thus demonstrating the trend beyond 2016. The data presented by Zillow indicate that median rental rates actually decreased overall in 2016. However, in contrast to RealAnswers, Zillow does not track or sample the same units over time. Instead, Zillow reports apartment listings by unit type, and thus comprises a different random set of units every month. As such, the Zillow trend may be less robust than the earlier RealAnswers trend.

As shown by the above graph, median rental rate growth in San Francisco citywide turned negative in January 2016 and continued to be negative throughout the year and into early 2017. Since then, monthly rent growth has been weak – either slightly positive or negative - and has not yet returned to the levels experienced in 2014 and 2015.

[35] https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html

San Francisco Metropolitan Area and National Trends

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reports a slowdown in rent increases in the San Francisco metropolitan area, as shown in Table 8 below.

Table 8. Yardi Matrix
Apartment Rent Growth Statistics

	Year over Year Growth (April)		Projected Growth
Year	San Francisco MSA	United States	Year End San Francisco MSA
2015	12.5%	4.3%	11.1%
2016	6.5%	6.0%	10.5%
2017	-0.1%	2.0%	3.8%
2018	1.7%	2.4%	2.8%

Sources: "Matrix Monthly, Rent Survey April 2015" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2016" by Yardi Matrix; "Matrix Monthly, Rent Survey April 2017" by Yardi Matrix; "Yardi Matrix Multifamily Monthly, April 2018" by Yardi Matrix; and ALH Urban & Regional Economics.

As Table 8 indicates, year-over-year rent growth in the San Francisco MSA (or metro area),[36] which was 12.5% for the year ended April 2015, had declined to 6.5% by April 2016, and was -0.1% as of April 2017. Very modest rent growth has returned in the past year through April 2018, reported at 1.7%.

Nationally, the year-over-year trend in rent growth indicates a different pattern, with 4.3% rental rate growth in 2015, followed by increased rent growth of 6.0% in 2016. Similar to the San Francisco MSA, the rate of rent growth declined in 2017, but was nonetheless positive at 2.0% versus slightly negative in San Francisco. While rent growth both in the San Francisco metro area and overall nationwide were slowing down, the slowdown was more pronounced in San Francisco. As of April 2018, U.S. rent growth continues at a modest pace of 2.4%, moderately higher than that in the San Francisco metro area.

Table 8 also presents Yardi's forecast of rent growth for the calendar year for the San Francisco metro area. As shown, this growth forecast declined from 11.1% in 2015 to 2.8% in 2018. Out of the 30 larger metro areas with 2018 calendar year rent forecasts in the Yardi Matrix Multifamily Monthly April 2018 report, San Francisco ranks 17th, with Sacramento being the top market at a 7.2% projected rent growth for 2018, followed by Phoenix at 5.0%. Washington DC is the lowest at 1.3%.

Neighborhood Trends

Looking at the neighborhood level, Zumper found that, out of the 43 San Francisco neighborhoods included in its report, 25 experienced a rent decrease in median one-bedroom rents from March 2017 to March 2018.[37] One neighborhood was flat (West of Twins Peaks), while the remaining 17

[36] Defined as the Standard Metropolitan Statistical Area, which includes San Mateo, Marin, Alameda, and Contra Costa counties.)

[37] https://www.zumper.com/blog/2018/03/see-which-sf-neighborhoods-had-the-fastest-growing-rents-this-past-year/

had a rent increase. In most of these neighborhoods, the rate of increase was less than 5.0%, but five areas did experience an increase in excess of 5.0% (Presidio Heights/Laurel Heights, Lower Haight, Tenderloin, Bayview, and Lower Pacific Heights). The Mission experienced an increase of 1.47% in its median one-bedroom rent. The overall increase citywide in one-bedroom rents is 4%, which follows an overall rent decline in 2016.

In terms of monthly rent amounts reported by Zumper, the Mission, with a median one-bedroom rent of $3,450, ties with Russian Hill for the 10th most expensive neighborhood in San Francisco. The median one-bedroom rent in the Mission is slightly higher than that for San Francisco overall at $3,400 as reported in the Zumper National Rent Report: April 2018. This report also provides data on the median rent for a two-bedroom unit in San Francisco at $4,510. Although this report indicates that year-over-year rent increases citywide were in the low single digits (2.4% and 1.8%, respectively), San Francisco remains the most-expensive rental market in the U.S.[38]

Based on evidence reviewed, rental rate growth in San Francisco has tapered off since the end of 2015, with either flat or declining rents, depending upon the source and its methodology. In most neighborhoods, such as the Mission District, rent increases have moderated. Although increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, the San Francisco market remains in a slower period of rent increases. As noted above, however, City of San Francisco Planning Department analysis indicates that 71% of San Francisco's market-rate rentals are subject to rent control, thus many San Franciscan's are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production at 2918 Mission Street and the surrounding area will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, six papers (including document links) stand out regarding their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.
http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).
http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

[38] https://www.zumper.com/blog/2018/03/zumper-national-rent-report-april-2018/

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.
http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

6. Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, "Developing a New Methodology for Analyzing Potential Displacement," Prepared for the California Air Resources Board and the California Environmental Protection Agency, by the University of California, Berkeley and the University of California, Los Angeles, April 26, 2017.
http://www.urbandisplacement.org/sites/default/files/images/arb_tod_report_13-310.pdf

The findings from the six studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress upward pressure on existing home prices and rents. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level. They further indicate that the extensive gentrification observed in Bay Area transit-served neighborhoods over the past 15+ years, including the Mission, was not caused by new development, as relatively limited development occurred during this time period in these neighborhoods.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline relevant to the 2918 Mission Street project. The key findings of each study are highlighted.

California Legislative Analyst's Office (LAO)

March 2015 Study. The LAO's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the

national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

> "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."[39]

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

> "after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."[40]

Thus, the LAO study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of the 2015 study, LAO's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by the LAO:

> "Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.
>
> Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that

[39] Mac Taylor, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.
[40] Ibid, page 12.

> construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."[41]

In this paper, the LAO presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs; and
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households.

Further, the LAO cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. The LAO additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, the LAO ***paper concludes that more private development is associated with less displacement***.[42] The LAO cites that the analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, the study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, the findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).[43] The LAO theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.[44] In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, the LAO also found displacement was more than twice as likely than in low-income census tracts with high construction levels.[45] This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

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[41] Mac Taylor, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.
[42] The LAO defines a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see LAO, 2016, page 13).
[43] Ibid, page 9.
[44] Ibid.
[45] Ibid, page 10.

City and County of San Francisco, Office of Economic Analysis

In 2015, at the request of the Board of Supervisors, the Office of Economic Analysis (OEA) prepared a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

> "lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city's ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium." [46]

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

> "market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable."[47]

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.[48] Finally, the study stated:

> "We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. 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." [49]

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that ***new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period***.[50]

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[46] City and County of San Francisco, Office of the Controller-Office of Economic analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," September 10, 2015, page 1.
[47] Ibid, page 28.
[48] Ibid.
[49] Ibid.
[50] Ibid page 26.

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk and Chapple, from the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by the LAO in "Perspectives on Helping Low-Income Californians Afford Housing" (February 2016), wherein the LAO study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of the LAO's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if the LAO's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."[51] They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that "***neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.***"[52] They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"[53] and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.[54]

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

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[51] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.
[52] Ibid, page 7.
[53] Ibid, page 10.
[54] Ibid, page 1.

> "Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."[55]

Monkkonen states that "constraining the supply of housing increases rents."[56] He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise by inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."[57] He further cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."[58] Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that ***increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement.***

Karen Chapple, Paul Waddell, and Daniel Chatman, with Miriam Zuk, University of California, Berkeley and the University of California, Los Angeles, April 26, 2017

This paper is a very extensive and comprehensive review of theory and research regarding the relationship between fixed-rail transit neighborhoods and displacement, using case studies in Los Angeles and the San Francisco Bay Area to examine patterns of neighborhood change in relation to transit proximity. The impetus behind this study is to assess the impact of pursuing more compact, transit-oriented development as a key strategy to achieve greenhouse gas reductions through regional sustainable communities strategies (SCS), in compliance with State of California climate change legislation. As noted in the study's Executive Summary, "Concern has been raised that such

[55] Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.
[56] Ibid, page 5.
[57] Ibid page 6.
[58] Ibid.

development and investment patterns may result in heightened property values and the displacement of low income households."[59]

A key objective of the study was to examine "the relationship between fixed-rail transit neighborhoods and displacement in California by modeling past patterns of neighborhood change in relation to transit proximity."[60] The report also sought to analyze the relationship between displacement and travel behavior. The many types of variables included in the study's quantitative and qualitative case study analysis included neighborhood-level data, address-level data, and parcel-level data. The neighborhood-level analysis included variables such as demographic, housing, and socioeconomic characteristics; movement in/out of neighborhood; and public housing unit counts and Section 8 voucher recipients (all neighborhood-level datasets). The address-level analysis included variables such as number of housing units constructed; number of jobs, establishments, and business sales; number of evictions by type; and presence of a rail station. The parcel-level analysis included numerous variables probing changes associated with a plot of land, such as transaction history, land-use changes, new residential structure construction, major renovations, and conversions of apartments to condominiums. These data, along with other data constructs, were inputs to the investigators' development of proxies to assess different types of displacement (e.g., economic, physical, and exclusionary). The study years represented by the data reflected 2000 to 2013.

A heavy focus of the study was to assess vehicle miles traveled (VMT) among different groups relative to their transit proximity. But in addition, its findings have bearing on the knowledge base associated with residential gentrification and displacement. Aside from the findings associated with VMT, some of the case study findings associated with examining gentrification and displacement in fixed-rail transit neighborhoods included the following:

- "Gentrification in Los Angeles and the Bay Area transit neighborhoods cannot be attributed to new residential development, as the vast majority of transit neighborhoods in both Los Angeles and the Bay Area experienced relatively little residential development from 2000 to 2013. In the Bay Area, over half of market rate residential development occurred in tracts that did not gentrify."[61]

The preceding is a very high-level summary of just one small aspect of a detailed and well-researched study. It is, however, one of the findings most relevant to the issue being addressed by this literature review regarding the relationship between home construction, increasing rents, and displacement.

Case Study Analysis and Findings

This section includes case study analysis and findings that explores the relationship between housing production and market-rate housing costs. The focus of this section is analysis specific to San Francisco, but also includes several additional case studies associated with other areas where rising residential prices relative to housing production has also been explored, either in depth or on a more qualitative basis.

San Francisco. To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify

[59] Karen Chapple, Paul Waddell and Daniel Chatman, with Miriam Zuk, "Developing a New Methodology for Analyzing Potential Displacement," April 26, 2107, page vi.
[60] Ibid.
[61] Ibid, page 91.

readily available data points local to San Francisco and the Mission District. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as $0 - $499, $500-$999, $1,000-$1,499, $1,500- $1,999, and $2,000+. The rent range band tops out at $2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the $2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count, and this resource ceased operation after 2016. Other sources also provide a time series of data, but do not track the same set of housing units over time, and thus provide informative, but potentially less reliable findings.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco and the census tracts defining the Mission District, pursuant to the American Community Survey (ACS). Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as Zillow and RealAnswers, with the latter tracking prices and price changes for a 20-year period, but ending in 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco and the Mission District. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District suggesting that housing production has an impact on apartment rents, either increases in rent or rent suppression.*** This finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. For example, Zillow now tracks median rents in San Francisco and several neighborhoods for all rental units as well as units by type (i.e., number of bedrooms). While these data are useful, they are somewhat limited because the sample units comprise a random set of units being marketed at the time of Zillow's survey, and do not comprise a consistent stock of units being sampled over time. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases. For just the Mission District, an estimate published in June 2015 suggested that approximately 68% of units in the Mission census tracts are potentially rent-controlled.[62]

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco and the Mission District is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

Other Cities. Many other cities throughout the United States grapple with understanding where displacement is occurring in their city and how gentrification impacts displacement, and explore approaches to mitigate displacement. An oft-cited means of reducing displacement is the creation or preservation of affordable housing, priced to protect the most vulnerable residents. These considerations are often combined with concerns about promoting economic mobility for all, as displacement is deemed less likely to occur if household income grows along with the neighborhood's rising values.

Less common in the reports and studies prepared by or about other cities are findings or strategies regarding how new housing development impacts displacement, or rental rates of existing housing units, which is a core consideration at issue in San Francisco and the Mission District specifically. ALH Economics conducted a search to identify case study examples of cities, journalists, or urbanists that

[62] Sydney Cespedes, Mitchell Crispell, Christina Blackston, Jonathan Plowman, and Edward Graves, "Community Organizing and Resistance in SF's Mission District, Center for Community Innovation, June 2015, page 6.

broadened their examination or discussions to include the dimensions of new housing development and pricing relative to gentrification, including how to balance revitalization, which is perceived to be positive for communities, with reducing displacement risks. Following are summaries of some of the materials found to most directly include incorporation of new market-rate housing development along with affordable housing development in their analysis and findings.

Seattle. A January 2018 Seattle Times article reported findings that the Seattle region comprising King and Snohomish counties experienced a 48% increase in rents over the previous five years, with Seattle leading the nation in rent hikes in 2016 and early 2017.[63] While the annual rent still increased modestly from a year earlier (4.5%), the quarterly average rental rate dropped significantly for the first time this decade, comprising a 2.9% decline in December 2017 compared with the prior quarter. During the same period, the region's vacancy rate grew 0.8%, reaching 5.4% in December 2017, comprising the highest vacancy rate since 2010. Vacancy rates were reported to be higher among the existing apartment stock in neighborhoods experiencing new apartment development. In parallel, the biggest rent decreases were mostly in the popular Seattle neighborhoods experiencing the greatest new construction, with rents dropping more than 6% from the prior quarter in many neighborhoods.

While the surge in rental rates was attributed to strong job and population growth, The Seattle Times article attributed the changing rental market dynamics to the strong growth in rental unit supply, with many new projects under construction and supply growing faster than demand. As a result, some new apartments are remaining vacant. While some longer-term rental rate growth is anticipated for this market, several market analysts anticipate growth will be similar to the rate of inflation, rather than any accelerated market growth. Thus, rental rates in Seattle are anticipated to moderate pursuant to the achievement of relative market equilibrium between supply and demand.

This trend in Seattle suggests that rental unit pricing is influenced negatively by new rental unit construction, i.e., as new production occurs, pricing increases become more moderate or drop, suggesting that new development helps dampen pricing increases and does not result in increased rents elsewhere.

Prior to this recent market trend in Seattle, Sightline.org published a paper in 2016 by Dan Bertolet that focused on Seattle housing market dynamics and displacement.[64] The paper's purpose was to lay out evidence on displacement in Seattle and assess strategies for community protection from displacement. The author's premise is that "the root cause of displacement is a shortage of homes, and the only real solution is to build lots more housing of all types, to bolster those efforts with public support for those most vulnerable, and to precisely target preservation efforts in places justified by the protection of cultural communities or the opening of economic opportunities." One focus of Bertolet's paper is the distinction between "physical displacement" and "economic displacement," with the former associated with old buildings making way for new ones, and the latter occurring when rising rents force tenants to move elsewhere. The author then indicates the two forms of displacement could precipitate "cultural displacement," when people move because neighbors and culturally related businesses have left the area.

A good portion of Bertolet's efforts was associated with the demolition of low-cost housing as new housing development opportunities arise in Seattle. As this is not a key issue relative to concerns about

[63] Mike Rosenberg, Seattle Times (seattletimes.com), "Seattle-area rents drop significantly for first time this decade as new apartments sit empty,", January 12, 2018, Updated January 13, 2018.
[64] Dan Bertolet, Sightline.org, "Displacement: The Gnawing Injustice at the Heart of Housing Crises, What can we actually do about it?,", August 10, 2016.

displacement in San Francisco and the Mission District, the following focuses on other aspects of the Bertolet's research and findings more associated with economic displacement, although some of the paper's conclusions and findings are based upon comingling consideration of both types of displacement.

Bertolet makes many statements associated with the impact of housing production on displacement and rent trends. Among these are the following:

- "Legal restrictions on housing construction create a situation in which the need for homes increasingly outstrips the supply of homes available to rent or purchase. And this enforced housing shortage creates a preservation paradox: conservation of existing inexpensive private-market housing …. Does not reduce displacement. It only rearranges where the displacement happens – and can even increase its occurrence."
- "In a bidding war for scarce homes… the only way everyone can come out with a place to live is if there are enough new dwellings added for everyone who is bidding…. Ultimately, no action is more effective at curtailing displacement across an entire city than creating more housing choices for the diverse families and individuals who need them."
- "In terms of net housing gained versus housing lost, redevelopment is a big win for reversing Seattle's housing shortage and relieving upward pressure on prices caused by unmet demand. More homes to accommodate more families at lower prices is a simple formula for less displacement overall."

After examining data regarding new home development by zone in Seattle, such as commercial zone, neighborhood commercial + midrise zone, etc., versus homes lost to demolition, Bertolet concludes that the data indicate that to minimize overall displacement, Seattle should allow as many kinds of new housing at as high a density as possible given site characteristics. He further indicates that halting development to save existing housing may provide a short-lived benefit for some, but only at the expense of many more times families who will see their rents rise faster. While the context for this comment pertains to preserving homes versus demolition for higher density housing opportunities, this finding could equally pertain to a scenario of restricting versus allowing new residential development.

Bertolet's paper continues with additional discussion regarding rental housing price dynamics, the preservation of affordable housing, the process by which filtering reduces economic displacement both in the short-term and the long-term, the benefits of building more subsidized affordable housing, and the need for consideration of other approaches beyond new housing development to equitably address displacement pressures in some culturally sensitive communities. Specifically, Bertolet states that "Tackling displacement requires a "both/and" approach; build lots and lots of new housing, and provide support for communities most vulnerable to change." Thus, Bertolet recognizes that culturally sensitive communities have unique needs, but that new housing development is critical to the minimization of economic displacement.

Bertolet's paper was written during a period characterized by strong growth in Seattle's rental rates. However, Bertolet's position that net new housing development could relieve upward pressure on prices appears to be borne out by the trends reviewed in the January 2018 Seattle Times article, i.e., declining rental rates coinciding with dramatic increases in new housing supply and associated forecasted modest rental rate growth consistent with inflation.

Denver. In May 2016, Denver's Office of Economic Development (OED) engaged in a study titled "Gentrification Study: Mitigating Involuntary Displacement." This was a far-reaching and multi-faceted

study, that conducted a review of what strategies and tools can be employed to reduce displacement. As part of the study, Denver's OED looked at other cities around the U.S. to see how communities are balancing the benefits of thoughtful development in a way that helps protect the most vulnerable residents and promotes economic mobility for all. Pursuant to the review conducted by Denver's OED of conditions in Denver and practices in other cities such as Portland, Sacramento, Seattle, Los Angeles, and others, the study highlights the following ideas for Denver:

- ***Affordable Housing*** – Increases in rental and for-sale housing prices outpaced income growth in many households, thus making public investment critical to increase Denver's supply of affordable housing across a wide spectrum of income levels;
- ***Middle-Skill Jobs*** – Displacement is less likely if household income grows along with the neighborhood's rising values, thus career-directed workforce training is key to helping people get the credentials they need to meet employers' needs;
- **Support Small Business** – Nurturing aspiring and existing small business owners is a powerful economic tool for sustaining healthy, diverse urban neighborhoods;
- ***Focus on Vulnerable Neighborhoods*** – Armed with the ability to predict where displacement threatens in the new future, both public and private investment can drive future decisions to preserve and protect unique neighborhoods while fueling the development they need to build opportunity, income and jobs.[65]

Denver's OED study puts forth several recommendations, forming a platform for action. These include:[66]

- ***There is no single solution*** – Gentrification is most often the result of complex market forces, and there is no quick fix for a city to benefit from neighborhood revitalization while completely avoiding the involuntary displacement that gentrification can bring;
- ***Investment in affordable housing continues to be a critical need*** – This includes creating a funding source, preserving affordable housing, land banking, and fiscal policy and grants to protect existing homeowners; and
- ***Access to broader economic opportunity needs to be considered within every public investment*** – Including provide technical support to neighborhood businesses, tie business incentives to targeted community engagement, expand awareness and exposure to career-path options, support entrepreneurship, and preserve industrial space for targeted uses with the potential to create middle-skills jobs.

As is clear from these summary points, one major thrust of Denver's approach is to support economic growth, of individuals as well as businesses, as a means of combating displacement. A very succinct statement in the full report addresses this by saying "Investing aggressively in affordable housing is critical, but housing-based strategies must also be paired with strategies to build existing residents' economic capacity. With the right strategies and supports, neighborhood reinvestment offers the potential to create new economic opportunity for existing residents. ***Keeping investment out of some***

[65] Extracted from the Denver Office of Economic Development summary brochure "Gentrification Study: Balancing revitalization, reducing displacement. See https://www.denvergov.org/content/dam/denvergov/Portals/690/Reports%20and%20Studies/GENT%20STUDY%20051816.pdf for full study.

[66] Ibid.

neighborhoods to avoid gentrification while the rest of the city prospers is not a positive strategy for the long-term success of neighborhood residents."[67]

This statement is supported by the study's summary of two Brookings Institution studies, one titled "The Anti-Poverty Case for Smart Gentrification" from 2015 and the other titled "Dealing with Neighborhood Change: A Primer on Gentrification and Policy Choices" from 2001. Of these studies, the full Denver report says "Both Brookings studies underline that a policy approach that seeks to simply stop or slow investment will not provide the greatest benefit to a city's lower-income residents. Rather, policymakers should undertake strategies that allow residents to stay in place as investments in their communities create new economic opportunity. This report recommends strategies to both create greater access to affordable housing in gentrifying neighborhoods, and to create entry points for residents to benefit from new investments in their communities."[68]

While the thrust of the Denver study is more on how creating opportunities for economic growth can help mitigate displacement, rather than the impact of how other trends such as the development of market-rate housing can help preserve lower cost housing opportunities, this study does suggest that halting development in general is not a productive strategy and does not aid in reducing or minimizing residential displacement. The following section further explores the relationship between gentrification and displacement as addressed in the academic and associated literature.

Dissenting Opinion. The notion that the provision of new housing will help damp down increases in housing costs is not universally accepted. One such example of this dissenting opinion is made clear in a January 2018 article in Britain's daily newspaper "The Guardian" by Ann Pettifor, a Director of Policy Research in Macroeconomics (PRIME), a network of economists concerned with Keynesian monetary theory and policies. This article, printed in a newspaper and not reviewed or vetted as occurs with academic journal studies, is heavily grounded in discussion about London's real estate market, especially for houses, and thus is not easily transferrable to a U.S. market like San Francisco. However, the major thrust of Pettifor's argument is that throughout the UK, increases in housing supply, and a contraction of demand due to a decline in the number of households, has not dampened prices.

To support this statement, Pettifor presents a few scant figures regarding the number of households in the UK, and the number of dwellings. The only housing cost information presented includes an 11% increase in home prices in Ireland in 2006, when more than 90,000 homes were built in a country with 4 million people.[69] Thus, Pettifor's discussion is more qualitative than it is quantitative, wherein she states that the key to making housing more affordable in the UK is not to build more, but to stop the flow of cash flooding into expensive areas. She believes that building more without doing this will not reduce prices, and that the market will simply absorb more cash.

The crux of Pettifor's argument is that speculation in the London property market is fueling stratospheric house price rises, not a shortage of supply, and that this has been exacerbated by government subsidies, tax breaks, and global and non-resident buyers funneling cash into London property.[70] To stop the flow of cash, Pettifor recommends implementing a tax on property speculation

[67] "Gentrification Study: Mitigating Involuntary Displacement," Denver Office of Economic Development, May 2016, page 7.
[68] Ibid, page 14.
[69] "Why building more homes will not solve Britain's housing crisis," The Guardian, January 27, 2018, by Ann Pettifor.
[70] Ibid.

and taxing speculative capital flows in and out of Britain, which would create a managed fall in property prices. Pettifor believes the resulting bubble deflation will achieve a more affordable housing market, and that the money getting channeled toward speculative property investment could instead be used to drive investment in capital and social infrastructure to generate growth in productive, skilled, better-paid employment.

Aside from the fact that Pettifor provides no analytical support for her opinions, she promulgates a stance that would require a change in national taxation policy that in her opinion would also cause a largescale decline in property values. Without more substantial information and data, it is not possible for a reader of Pettifor's article to understand how she reached her conclusions. Moreover, the approach she recommends involving a national taxation policy change is not an approach that can be implemented at the local level in the United States, where concerns about the impact of affordable housing supply and market-rate pricing are most acute. Further, the implementation of a policy that would guarantee wholesale property value reduction, such as promoted by Pettifor, does not address the connection between construction costs and pricing, which is not addressed herein but which also factors into the context of pricing for new housing development.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification, as how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development, and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development ***cause*** gentrification and displacement?

ALH Economics identified 12 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with ***public policy tools*** available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development at 2918 Mission Street, and the Mission District in general, will cause displacement ***is not supported by the evidence in the academic***

literature. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

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." Most specifically, the CEQA Guidelines state that:

> "[e]conomic or social effects of a project shall not be treated as significant effects on the environment."[71] CEQA defines the "[e]nvironment" as "*physical* conditions,"[72] and impacts analyzed under CEQA must be "related to a physical change."[73]

Under the CEQA guidelines, however, ***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***.[74] There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.[75]

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.[76]

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

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[71] CEQA Guidelines, § 15131, subd. (a)
[72] Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.
[73] Guidelines, §15358(b).
[74] CEQA Guidelines §15064(e)
[75] The primary case is Bakersfield Citizens for Local Control v City of Bakersfield (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include Anderson First Coalition v City of Anderson (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and Gilroy Citizens for Responsible Planning v City of Gilroy (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.
[76] This case is Gray v County of Madera (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.[77] Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.[78]

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development at 2918 Mission Street and its surrounding areas (e.g., the one-half miles and additional one-quarter mile radii) will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

[77] Representative cases include Preserve Poway v. City of Poway (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not "include such psychological, social, or economic impacts on community character;" and Cathay Mortuary, Inc. v. San Francisco Planning Com. (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not "related to any environmental issue."

[78] See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study "economic displacement"; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; Group 4 Architecture, Research + Planning, Inc.; East Bay Community Energy Authority; Claremont Colleges; and Kimco.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and

economic impact analysis, commercial market analysis, economic development and redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's

Home Improvement Warehouse, or Target store. The studies have also been conducted for large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, opened October 2017, with 365 Market opening December 2017
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opened April 2017
- Fresno, Park Crossing (formerly Fresno 40), totaling 209,650 square feet, July 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, opened April 2017
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center; phased project opening beginning September 2017
- Sacramento, Downtown Commons, mixed-use entertainment complex with 682,500 square feet of retail space adjoining new Golden 1 Center for the Sacramento Kings; initial tenant 2016, additional tenants beginning November 2017
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007

- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Sonora, Sonora Crossroads, Walmart Discount Store expansion to a Superstore, net increase of 30,000 square feet, groundbreaking May 2017
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006
- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Ukiah, Costco, 148,000-square-foot warehouse membership store, groundbreaking September 2017, completion anticipated Spring 2018
- Warriors Arena, San Francisco, groundbreaking January 2017

Projects in Progress/Engaged in the Public Process

- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center. FEIR completed January 2016 and Certified September 2017
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex. Final EIR completed 2017. Specific Plan Approved January 2018. Groundbreaking anticipated 2019/2020.
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

*Amy L Herman Resume Insert

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ALH Urban & Regional Economics

PROFESSIONAL PROFILE

AMY L. HERMAN
PRINCIPAL

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SELECT OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- China Harbor Engineering Company
- Claremont University Consortium
- City of Dublin
- Dudek
- Environmental Science Associates
- Equity One
- First Carbon Solutions
- Gresham Savage Nolan & Tilden
- Howard Hughes Corporation
- Kimco Realty
- City of Los Banos
- LSA Associates
- Michael Brandman Associates
- City of Pleasanton
- The Primary School
- Remy Moose Manley
- Signature Flight Support
- Sunset Development Co.
- Sycamore Real Estate Investments LLC
- Syufy Enterprises
- City of Tracy

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time, she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

Alameda County. Prime consultant managing a complex team preparing a Local Development Business Plan for the soon-to-be launched East Bay Community Energy Community Choice Aggregation program for Alameda County. ALH Economics components include economic impact and financial analysis of the local development program components.

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

FISCAL IMPACT ANALYSIS

Stanford Research Park. Analyzed historic and current fiscal contributions generated by the Stanford Research Park real estate base and businesses to the City of Palo Alto, Santa Clara County, and the Palo Alto Unified School District.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Ronald McDonald House. Prepared fiscal impact analysis of expansion plans to more than double the existing facility to better serve families seeking treatment at Lucille Packard Children's Hospital.

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed-use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts. Prepared as a subconsultant to the District's water resource planning firm.

DEVELOPMENT FEASIBILITY

Alameda County. Managed numerous assignments helping Alameda County achieve its economic development goals for the County's unincorporated areas through surplus site disposition assistance, including market analysis and financial due diligence.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

Union City Property Owner. Provided an independent analysis regarding the reasonableness of the City of Union City continuing to reserve a key development area for office and/or R&D development in the context of the General Plan Update.

DCT Management LLC. Performed economic analysis on a proposed change to the Newark Zoning Ordinance regarding permitted industrial uses. The analysis demonstrated the market, fiscal, and economic impacts that could result from the proposed zoning ordinance change.

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles.

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile and Three-Quarter Miles of 2918 Mission Street
Total Estimated Income and Spending on Retail from 2918 Mission Street and Pipeline Households
2018 Dollars

Residential Land Use	Average Monthly Rent Assumption	Estimated Average Household Income (1)	Number of Households (2)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (5)
Project (2918 Mission Street) (6)						
2918 Mission - Market Rate	$4,500	$162,000	64	25%	$41,100	$2,618,200
2918 Mission - Affordable Rental	NA	$48,800 (7)	8	39%	$19,200	$153,800
Subtotal			*72*			$2,772,000
Other One-Half Mile Projects						
Entitled Market Rate Rental (8)	$4,500	$162,000	266	25%	$41,100	$10,941,600
Entitled Affordable Rental	NA	$74,600 (9)	132	33%	$24,900	$3,288,100
Entitled Market Rate Owner	NA	$430,000 (10)	41	22%	$45,000 (11)	$3,933,100
Entitled Affordable Owner	NA	$95,900 (12)	6	31%	$30,100	$180,600
Not Entitled Market Rate Rental (8)	$4,500	$162,000	165	25%	$41,100	$6,799,400
Not Entitled Affordable Rental (13)	NA	NA	0	NA	NA	NA
Subtotal			*610*			$25,142,800
Total One-Half Mile Radius					*$96,300*	$27,914,800
Projects Within Additional One-Quarter Mile Radius						
Not Entitled Market Rate (8)	$4,500	$162,000	82	25%	$41,100	$3,360,600
Not Entitled Affordable Rental	NA	$95,000 (14)	11	31%	$29,800	$328,000
Subtotal			93			$3,688,600
Total (15)		**--**	**775**	**--**	**--**	**$31,603,400**

Sources: Vanguard Properties; 2018 Maximum Income by Household Size, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; 2018 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; Zillow; and ALH Urban & Regional Economics.

(1) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
(2) Assumed to comprise occuppied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Comprises the product of estimated annual household income times percent income spent on retail.
(5) Comprises number of households times percent income spent on retail. Figures rounded to the nearest $1,000.
(6) The market rate unit rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the 2918 Mission Street market-rate unit monthly rents. The affordable unit rents are based on the maximum rents per AMI income level by unit type. The unit mix comprises 2 studio units, 3 one-bedroom units, and 3 two-bedroom units.
(7) The affordable units at 2918 Mission Street are assumed to include 2 studio units affordable at 50% of AMI, 3 one-bedroom units affordable at 50% of AMI, 2 two-bedroom unit affordable at 50% of AMI, and 1 two-bedroom unit affordable at 55% of AMI. Household sizes are assumed at 1 for studio units, 2 for one-bedroom units, and 3 for two-bedroom units (i.e., number of bedrooms plus one except for the studio units). Using these assumptions, and the 2018 Maximum Income by Household Size, the average weighted household income is $48,800.
(8) Market rate rents are based on the April 2018 median rent for rental units in the Mission District, per Zillow's monthly multifamily rent trends. For analytical purposes this is deemed a proxy for the cost of the average new rental unit, regardless of unit type.
(9) The San Francisco Development Pipeline includes three projects with affordable units, two at 90% of AMI and one at 30% and 60% of AMI. The majority of the units are in the project with the lower AMI. ALH Urban & Regional Economics calculated an approximate weighted average AMI across all the units, based upon the limited information available. The conclusion is unit affordability at 70% of AMI, with the household size average 3 persons.
(10) This is a generic assumption prepared by ALH Urban & Regional Economics, based on the household income equal to one-third housing cost and a March 2018 median home sale price in San Francisco of $1.3 million per Zillow.
(11) Per the formula, this figure would calculate as $96,300. Conservatively, ALH Urban & Regional Economics reduced this estimate to $45,000, to allow for a higher spending proportion of income spent for other purposes, such as housing costs.
(12) Assumes 90% of AMI for a 3-person household. The San Francisco Development Pipeline indicates the 90% threshold. The household size assumption was prepared by ALH Urban & Regional Economics.
(13) The units at 2918 Mission Street are the only "not entitled" affordable units in this area.
(14) The affordability level of these units is not specified in the San Francisco Development Pipeline. For analytical purposes they are assumed to be affordable to 90% of AMI, which is consistent with the majority of other area projects with affordable levels. The income level included here corresponds with a 3-person households.
(15) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2016

Characteristic	All Consumer Units	Household Income Range: $15,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 and more
Average HH Income	$74,664	$22,167	$34,703	$44,589	$59,369	$83,595	$120,512	$170,704	$345,002
Amount Spent on Retail (2)	$21,411	$12,614	$16,512	$17,949	$20,648	$25,238	$31,377	$39,324	$47,687
Percent Spent on Retail (3)	29%	57%	48%	40%	35%	30%	26%	23%	14%

2750

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2016, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2016
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total	Percent Assumed Neighborhood-Oriented (2)
Motor Vehicle & Parts Dealers	$84,225,652	$84,225,652	15.7%	0%
Home Furnishings & Appliances	$29,910,071	$29,910,071	5.6%	15%
Building Materials & Garden Equipment	$35,238,333	$35,238,333	6.6%	10%
Food & Beverage Stores	$27,678,056	$92,260,187 (3)	17.2%	80%
Gasoline Stations	$43,273,082	$43,273,082	8.0%	0%
Clothing & Clothing Accessories	$39,698,156	$39,698,156	7.4%	20%
General Merchandise Stores	$48,255,569	$64,340,759 (4)	12.0%	20%
Food Services & Drinking Places	$78,494,623	$78,494,623	14.6%	75%
Other Retail Group (6)	$55,940,351	$70,414,309 (5)	13.1%	20%
Total (7)	**$442,713,894**	**$537,855,172**	**100%**	**NA**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2016; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and Sedway Consulting.

(1) Taxable sales are pursuant to reporting by the BOE.

(2) Assumption prepared by ALH Urban & Regional Economics.

(3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.

(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2015 represented approximately 12.74% of all Other Retail Group sales. Sedway Consulting applied that percentage and then adjusted upward for non-taxable sales.

(6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2018 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average
	In 2010$'s	In 2018$'s	In 2011$'s	In 2018$'s	In 2012$'s	In 2018$'s	In 2013$'s	In 2018$'s	In 2018$'s
Apparel									
Apparel - Specialty	$405	$464	$447	$496	$472	$513	$451	$483	$489
Women's' Apparel	$365	$418	$455	$505	$515	$560	$473	$507	$497
Shoe Stores	$371	$425	$454	$504	$487	$529	$475	$509	$492
Ross Dress for Less	$324	$371	$195	$216	$195	$212	$362	$388	$297
Kohl's	$229	$262	$215	$239	$209	$227	$190	$204	$233
Discount Stores	$196	$224	$212	$235	$213	$232	$202	$216	$227
Target	$282	$323	$290	$322	$304	$330	$297	$318	$323
Wal-Mart	$422	$483	$499	$554	$456	$496	$376	$403	$484
Department Stores Category	$252	$288	$276	$306	$274	$298	$285	$305	$299
Sears	$206	$236	$205	$227	$210	$228	$161	$172	$216
Domestics Category	$294	$336	$288	$320	$268	$291	$300	$321	$317
Furniture Category	$198	$227	$290	$322	$361	$392	$449	$481	$355
Average of Domestics & Furniture	$246	$282	$289	$321	$315	$342	$375	$401	$336
Neighborhood Center Category									
Supermarkets	$535	$612	$533	$591	$575	$625	$611	$655	$621
Specialty/Organic	$510	$584	$658	$730	$698	$759	$756	$810	$721
Drug Stores	$724	$829	$657	$729	$667	$725	$629	$674	$739
Rite Aid	$421	$482	$560	$621	$549	$597	$556	$596	$574
CVS	$802	$918	$806	$894	$883	$960	$875	$937	$927
Restaurants Category	$429	$491	$496	$550	$480	$522	$486	$521	$521
Casual Dining	$431	$493	$578	$641	$563	$612	$567	$607	$588
Fast Food Chains	$431	$493	$507	$562	$492	$535	$543	$582	$543
Home Improvement	$269	$308	$278	$308	$287	$312	$301	$322	$313
Auto - DIY Stores (3)	$205	$235	$218	$242	$220	$239	$217	$232	$237
Other Retail Categories									
Accessories	$778	$890	$978	$1,085	$1,191	$1,295	$1,032	$1,106	$1,094
HBA, Home Fragrances	$541	$619	$474	$526	$531	$577	$519	$556	$570
Electronics & Appliances	$686	$785	$1,171	$1,299	$821	$892	$946	$1,013	$998
Office Supplies	$263	$301	$270	$300	$262	$285	$283	$303	$297
Sports	$226	$259	$239	$265	$252	$274	$253	$271	$267
Pet Supplies	$185	$212	$188	$209	$218	$237	$234	$251	$227
Book Superstores	$180	$206	$247	$274	$210	$228	$189	$202	$228
Toys	$320	$366	$333	$369	$312	$339	$220	$236	$328
Music Superstores	$318	$364	$317	$352	$314	$341	$292	$313	$342
Gifts, Hobbies & Fabrics	$124	$142	$136	$151	$137	$149	$151	$162	$151
Average of Other Retail Categories	$362	$414	$435	$483	$425	$462	$412	$441	$450

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit 5
Entitled and Non-entitled Residential Pipeline Projects Within One-Half Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,371,330	$800 (6)	5,464	5,752	0
Home Furnishings and Appliances	$1,552,339	$336	4,616	4,859	729
Building Materials and Garden Equip.	$1,828,877	$313	5,849	6,157	616
Food and Beverage Stores	$4,788,324	$671	7,140	7,515	6,012
Gasoline Stations	$2,245,882	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,060,343	$489	4,214	4,436	887
General Merchandise Stores	$3,339,299	$310	10,777	11,344	2,269
Food Services and Drinking Places	$4,073,888	$551	7,396	7,786	5,839
Other Retail Group	$3,654,518	$450	8,120	8,547	1,709
Subtotal	$27,914,800	--	53,576	56,396	18,061
Additional Service Increment (15% of total) (9)	N/A	N/A	9,455	9,952	7,464 (8)
Total	**N/A**	**N/A**	**63,031 (10)**	**66,348**	**25,526**
Total Rounded to Nearest 100			**63,000**	**66,300** (11)	**25,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
2918 Mission Street
Supportable Square Feet of Commercial Space from Project Households
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft. Total Amount (3)	Supportable Sq. Ft. Vacancy Adjusted (4)	Supportable Sq. Ft. Neighborhood-Oriented (5)
Motor Vehicles and Parts	$434,082	$800 (6)	543	571	0
Home Furnishings and Appliances	$154,151	$336	458	483	72
Building Materials and Garden Equip.	$181,611	$313	581	611	61
Food and Beverage Stores	$475,491	$671	709	746	597
Gasoline Stations	$223,021	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$204,597	$489	418	441	88
General Merchandise Stores	$331,600	$310	1,070	1,126	225
Food Services and Drinking Places	$404,546	$551	734	773	580
Other Retail Group	$362,902	$450	806	849	170
Subtotal	$2,772,000	--	5,320	5,600	1,794
Additional Service Increment (15% of total) (9)	N/A	N/A	939	988	741 (8)
Total	**N/A**	**N/A**	**6,259 (10)**	**6,589**	**2,535**
Total Rounded to Nearest 100			**6,300**	**6,600 (11)**	**2,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Entitled and Non-entitled Residential Pipeline Projects Within Additional One-Quarter Mile of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$577,618	$800 (6)	722	760	0
Home Furnishings and Appliances	$205,123	$336	610	642	96
Building Materials and Garden Equip.	$241,664	$313	773	814	81
Food and Beverage Stores	$632,719	$671	943	993	794
Gasoline Stations	$296,766	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$272,249	$489	557	586	117
General Merchandise Stores	$441,248	$310	1,424	1,499	300
Food Services and Drinking Places	$538,315	$551	977	1,029	772
Other Retail Group	$482,900	$450	1,073	1,129	226
Subtotal	$3,688,600	--	7,079	7,452	2,387
Additional Service Increment (15% of total) (9)	N/A	N/A	1,249	1,315	986 (8)
Total	**N/A**	**N/A**	**8,329 (10)**	**8,767**	**3,373**
Total Rounded to Nearest 100			**8,300**	**8,800** (11)	**3,400**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
All Pipeline Projects Within Three-Quarter Miles of 2918 Mission Street
Supportable Square Feet of Commercial Space
2018 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,948,947	$800 (6)	6,186	6,512	0
Home Furnishings and Appliances	$1,757,462	$336	5,226	5,501	825
Building Materials and Garden Equip.	$2,070,541	$313	6,622	6,971	697
Food and Beverage Stores	$5,421,042	$671	8,083	8,508	6,807
Gasoline Stations	$2,542,648	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,332,592	$489	4,771	5,022	1,004
General Merchandise Stores	$3,780,547	$310	12,201	12,843	2,569
Food Services and Drinking Places	$4,612,203	$551	8,374	8,814	6,611
Other Retail Group	$4,137,418	$450	9,193	9,676	1,935
Subtotal	$31,603,400	--	60,656	63,848	20,448
Additional Service Increment (15% of total) (9)	N/A	N/A	10,704	11,267	8,450 (8)
Total	**N/A**	**N/A**	**71,360 (10)**	**75,115**	**28,899**
Total Rounded to Nearest 100			**71,400**	**75,100** (11)	**28,900**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located within three-quarter miles of 2918 Mission Street and Exhibit 3 for the percentage distrubtion by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Households and Mean Household Income
2016 (1)
Mission District and One-Half Mile Area Around 2918 Mission St.

Geographic Area/Census Tracts		All Census Tract Households	Area Households	Mean Household Income 2016
Mission District Census Tracts (2)				
177		758	758	$108,422
201		3,115	3,115	$78,337
208		2,846	2,846	$110,843
209		1,894	1,894	$98,578
228.01		1,947	1,947	$149,946
228.03		1,570	1,570	$126,656
229.01		1,540	1,540	$103,254
229.02		832	832	$141,679
229.03		1,157	1,157	$113,577
Total/Weighted Average			**15,659**	**$110,317**
One-Half Mile Area (3)	**Percent of Census Tract**			
253	56%	1,734	969	$142,278
252	42%	2,117	883	$168,279
251	1%	1,400	17	$161,052
229.02 (4)	72%	832	596	$141,679
228.03 (4)	42%	1,570	657	$126,656
229.01 (4)	100%	1,540	1,540	$103,254
228.01 (4)	0%	1,947	4	$149,946
215	28%	2,580	722	$157,089
214	29%	1,666	482	$204,076
211	11%	1,919	210	$212,843
210	100%	2,165	2,165	$146,639
209 (4)	100%	1,894	1,894	$98,578
208 (4)	26%	2,846	729	$110,843
207	15%	2,656	407	$197,080
			11,275	**$136,422**

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The ACS conducts annual sampling for a running five-year period, and then inflation-adjusts the income numbers to the last calendar year in the sample, which in this case is 2016.

(2) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(3) The census tract identification and percentages for the One-Half Mile Area Around 2918 Mission Street per ALH Urban & Regional Economics using ArcGIS. Percentages comrpise ALH Economics assumptions.

(4) Comprise census tracts that overlap with the Mission District. The household count in these tracts comprises 35% of Mission District households. The other census tracts are in other Planning Districts, including Bernal Heights and Central.

Exhibit 10
Mission District and One-Half Mile Radius Around 2918 Mission Street
Total Estimated Income and Spending on Retail from Existing Area Households
2018 Dollars

Area	Estimated Average Household Income 2016 (1)	Estimated Average Household Income 2018 (2)	Number of Households (1)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (4)
Mission	$110,317	$113,930	15,659	29%	$33,500	$524,348,700
One-Half Mile Radius (5)	$136,422	$140,890	11,275	24%	$34,400	$387,445,500

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2016 Inflation-Adjusted Dollars) 2012-2016"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) See Exhibit 9 for estimated 2016 household incomes.
(2) Incomes are inflated from 2016 to 2018 pursuant to a CPI adjustment for All Urban Consumers from 2016 Annual Average to January 2018. The CPI factors are 240.007 for 2016 and 247.867 for January 2018, resulting in a 1.033 inflation rate.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Figures rounded to the nearest $1,000.
(5) Comprises geographic area with a one-half mile radius around the 2918 Mission Street development site.

Exhibit 11
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$82,110,600	$800 (6)	102,638	108,040	0
Home Furnishings and Appliances	$29,158,977	$336	86,706	91,270	13,690
Building Materials and Garden Equip.	$34,353,437	$313	109,872	115,655	11,565
Food and Beverage Stores	$89,943,374	$671	134,110	141,169	112,935
Gasoline Stations	$42,186,420	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$38,701,267	$489	79,161	83,327	16,665
General Merchandise Stores	$62,725,052	$310	202,433	213,087	42,617
Food Services and Drinking Places	$76,523,488	$551	138,931	146,243	109,682
Other Retail Group	$68,646,084	$450	152,520	160,547	32,109
Subtotal	$524,348,700	--	1,006,371	1,059,338	339,265
Additional Service Increment (15% of total) (9)	N/A	N/A	177,595	186,942	140,206 (8)
Total	**N/A**	**N/A**	**1,183,966 (10)**	**1,246,280**	**479,472**
Total Rounded to Nearest 100			**1,184,000**	**1,246,300** (11)	**479,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 10 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 12
One-Half Mile Radius Around 2918 Mission Street
Supportable Square Feet of Commercial Space from Households Within One-Half Mile Radius of 2918 Mission St.
2018 Dollars

Retail Category	2018 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$60,672,187	$800 (6)	75,840	79,832	0
Home Furnishings and Appliances	$21,545,804	$336	64,068	67,440	10,116
Building Materials and Garden Equip.	$25,384,033	$313	81,185	85,458	8,546
Food and Beverage Stores	$66,459,887	$671	99,095	104,311	83,449
Gasoline Stations	$31,171,887	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$28,596,679	$489	58,492	61,571	12,314
General Merchandise Stores	$46,348,049	$310	149,579	157,452	31,490
Food Services and Drinking Places	$56,543,825	$551	102,657	108,060	81,045
Other Retail Group	$50,723,147	$450	112,698	118,630	23,726
Subtotal	$387,445,500	--	743,616	782,753	250,686
Additional Service Increment (15% of total) (9)	N/A	N/A	131,226	138,133	103,600 (8)
Total	**N/A**	**N/A**	**874,842 (10)**	**920,886**	**354,286**
Total Rounded to Nearest 100			**874,800**	**920,900** (11)	**354,300**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 10 for the amount of estimated retail sales demand from households within one-half mile of 2918 Milssion Street and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

Year	Monthly Rents: Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	$940	$1,182	$1,239	$1,555	$1,563	$1,235	2.4%
1997	$1,054	$1,322	$1,416	$1,799	$1,808	$1,402	3.1%
1998	$1,161	$1,456	$1,560	$1,891	$2,015	$1,531	2.3%
1999	$1,251	$1,585	$1,656	$2,019	$2,294	$1,663	2.4%
2000	$1,544	$2,011	$2,327	$2,709	$3,147	$2,180	1.4%
2001	$1,512	$1,960	$2,332	$2,600	$3,111	$2,130	5.1%
2002	$1,314	$1,741	$1,979	$2,299	$2,826	$1,867	5.9%
2003	$1,262	$1,622	$1,875	$2,225	$2,878	$1,768	5.2%
2004	$1,267	$1,646	$1,821	$2,277	$2,679	$1,778	6.5%
2005	$1,334	$1,700	$1,885	$2,382	$2,643	$1,835	3.9%
2006	$1,439	$1,799	$1,930	$2,635	$2,390	$1,958	4.0%
2007	$1,586	$1,988	$2,192	$2,954	$2,610	$2,175	5.1%
2008	$1,723	$2,152	$2,359	$3,242	$2,702	$2,368	4.4%
2009	$1,584	$2,010	$2,258	$3,001	$2,812	$2,262	4.4%
2010	$1,595	$2,052	$2,149	$3,011	$2,902	$2,243	6.3%
2011	$1,894	$2,330	$2,403	$3,379	$2,983	$2,472	3.9%
2012	$2,136	$2,642	$2,735	$3,713	$3,024	$2,727	4.7%
2013	$2,327	$2,832	$3,135	$4,064	$3,652	$2,976	4.5%
2014	$2,575	$3,119	$3,379	$4,270	$4,082	$3,275	4.4%
2015	$2,839	$3,366	$3,607	$4,666	$4,322	$3,557	4.8%
2016	$2,831	$3,372	$3,621	$4,713	$4,582	$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association;* Winter 2004; 70, 1; ProQuest Direct Complete, page 39. http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf

2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008). http://www.nber.org/papers/w14036

3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," Regional Science and Urban Economics, Volume 41, Issue 2 (March 2011). http://www.sciencedirect.com/science/article/pii/S0166046211000044 (abstract)

4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013). http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf

5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014). http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

6. Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015). http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/ [*comments on Governing Magazine, "The 'G' Word: A Special Series on Gentrification" (February 2015)* http://www.governing.com/topics/urban/gov-gentrification-series.html]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015. http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/

8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015). http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf

9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016). https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en

11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016). https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the Mission District, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

> "To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city."[79]

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- "Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. ….. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others."[80]

- "We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one."[81]

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[79] Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.
[80] Ibid, page 45.
[81] Ibid, page 48.

- "Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement… The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here, …., suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents."[82]

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

> "Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises."[83]

2. Terra McKinnish, University of Colorado at Boulder: Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

[82] Ibid.
[83] Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.[84] But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."[85]

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."[86] Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."[87] Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."[88] Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."[89]

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal Regional Science and Urban Economics. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

[84] Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.
[85] Ibid, page 2.
[86] Ibid, page 4.
[87] Ibid.
[88] Ibid, page 5.
[89] Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.[90] An abstract of this paper, published on-line, cites the following summary finding:

> "Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less."

Further, as cited in the study findings, Ellen and O'Regan state:

> "The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume."[91]

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

> "Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey's data on residential turnover, Ellen and O'Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman's (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

[90] http://www.sciencedirect.com/science/article/pii/S0166046211000044.

[91] See paper excerpt cited in: https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas." [92]

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will "need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods."[93]

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center's overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman's 2005 study:

> "In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%."[94]

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that "The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others."[95]

This roundup cites other study findings, such as the following:

- "Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.

- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

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[92] Silva Mathema, "Gentrification: An updated Literature Review," Poverty & Race Research Action Council, October 2013, page 3.
[93] Ibid, page 5.
[94] Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," August 2014.
[95] Ibid.

> Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."[96]

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

> "The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."[97]

6. Joseph Cortwright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impressa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by Governing Magazine in February 2015.

In his commentary, Cortright states that:

> "There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.
>
> Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs." [98]

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

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[96] Ibid.
[97] Ibid.
[98] Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

> "Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.
>
> And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods." [99]

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

> "Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

[99] Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying."[100]

In further discussing study findings, Florida cites that "Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations." This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida's, summarizes Karen Chapple of the Urban Displacement Project's findings as follows, demonstrating the complex relationship between gentrification and displacement:

"Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement."[101]

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that "As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color."[102] Thus,

[100] Ibid.
[101] See http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/).
[102] University of California, Berkeley, "Urban Displacement Project," December 2015, page 1.

the Urban Displacement Project "analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk."[103]

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.[104] The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area's affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing "naturally occurring" affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.[105]

Notably, this paper identifies "exclusionary displacement" as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement's relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, "most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well."[106] However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

[103] Ibid.
[104] Ibid.
[105] Ibid, page 2.
[106] Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.

- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco's Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.

- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: "Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective."[107]

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2016

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies. The study's findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- "At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

[107] Ibid, page 4.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."[108]

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

> "As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."[109]

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current

[108] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

[109] Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

> "Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents."

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

> "This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.
>
> We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O'Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).
>
> When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among

these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations." [110]

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.[111] He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.[112] However, he cites that there is near empirical consensus that "mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods."[113] In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.[114]

[110] Ibid, pages 42 and 43.
[111] Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," November 2016, page 170.
[112] Ibid, page 171.
[113] Ibid.
[114] Ibid, page 173.

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Teague, Corey (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	APPEAL RESPONSES: Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on June 19, 2018
Date:	Friday, June 08, 2018 2:10:21 PM
Attachments:	image001.png

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from Mark Loper of Reuben, Junius & Rose, LLP, on behalf of the Project Sponsor, and J. Scott Weaver of West Bay Law, on behalf of the Appellants, regarding the Community Plan Evaluation Appeal for the proposed project at 2918-2924 Mission Street.

Project Sponsor Brief - June 8, 2018

Supplemental Appeal Letter - June 8, 2018

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on June 19, 2018.

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Brent Jalipa
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Board of Supervisors - Clerk's Office
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Click here to complete a Board of Supervisors Customer Service Satisfaction form

REUBEN, JUNIUS & ROSE, LLP

Mark Loper
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June 8, 2018

Delivered Via Email and Messenger

President London Breed and Supervisors
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Re: 2918 Mission Street
Opposition to Appeal of the Community Plan Exemption ("CPE")
Planning Department Case No. 2014.0376ENV
Our File No.: 10193.01

Dear President Breed and Supervisors:

This office represents RRTI, Inc. ("Project Sponsor") which proposes a zero-parking, 8-story mixed-income building with 75 affordable-by-design units in a transit-rich infill location currently occupied by a surface parking lot and coin operated laundromat owned by the Sponsor (the "Project"). The Project, located at 2918 Mission Street (the "Property") is on one of the few soft sites remaining in the Mission. It is the first mixed-income project approved by the Planning Commission utilizing one of the Affordable Housing Bonus Programs unanimously enacted into law by the Board of Supervisors in June 2017, and will add much-needed housing across income levels on an ideal infill site.

The Project was originally scheduled for hearing in February 2018.[1] After the Planning Department notified Supervisor Ronen's office that the Property might have historic merit, the Sponsor, the Appellant, and the Supervisor agreed to continue the hearing for preservation review to be undertaken. As detailed in the Planning Department's response to the appeal of the Community Plan Exemption ("CPE") for 2918 Mission Street (the "Planning Department Memo") and discussed in detail below, the Planning Department has completed its preservation review and analysis and concluded the Property is not an historic resource.

[1] We submitted a letter brief in February 2018. Rather than cross-reference back to points made in that letter, this brief includes much of the substance from that letter.

This analysis, and other technical studies done or commissioned by the Planning Department since February, provide further substantial evidence that the City's use of a CPE for the Project is proper, and the appeal is without merit under CEQA. The Project itself was approved by the Planning Commission via a Conditional Use, and the CEQA process is not meant to be used to revisit an entitlement approval[2].

1. Project Benefits

The Project provides numerous benefits to the Mission and the City at large, including:

- **$1.6 Million in Impact Fees**. The Project will pay into a number of impact fee programs supporting child care, public schools, transportation, and infrastructure improvements. Specifically, the Project will be subject to these fees: Child Care, Eastern Neighborhoods Infrastructure, Schools, and the Transportation Sustainability Fee, and is estimated to pay $1,628,113.46 in fees.

- **On-Site Affordable Housing**. Although the Project was conceived and proposed when the on-site affordability level was 12%, the City's local affordability percentage for the Project increased to 14.5%. The Project is complying with the current inclusionary program by providing 14.5% on-site affordable units. 11% of the Project's base units will be set aside for households earning no more than 50% AMI. 50% AMI is the lowest income level that either state or local law impose on a mixed-income project. An additional 3.5% of the base units will be affordable to households earning either 55% AMI if rental or 90% if for-sale.[3]

- **Affordable by Design Rental Project**. In addition to providing on-site units to low income individuals and families, the Project's market rate units will be "affordable by design." The Project offers a range of unit types, with studios averaging 360 square feet, one bedrooms averaging 613 square feet, and two bedrooms averaging 833 square feet. In total, average unit size across types is 640 feet. These units will be more compact than typical new residential units—particularly the two-bedrooms—and will consequently rent or sell for less, passing on savings to occupants. It's a goal of the Sponsor for the Project's occupants to be people living and working in San Francisco.

- **Transit-Oriented Development**. The Project furthers San Francisco's transit goals in a number of different ways. First, it proposes zero parking spaces even though it is permitted to have up to 38 (a ratio of one space for every two units). The Sponsor eliminated off-

[2] As noted in a recent law review article discussing CEQA lawsuits and California's housing crisis, "Housing can be built, and it is politically supported by majorities of existing residents, including those who are protective of the character, services, and property values in their community across the country. However, CEQA lawsuits provide California's anti-housing holdouts—the political minority of as few as one anonymous party—with a uniquely effective litigation tool to simply say 'no' to change." *California Environmental Quality Act Lawsuits and California's Housing Crisis*, Hastings Environmental Law Journal, Winter 2018, pg. 41.

[3] See San Francisco Mayor's Office of Housing 2017 Maximum Income by Household Size, available at: http://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2017%20AMI-IncomeLimits-HMFA_04-21-17.pdf

street parking from the Project at the request of a nearby preschool, which had safety concerns about cars traveling on Osage Alley—which the preschoolers cross to get to and from a play area. In addition, it eliminates 20 existing parking spaces, disincentivizing car trips within the neighborhood. Instead of car parking, the Project provides one protected and secure bike parking space for every unit. A 40-foot long passenger loading zone in front of the building will further reduce the effects of drop-offs and pickups in front of the building. Eliminating the current parking lot to make way for the Project should reduce traffic on Mission. The Property is one block away from the 24th Street Mission BART station, providing convenient and affordable transit for its residents throughout San Francisco and the larger Bay Area. It has a 99 Walk and Bike Score.

2. The Laundromat, Preservation, and Community Character

a. Preservation Review Confirms the Project Is Not an Historic Resource

Two weeks before the Project's originally-scheduled hearing in February 2018, and approximately two months after the Planning Commission approved the Project in late November 2017, the Planning Department notified the Project Sponsor that the Property might have preservation merit. Deferring to the Department's decision to undertake this study, and to ensure that all potential environmental issues associated with the Property and Project were studied, the Sponsor supported a continuance.

The resulting comprehensive historic resource evaluation confirms two significant points: (1) the Property has a rich cultural history tied to late 20th century community-based organizations in the Mission that occupied the building from approximately 1973-1985; and (2) the local community organizations left the Property long ago, and significant interior and exterior alterations to the Property since then deprive it of remaining physical characteristics relating it to its past cultural history other than its location on Mission Street between 25th and 26th Streets.

Under CEQA, in order to be an historic resource, a property needs to retain integrity that enables it to illustrate significant aspects of the past. Evidence of the survival of physical characteristics that existed when the site had historic merit must be present. All of the interior finishes and tenant improvements to the building carried out by the community organizations were removed in the early 1990s, as was a mural painted on the side of the building. What remains—a coin-operated laundromat—does not convey historic integrity as an administrative hub for these groups. Using CEQA parlance, the Property lacks integrity of association, design, workmanship, feeling, and materials. The building's presence on Mission Street surrounded by other retailers is not sufficient to convey historic integrity without any physical evidence of the groups themselves.

In addition, the Property is one of a series of buildings occupied over the years by the Mission community organizations identified in the historic study. It was not the first location (that was 3145 23rd Street) or the last location. These groups occupied the Property for approximately 10 out of the 45 years of their existence. In addition, the Mission Coalition Organization—the parent of many other Mission community organizations--never occupied the site. To the best of

our knowledge, none of the other buildings these organizations used is considered an historic resource.

b. Community Character is Not a Germaine CEQA Issue

The Appellant also identified a potential impact on the Calle 24 Latino Cultural District that was not discussed in the CPE. The Project Sponsor recognizes the Calle 24 Latino Cultural District serves an important purpose in the Mission and identifies a region and community linked together by a shared cultural heritage. Cultural heritage assets are a significant social aspect of San Francisco. But CEQA does not extend to the economic or social effects of a project. It is noteworthy that the Property is not located in either the Calle 24 Latino Cultural District or the Special Use District, although it is close to both.

Under CEQA, "economic or social effects of a project shall not be treated as significant effects on the environment."[4] A cultural heritage asset such as the Calle 24 Latino Cultural District is not eligible for listing on local, state, or national registers or historic properties. Any potential impacts on the district are therefore social and/or economic effects, and not an issue for CEQA. To the extent community character is considered at all in CEQA, that evaluation is limited to aesthetic impacts and not the direct social or economic effects of a project.[5] However, in accordance with CEQA Section 21099(d)(1), aesthetics cannot be considered in determining if the Project has the potential to result in significant environmental effects because it is a residential infill project in a transit priority site.

In Preserve Poway v. City of Poway, 245 Cal.App.4th 560 (2016), community members protested vigorously against the conversion of a horse ranch into new housing, eventually appealing the CEQA clearance document after the housing project was approved on the grounds that it disrupted Poway's "community character." While recognizing that community character is an important political and policy issue, the Court of Appeal concluded that it is not an environmental issue under CEQA.[6] CEQA could not be used to study the psychological, social, and economic effects of a project:

"CEQA requires decisions be informed and balanced, but it 'must not be subverted into an instrument for the … delay of social [or] economic development or advancement.' "[7] Simply, the potential loss of community character is not a cognizable environmental effect under CEQA.

c. Studies Confirm the Project Does Not Contribute to Gentrification

Appellant also claims the Project contributes to gentrification occurring in the Calle 24 Latino Cultural District. The influx of new residents and business alone is not a cognizable CEQA effect, and there is no substantial evidence in the record showing that the Project will cause adverse physical environmental impacts due to gentrification or displacement of businesses or residents.

[4] CEQA Guideline 15131(a)).
[5] Preserve Poway v. City of Poway, 245 Cal.App.4th 560, 576 (2016).
[6] Poway, 245 Cal.App.4th at 566.
[7] Id. at 581-582.

In addition, at the Planning Department's direction, an urban economist prepared a report studying a number of potential socioeconomic issues associated with the Project. The report concludes that it is unlikely commercial gentrification would result from pressure exerted on the existing retail base within ½ mile of the Property due to an excess of available retail supply compared to demand. Residential development in the Mission plays an insignificant role in influencing overall commercial makeup of districts like the Mission that are both neighborhood-serving and regional destinations. Regarding housing, new homes do not result in increased housing costs for current residents, but instead help to both suppress existing home prices and rents and open up existing housing when occupants of the new homes move from current residences.

As discussed in detail in the Planning Department Memo, substantial evidence shows that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

3. The Project and the Zaida T. Rodriguez Early Education Center

The Project's potential impacts on the Zaida T. Rodriguez Early Education Center were adequately analyzed. Appellant claims the CPE did not adequately evaluate potential impacts to the Zaida T. Rodriguez school adjacent to the Project site, in particular with regards to shadow, transportation, construction, and noise impacts. All evidence in the record indicates otherwise, including transportation-related analysis conducted by Fehr & Peers at the Planning Department's direction since February.

a. Shadow

While Sponsor acknowledges that the Zaida T. Rodriguez Early Education Center and Child Development Center serve a very unique and sensitive population, net new shadow cast into the school grounds would not result in a significant impact under CEQA. The significance threshold for shadow impacts under the EN EIR is if a project creates new shadow that substantially affects either outdoor recreation facilities or other public areas. It does not cover shadow on privately owned land that is not accessible to the public; otherwise, nearly every single infill project in the Eastern Neighborhoods would require its own EIR due to shadow cast on neighboring yards and open space. In addition, the EN EIR specifically notes that implementing the Eastern Neighborhoods Plan's rezoning would cause a significant and unavoidable impact relating to shadow.[8]

Despite the Project not causing a CEQA impact relating to shadow, the Sponsor agreed to a shadow analysis for informational purposes. The analysis (attached as **Exhibit A**) indicates that the project would cast shadow on much of the school's outdoor space across Osage Alley during

[8] Eastern Neighborhoods Rezoning And Area Plans EIR, pgs. 416-418 (Case No. 2004.0160E).

morning hours, and only minimal shadow on the playground to the south. New shadow is expected throughout the morning, but not in the afternoon or evening—shadows will end no later than 11:51. For the Child Development Center at 2950 Mission Street to the south of the Property, the Project is predicted to cast a small amount of new shadow onto the northernmost area of the playground during the morning and evening from April through August—but only before 9 am and after 4:45 pm.

b. Transportation

The CPE also specifically addresses transportation and construction-related issues with regards to the Property's neighbors, including the school. The Project proposes no off-street car parking, consistent with the City's transit first policies. The vast majority of car trips to and from the Property will take place along Mission Street and not Osage Alley. The building is accessible by pedestrian and bike from Osage, two far safer forms of transit for children crossing the alley from one school location to the other.

In addition, during the continuance period while the preservation report was being prepared, Fehr & Peers also prepared a transportation analysis of the Project. The transportation consultants collected new data in the Mission District, including vehicle volumes at key intersections, and evaluated transit reliability as a result of new development. The results of this analysis are attached as **Exhibit B**.

Two conclusions emerge, both of which support the CPE's conclusion that the Project will not cause a new or increased significant transportation effect. First, car volumes at key locations in the Mission do not exceed forecasts from the Eastern Neighborhoods EIR, and in some cases are actually lower than the baseline used for the EIR. Next, public transit speeds have actually improved along Mission Street in the last ten years.

c. Construction

Finally, the Project is required to implement two construction-related noise mitigation measures from the EN EIR. The EN EIR contemplated that new developments could be constructed near noise-sensitive receptors such as residences and schools. As detailed in the Planning Department Memo and CPE, a host of additional measures on top of the two project-specific mitigations will reduce potential impacts to the school.

4. The CPE's Reliance on the Eastern Neighborhoods EIR Is Appropriate

Projects consistent with development density established by an area plan EIR such as the Eastern Neighborhoods Plan EIR (the "EN EIR") do not require additional environmental review except as necessary to determine if project specific effects not identified in the EIR exist. CEQA Guidelines Section 15183 requires that projects consistent with development density established through an area plan EIR shall not require additional environmental review, except as necessary

to examine if there are project specific effects that were not disclosed as significant effects in the area plan level EIR.

The Project's CPE included background documents or technical reports relating to transportation, archeology, geology and soils, site mitigation, air quality, greenhouse gas emissions, wind, and shadow. The careful environmental review conducted for this Project by City staff over the course of two years did not identify any impacts peculiar to the Project or Project Site that were not disclosed in the EN EIR, nor did any of the additional technical studies undertaken since February, including transportation, parking and loading, and preservation.

a. The Eastern Neighborhoods EIR Is Vital for All Types of Housing Projects

With two exceptions, Appellant's overarching issue is with the Eastern Neighborhoods plan itself, and specifically that its EIR is stale and cannot be used for any housing project going forward. As the Planning Department explains in detail, there is no merit to this claim.

Just as importantly, CEQA clearance for pending projects in the Eastern Neighborhoods will be threatened or significantly delayed if the appeal is upheld. A number of affordable housing projects have recently relied or are expected to rely on the EN EIR for their CEQA clearance, including:

1. 2205 Mission Street, 48 units, CPE pending;
2. 681 Florida Street, 130 units, CPE pending;
3. 1990 Folsom, 143 units, infill exemption based on EN EIR issued 5/16/2018;
4. 1950 Mission Street, 157 affordable units, CPE issued July 6, 2017;
5. 2060 Folsom Street, 136 affordable units, CPE issued June 10, 2016;
6. 1296 Shotwell Street, CEQA clearance issued November 11, 2016, CEQA appeal upheld by Board of Supervisors, February 2017.

b. The Board's Decision on 1296 Shotwell Should be Followed

This Board's decision in 2017 denying a CEQA appeal to a density bonus project at 1296 Shotwell is instructive and should be followed here. Like the Project, 1296 Shotwell is located in the Mission Street NCT, received a 20-foot height waiver to reach 85 feet along with relief from other code requirements as a density bonus project, and was found by the Planning Commission to be consistent with San Francisco's General Plan and the Mission Area Plan.

For background, the 1296 Shotwell project is a nine-story, 69,500 gross square foot residential building with 94 dwelling units. Like Appellant, 1296 Shotwell's opponent claimed the EN EIR was "woefully out of date" and could not be relied on anymore. It claimed the CPE inadequately addressed cumulative, transportation and circulation, socioeconomic impacts resulting in physical impacts, land use, aesthetics, and significance findings. That project's opponent also similarly claimed 1296 Shotwell's location in the Calle 24 Latino Cultural District was not properly addressed in the CPE.

In February 2017 the Board of Supervisors rejected the appeal. The Board's motion made three specific findings relevant to this Project:

1. The 1296 Shotwell project was eligible for streamlined environmental review under CEQA Guidelines Section 15183.3;
2. The effects of the project were analyzed in the EN EIR, no new information showed that the project would cause effects substantially greater than those identified in the EN EIR or not analyzed in the EN EIR; and
3. There are no substantial changes in project circumstances or new information of substantial importance that would change the conclusions of the CEQA exemption determination.

Appellant may try to distinguish 1296 Shotwell from the Project at least in part on affordability: 1296 Shotwell was a 100% affordable project while the Project is mixed-income. The implication is that a 100% affordable project does not cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment, but that a project that provides less affordability will. But as detailed in the Planning Department Memo, Appellant has not provided evidence that the Project—individually or cumulatively—causes gentrification or displacement that results in impacts to cultural or historic resources, health and safety, construction, or transportation.

Moreover, this Board rejected all other grounds for overturning the appeal of 1296 Shotwell that did not relate to the alleged indirect impacts caused by gentrification: (1) the EN EIR is "woefully outdated"; (2) the cumulative impact of growth projections in the EN EIR has been exceeded; (3) the transportation impacts for a density bonus project were not properly analyzed; (4) underperforming delivery of EN Plan community benefits; and (5) inconsistency with the General Plan and Mission Area Plan. Each ground is also raised by Appellant as a reason to overturn the Project's CPE. It would be inconsistent to deny these grounds on a similarly-situated project due to the socioeconomic makeup of the future building's residents.

c. The Superior Court's Decision on 901 16th Street is Instructive

The San Francisco Superior Court recently upheld an Eastern Neighborhoods Community Plan Exemption in a lawsuit filed by opponents of a mixed use project at 901 16th Street. That project is significantly larger than the 2918 Mission Street Project: it proposes 395 dwelling units, 24,486 square feet of retail, and 388 off-street parking spaces. The opponents of that project—neighbors worried about the impact to their community caused by new residents and businesses—raised a number of objections to its CPE that mirror claims made by Appellant. A copy of this opinion is included as **Exhibit C**; the case is now on appeal, with the San Francisco City Attorney's Office defending the CPE.[9]

Like Appellant, they claimed that the EN EIR is outdated. The court explained that EIRs do not have expiration dates or chronological limitations; rather, if impacts were addressed in the

[9] Save the Hill and Grow Potrero Responsibility v. City and County of San Francisco, California Court of Appeal, Case No. A153549.

EIR certified in connection with the zoning, San Francisco cannot revisit those impacts except to determine if a project causes new or different impacts.[10]

The opponents also alleged that residential growth outpaced the EN EIR, like Appellant here. The Superior Court disagreed, pointing out that the opponents focused on projects in the "pipeline" that are just proposed or under review.[11] While Appellant's brief has not yet been filed, Project Sponsor expects that it will attempt to include all pipeline projects when discussing residential growth in the Mission, instead of identifying constructed units, or even approved projects that have not been constructed.

Just as importantly, the Superior Court explained that exceeding growth forecasts in the EN EIR does not render the EN EIR moot or jeopardize a project that received a CPE. Even if growth forecasts have been exceeded, Appellant must point to evidence that due to this exceedance the Project will cause or contribute to significant environmental impacts that were not addressed as significant impacts in the Plan EIR, or will be more significant than described in the Plan EIR.[12] In addition, growth forecasts in CEQA are not necessarily limited to one use type to the exclusion of others when evaluating impacts. Appellant has not identified evidence showing new or more significant impacts due to growth projections, much less any that the Project would cause or contribute to.

5. The Project is Consistent with Applicable Development Standards

Appellant claims that the Project is inconsistent with the General Plan and the Mission Area Plan. Available evidence demonstrates otherwise. The Project's approval motion makes consistency findings with approximately 40 General Plan policies, including 13 Mission Area Plan policies.

Furthermore, the granting of a density bonus shall not require or be interpreted, in and of itself, to require amendments to the general plan or zoning ordinance;[13] a CEQA exemption is proper for density bonus projects that, outside of requested waivers or concessions, comply with other aspects of a general plan or zoning ordinance.[14] The Project here complied with the Planning Code except insofar as it required waivers from the height limit and other requirements to achieve its density bonus. These waivers do not amount to a significant environmental effect removing the project from eligibility for a CPE.

[10] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 20.
[11] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 23.
[12] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 24.
[13] Gov. Code Section 65915(f)(5).
[14] Wollmer v. City of Berkeley, 195 Cal.App.4th 1329, 1348-1349 (2011).

6. Conclusion

Requiring further environmental review to be conducted for the Project is unnecessary and unsupported by the law. It would discourage both this beneficial mixed-income housing project and similar projects in any part of the City that conduct CEQA review using a Community Plan Exemption, further exacerbating the shortage of housing of all income types in San Francisco. Appellant has not provided substantial evidence to meet its burden to overturn the City's decision to issue a CPE for the Project. Therefore, we respectfully request that you deny the appeal.

Thank you.

Sincerely,

REUBEN, JUNIUS & ROSE, LLP

Mark Loper

Exhibits

cc: Supervisor Sandra Lee Fewer
Supervisor Mark Farrell
Supervisor Aaron Peskin
Supervisor Katy Tang
Supervisor Jane Kim
Supervisor Norman Yee
Supervisor Jeff Sheehy
Supervisor Hillary Ronen
Supervisor Malia Cohen
Supervisor Ahsha Safai
Angelia Calvillo, Clerk of the Board
Brent Jalipa, Legislative Clerk
Lisa Lew, Legislative Clerk
Julie Moore, Environmental Planner, Planning Department
Chris Kern, Environmental Planner, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department

Exhibit A

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MEMORANDUM

DATE:	2018-02-07	**RWDI Reference No.:** 1604031
TO:	Robert Tillman	**EMAIL:** rrti@pacbell.net
FROM:	Ryan Danks	**EMAIL:** ryan.danks@rwdi.com
RE:	**Shadow Analysis** **2918 Mission Street** **San Francisco, CA**	

Dear Mr. Tillman,

As requested, we have conducted an analysis to understand the potential for shadowing from the proposed 2918 Mission Street development on two nearby schoolyards. The methodology we followed is the same as what is required for shadow studies on public spaces in San Francisco.

With respect to the Zaida T. Rodriguez Child Development Center (2950 Mission Street) we make the following observations:

- The proposed building is predicted to cast a small amount of new shadow onto the northern-most area of the playground during the morning and evening from April through August.
- No new shadows from the proposed building are predicted to fall anywhere on the playground between 8:59 am and 4:44 pm at any point in the year.
- The predicted morning shadows range in duration from 1 to 92 minutes and the evening shadows last between 1 and 102 minutes.
- If we ignore impacts outside of the school year (June 5 – Aug 19, per the SFUSD 2018/2019 calendar), the longest new morning shadow lasts 85 minutes and the longest new evening shadow lasts 99 minutes

With respect to the Zaida T. Rodriguez Early Education School (421 Bartlett Street) we make the following observations:

- The proposed building is predicted to cast new shadows onto this space throughout the morning all year.
- No new shadows from the proposed building are predicted to occur after 11:51 am on any day of the year.
- The new shadows range in duration from 143 minutes to 270 minutes and if impacts outside the school year are ignored, the maximum duration reduces to 266 minutes.

Separate to this email we have included point-in-time shadow plots illustrating the location of the new shadow cast by the proposed building over the course of the summer and winter solstices and the vernal and autumnal equinoxes to provide additional context.

We would be happy to discuss our analysis and its findings further if desired.

Yours truly,

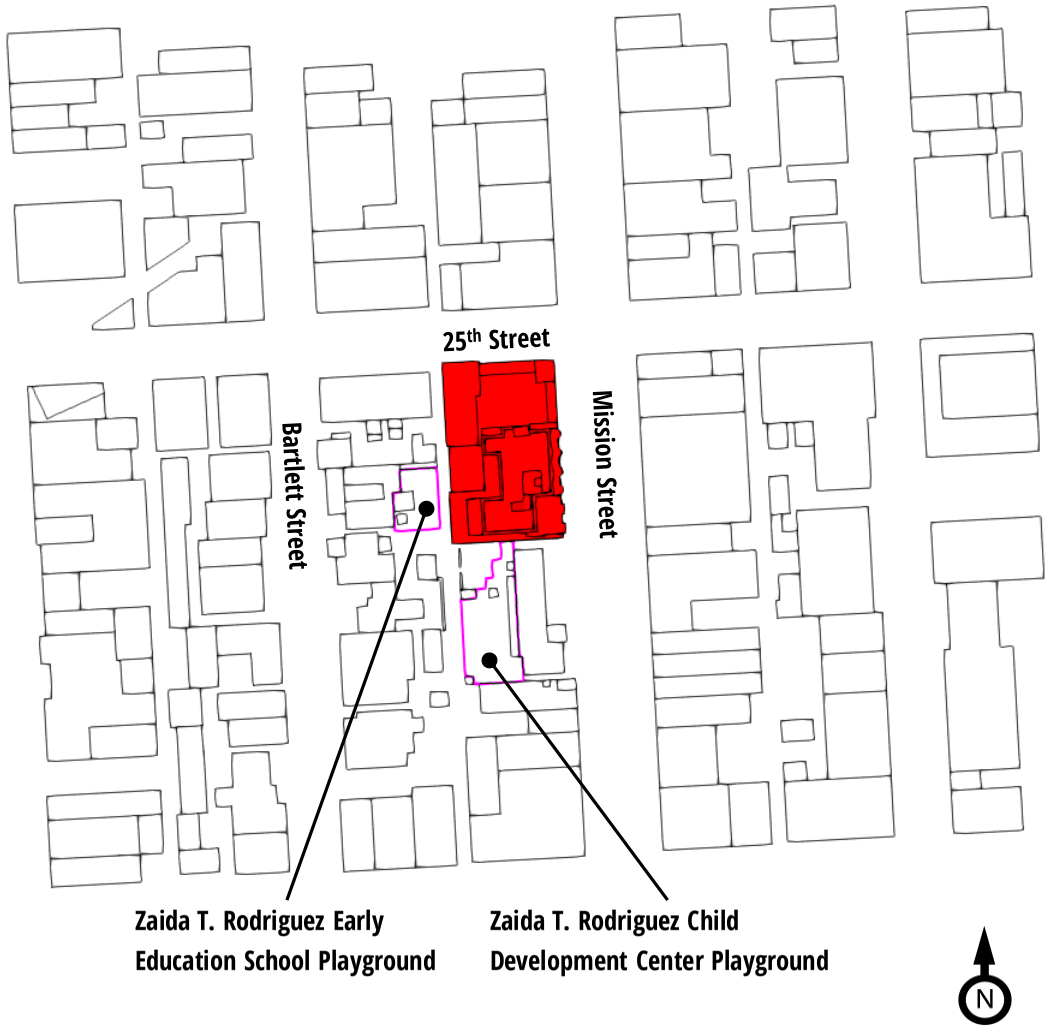
RWDI

Ryan Danks, B.A.Sc., P.Eng.
Senior Engineer

Frank Kriksic, BES, CET, LEED AP, C.Dir
Senior Project Manager / Principal

STUDY AREAS

2791



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February 7, 2018

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February 7, 2018

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February 7, 2018

MARCH 21

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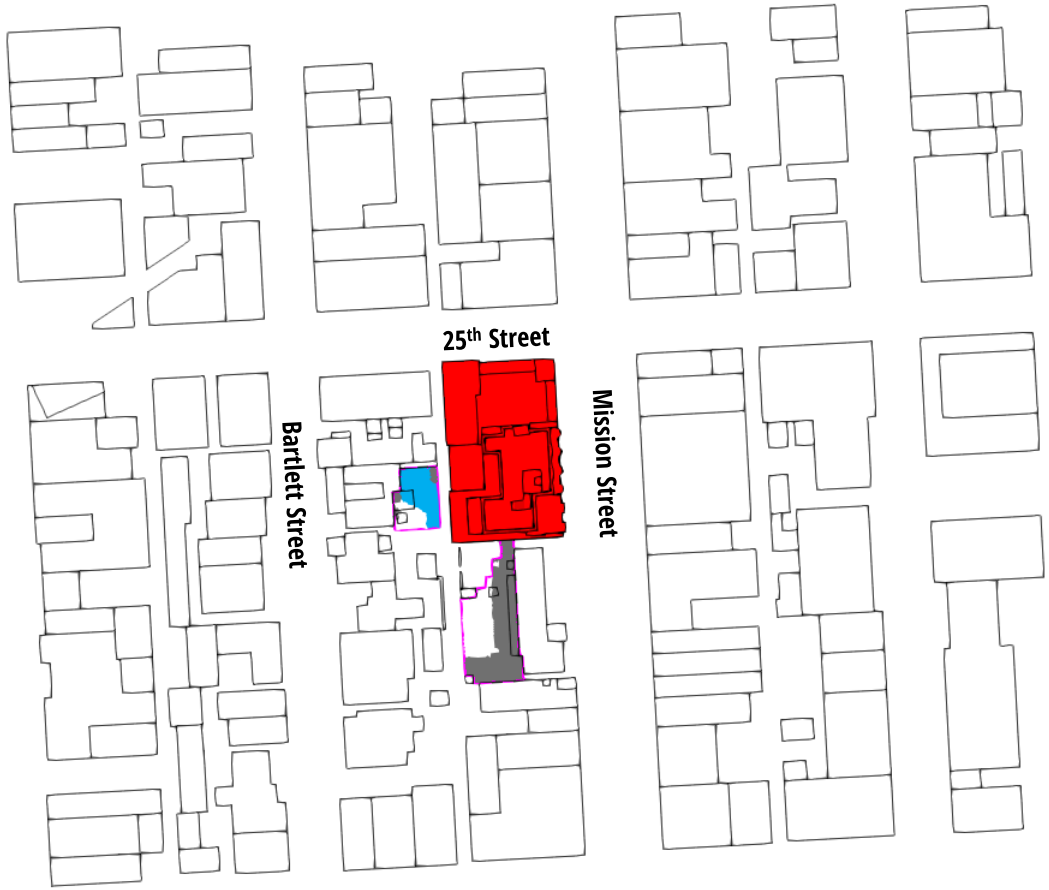

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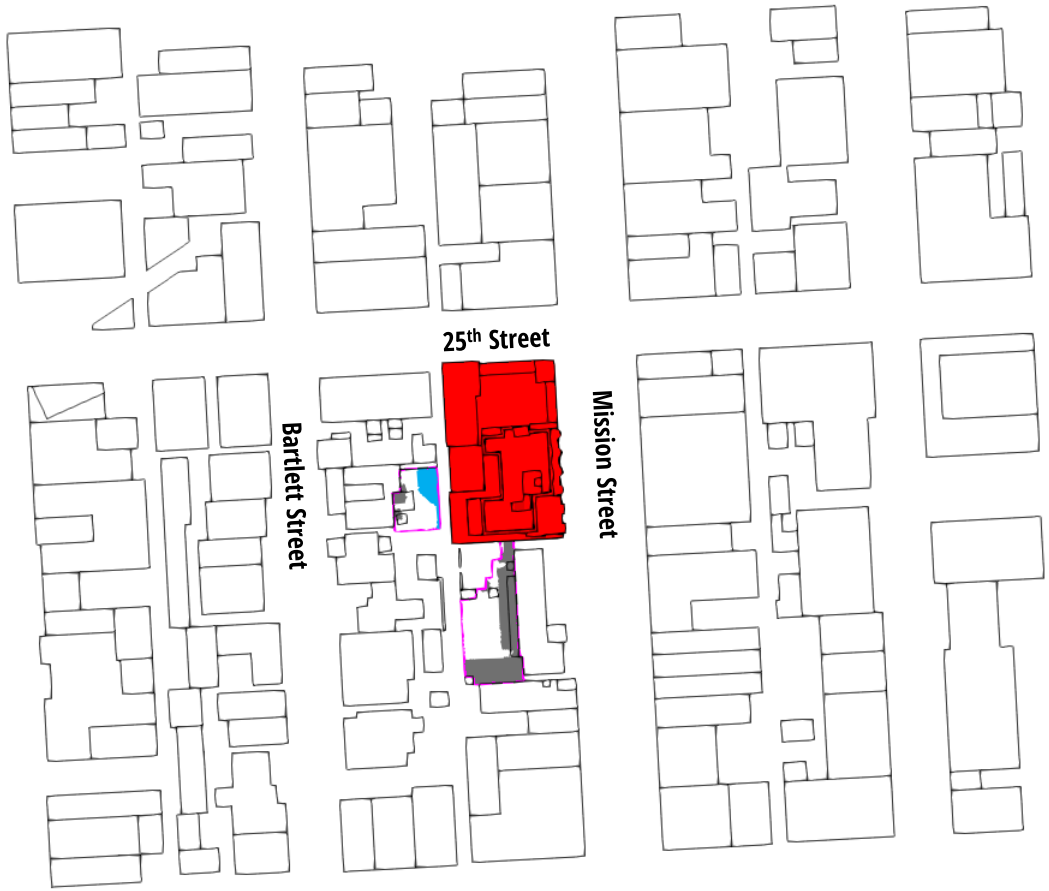

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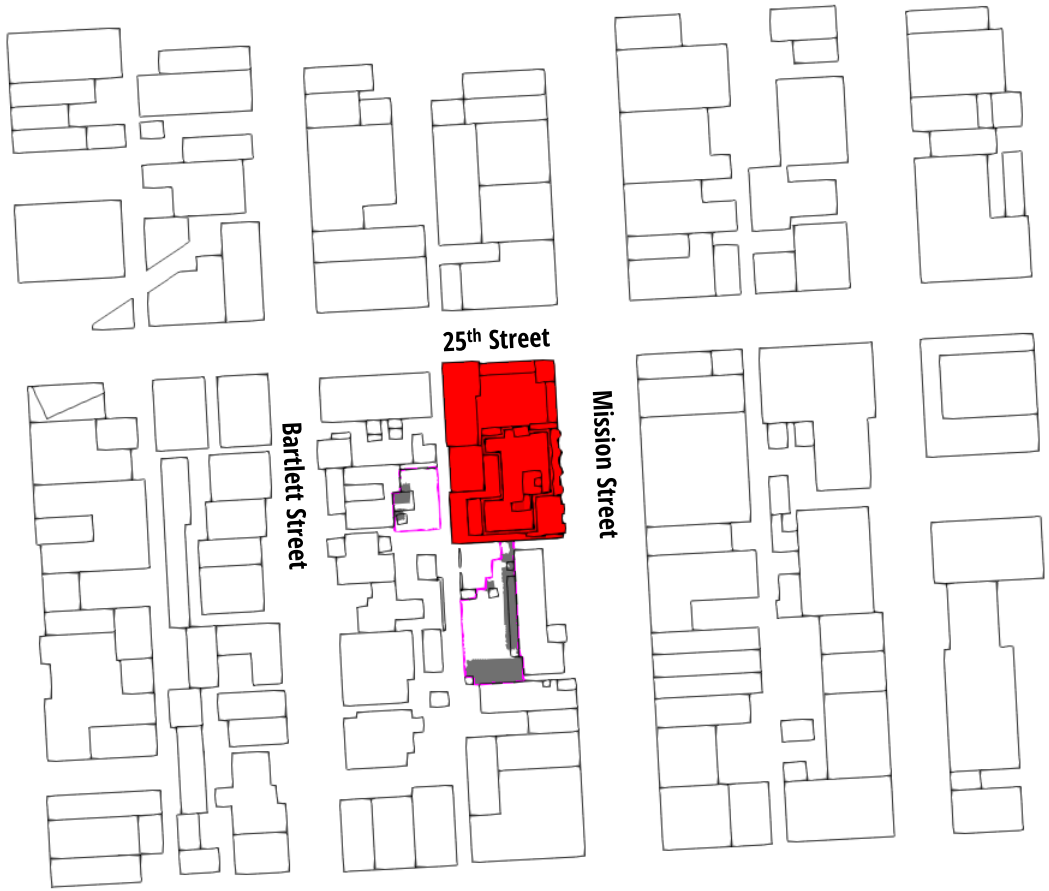

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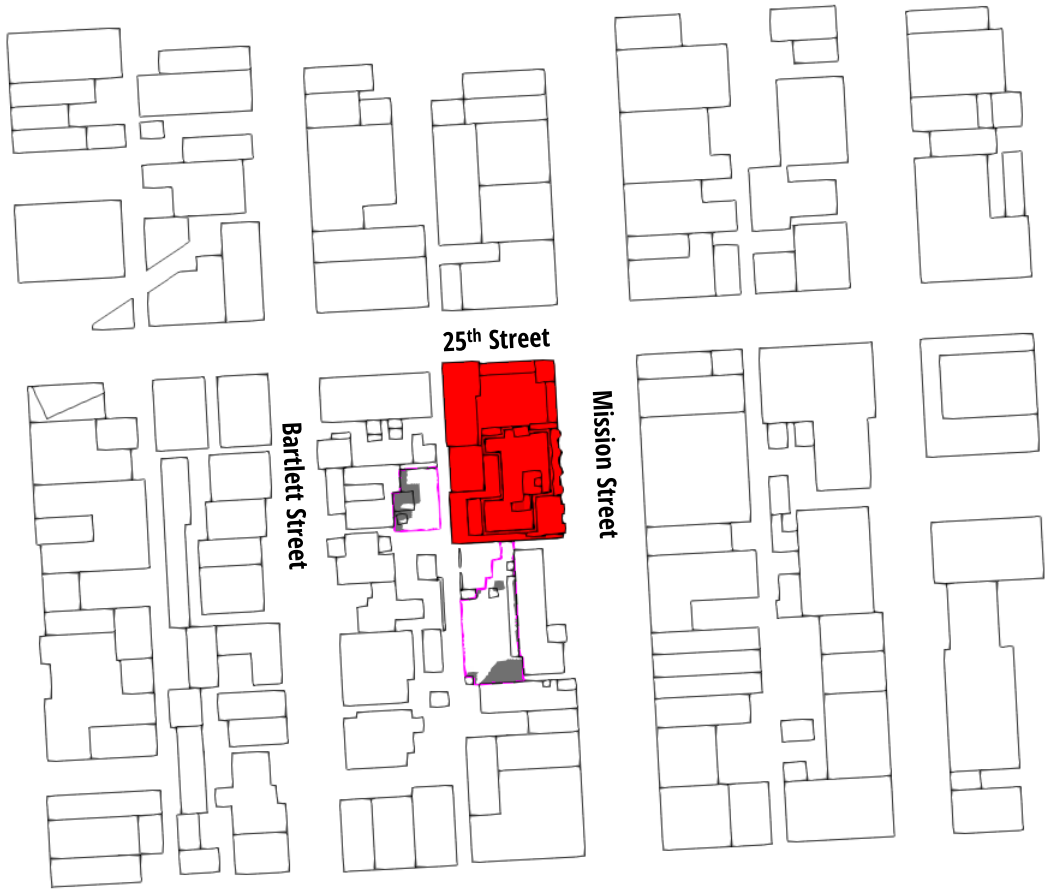

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February 7, 2018

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February 7, 2018

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February 7, 2018

JUNE 21

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February 7, 2018

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February 7, 2018

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February 7, 2018

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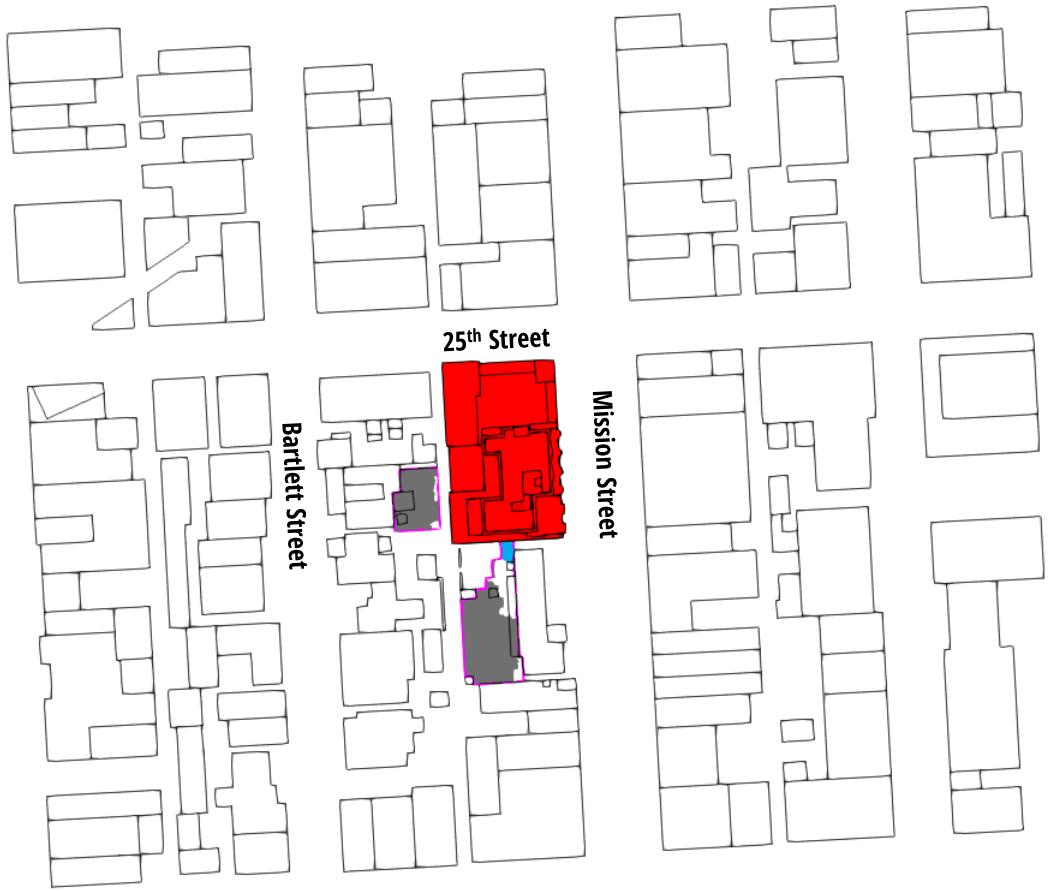

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SEPTEMBER 21

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February 7, 2018

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February 7, 2018

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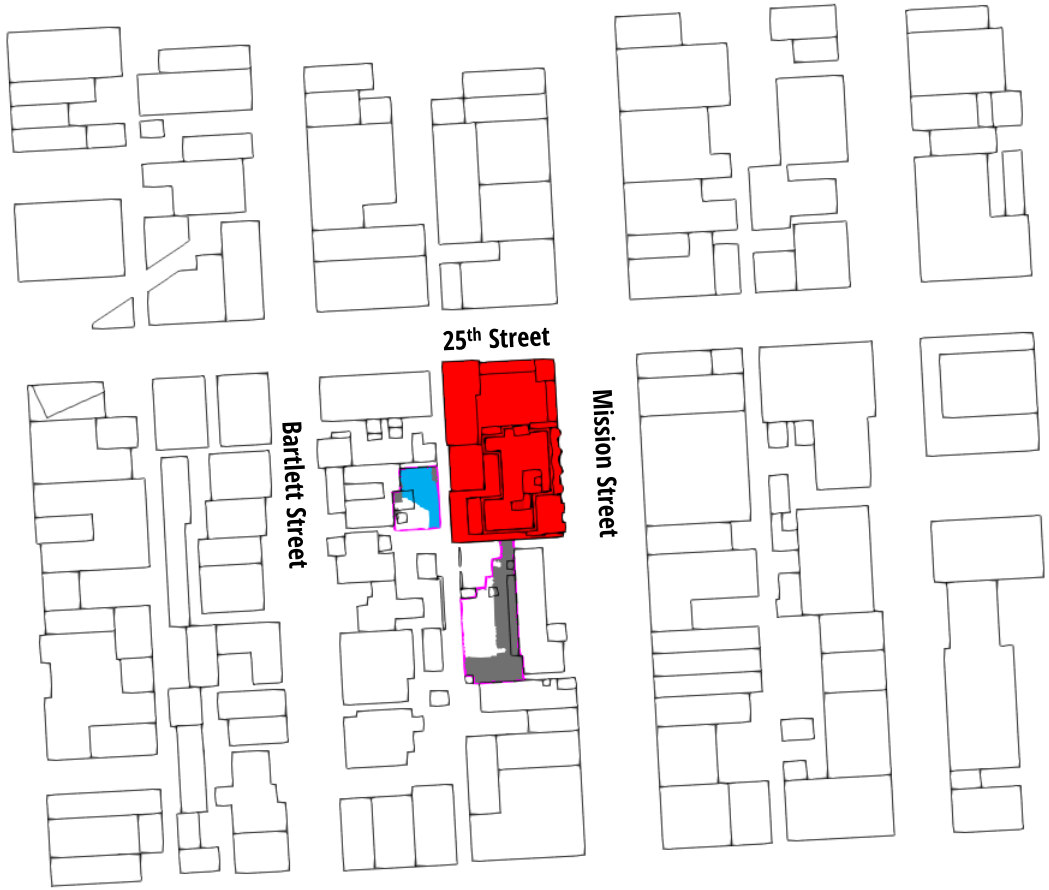

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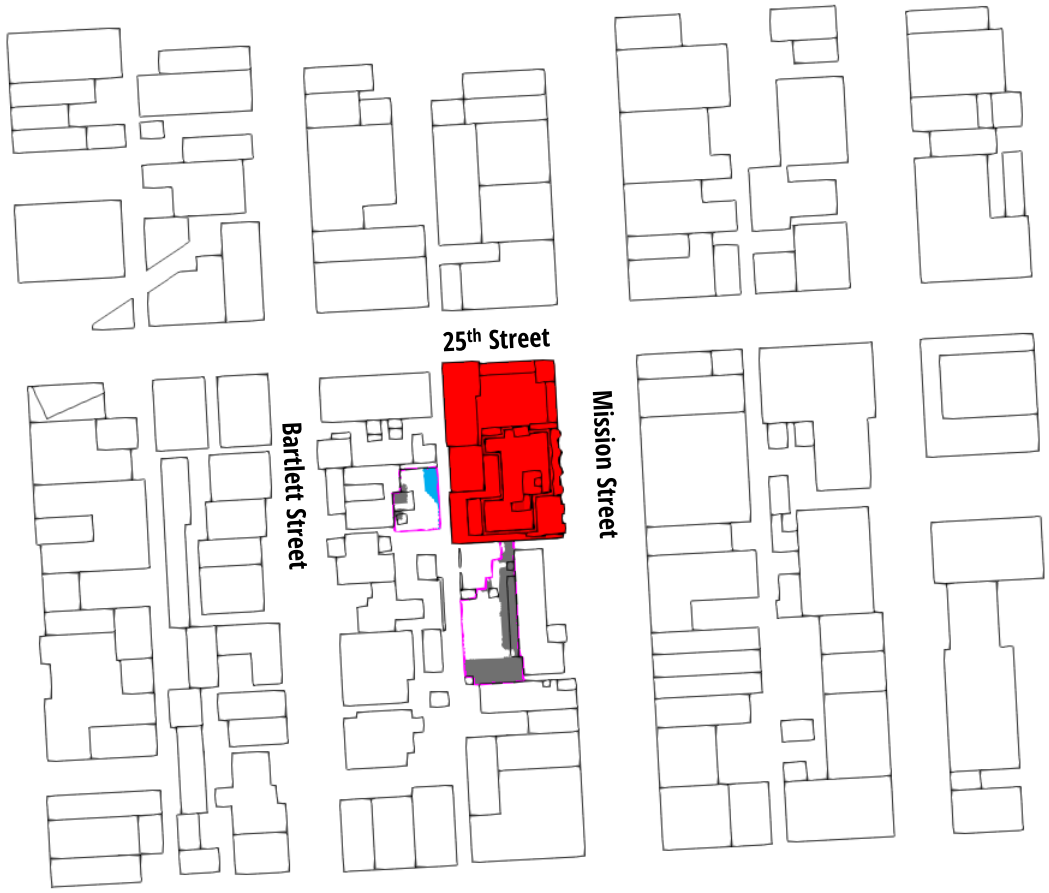

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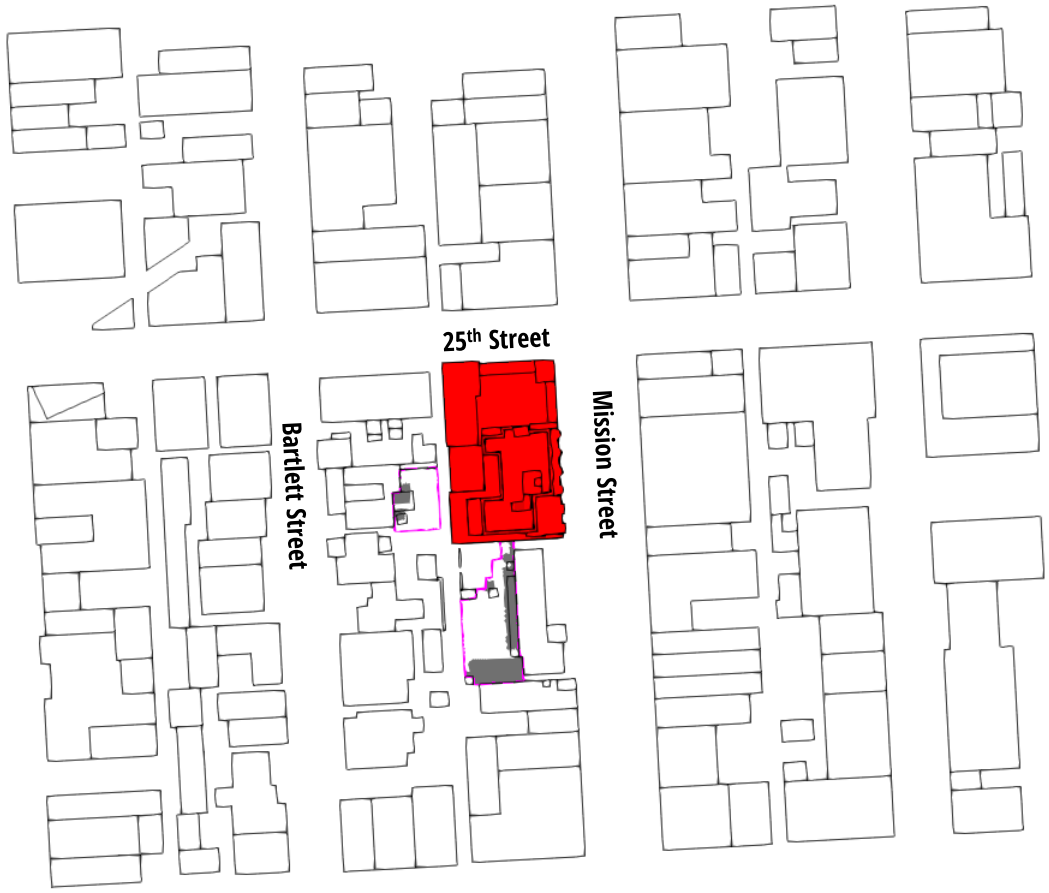

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February 7, 2018

SEPTEMBER 21

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February 7, 2018

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February 7, 2018

SEPTEMBER 21

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February 7, 2018

SEPTEMBER 21

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RWDI Project # 1604031
February 7, 2018

DECEMBER 21

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February 7, 2018

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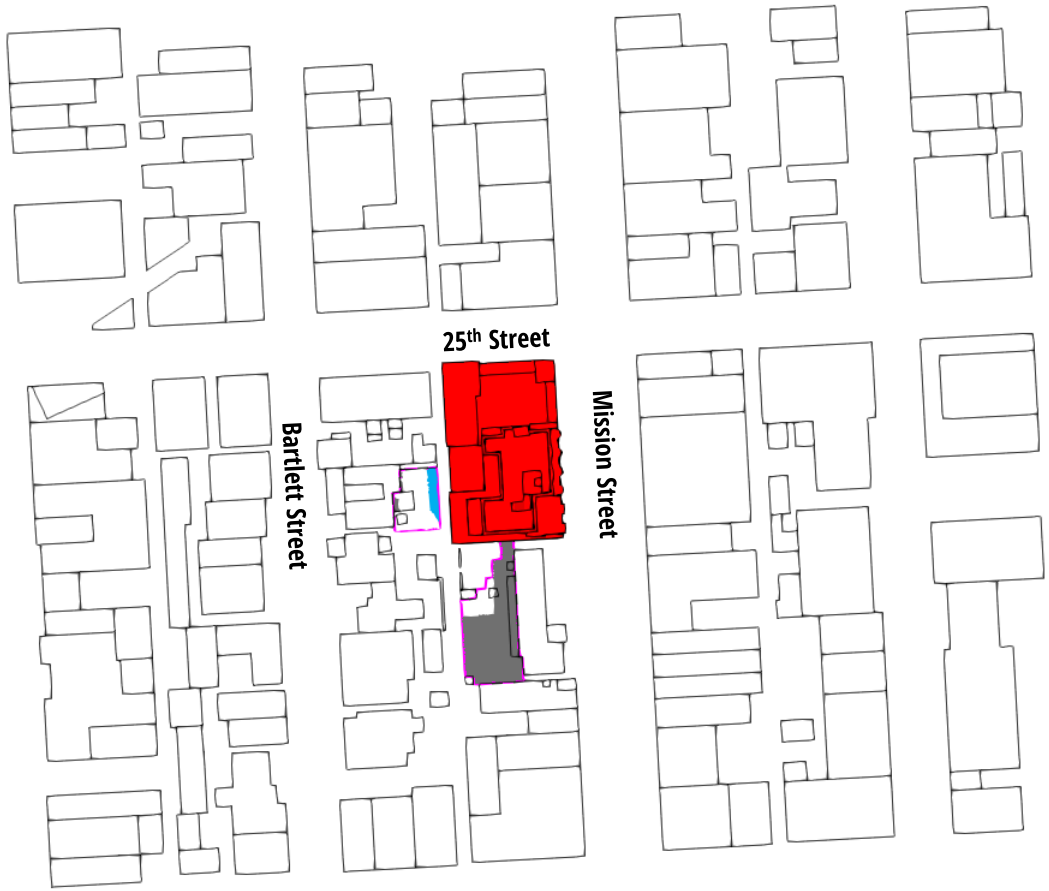

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February 7, 2018

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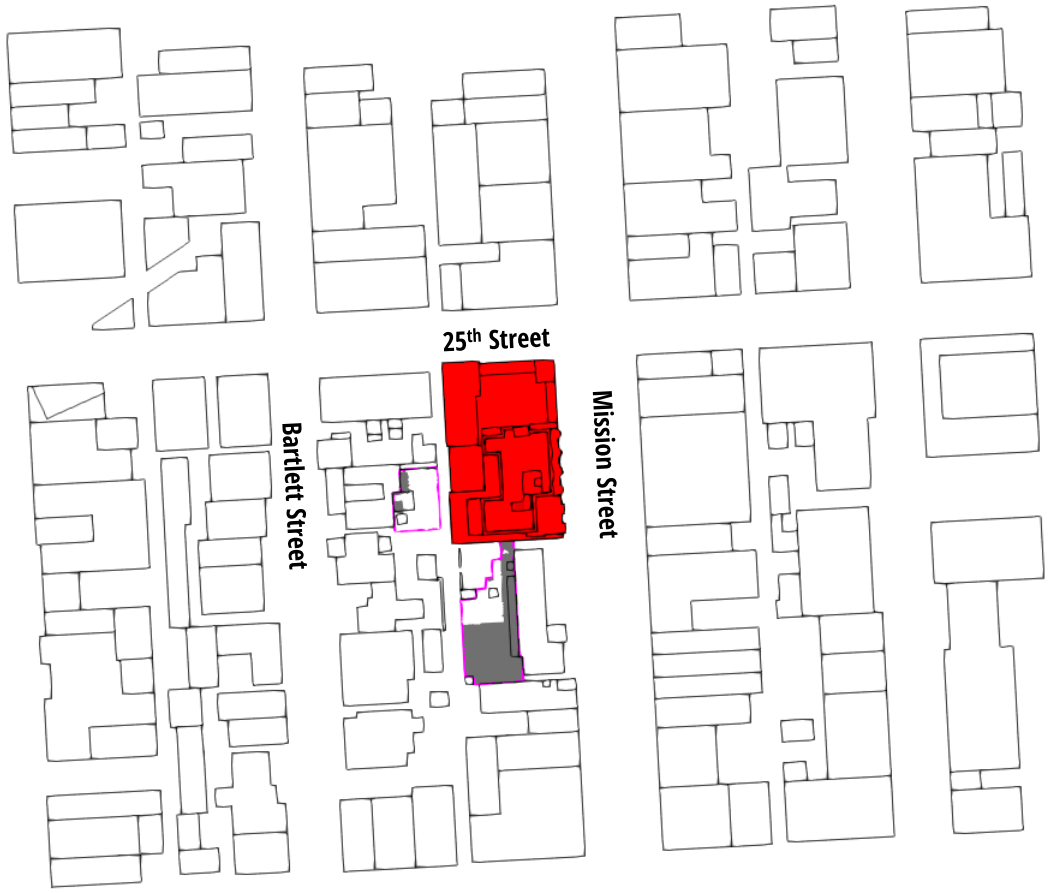

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February 7, 2018

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February 7, 2018

DECEMBER 21

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RWDI Project # 1604031
February 7, 2018

Exhibit B

FEHR PEERS

MEMORANDUM

Date: June 5, 2018

To: Manoj Madhavan, San Francisco Planning Department

From: Jesse Cohn & Eric Womeldorff, Fehr & Peers

Subject: 2918 Mission Transportation Analysis

SF18-0978

Introduction

On November 30, 2017, the San Francisco Planning Commission approved the Community Plan Evaluation for the proposed development at 2918 Mission Street (Proposed Project). An appeal was filed by Calle 24 Latino Cultural District Council on January 1, 2018, based on concerns that the Eastern Neighborhoods Area Plan and subsequent 2008 EIR analysis are outdated, and that their determination of limited impacts to transit, traffic, and circulation is no longer accurate.

This memo summarizes new data collection in the Mission District, including vehicle volumes at key intersections in the neighborhood, and transit reliability as a result of new development. These observations reveal the following key findings:

- Intersection volumes at key locations in the Mission District do not exceed forecasts from the Eastern Neighborhoods Area Plan EIR, and in some cases are lower than the 2000 baseline.
- Transit speeds have improved along Mission Street in the past 10 years.

Project Description

The Proposed Project Site, 2918 Mission Street, is located on the west side of Mission Street between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building (a laundromat) and an associated surface parking lot. In total, the site is approximately 11,653 square feet. With the exception of two spaces that are rented to the adjacent bank, all spaces in the surface parking lot are for customers of the laundromat (and there is a sign posting this parking restriction). Laundromat staff watch for people using the parking lot and not visiting the laundromat, and warn them if observed.

The Proposed Project would include the demolition of the existing building and new construction of an eight-story, 67,314 square foot mixed-use building with 75 dwelling units and 6,724 square feet of ground floor retail. The Proposed Project would not include any off-street vehicle parking, but would include 76 Class I bicycle parking spaces and 14 Class 2 bicycle parking spaces. The dwelling unit mix includes 18 studios, 27 one-bedroom units, and 30 two-bedroom units. The Proposed Project would include 9,046 square feet of usable open space.

Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid (both 14 Muni lines run in their own exclusive travel lane), 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile.

Intersection Volumes

The Eastern Neighborhoods EIR analyzed several intersections within the Mission District. Fehr & Peers worked with the Planning Department to select three of these intersections and conduct one-day PM peak hour turning movement counts in April 2018: Potrero Street/23rd Street, Mission Street/24th Street, and South Van Ness Avenue/26th Street. These counts were then compared to the Eastern Neighborhoods EIR expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 to 2018. In addition, traffic counts were compared to observed traffic volumes collected in 2015 included in the 1515 South Van Ness Avenue Transportation Impact Study (TIS).

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2018 relative to the 2025 projections), and around 10 percent complete[1] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission.

Table 1 shows a summary of observed and estimated traffic volumes from the Eastern Neighborhoods EIR for the intersections analyzed. On average, observed traffic volumes in 2018 were around 25 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[2]. At two of the three intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The observed traffic counts include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

Table 1. Comparison of Observed and Estimated Volumes (Eastern Neighborhoods EIR)

Intersection	2000 Baseline Volume	2025 Option C Projected Volume	2018 Projected Volume[1]	2018 Observed Volume	Difference (2018 Observed – 2018 Projected)	% Diff.
Potrero / 23rd	2,663	2,837	2,680	2,546	-134	-5%
Mission / 24th	1,615	1,935	1,647	1,142	-505	-44%

1. 2018 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

Source: Fehr & Peers, 2018; Eastern Neighborhoods TIS, 2008

Table 2 shows a summary of observed traffic volumes from the 1515 South Van Ness TIS compared with these 2018 traffic counts for the intersections analyzed. On average, observed traffic volumes in 2018 were around 8 percent lower than the observed volumes in the 1515 South Van Ness TIS. At Mission Street/24th Street, total traffic volume decreased from the 2015 observed volumes. At 26th Street and South Van Ness, there was an increase in traffic volume traveling northbound and

[1] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

[2] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations with the installation of bus-only lanes in 2015.

Table 2. Comparison of Observed Volumes (1515 South Van Ness TIS)

Intersection	2015 Observed Volume	2018 Observed Volume	Net Difference (2018 Observed – 2015 Observed)	% Difference
Mission / 24th	1,476	1,142	-334	-29%
S. Van Ness / 26th	1,534	1,759	225	13%

Source: Fehr & Peers, 2018; 1515 South Van Ness TIS, 2017

Transit Effects

Three bus routes run along Mission Street past the Proposed Project Site: 14 Mission, 14R Mission Rapid, and 49 Van Ness/Mission. Increased development and density throughout the Mission District has resulted in an increase in demand for transit in the neighborhood, and the 2918 Mission Street appeal cites concerns about transit reliability. In addition, the increased prevalence of on-demand transportation, such as Uber and Lyft, has resulted in an increase in passenger loading. When curb space is unavailable, loading and unloading vehicles may stand in the transit-only lane or travel lane, potentially delaying transit vehicles.

Table 3 shows transit speeds between 2007 and 2017, along Mission Street between 14th Street and Cesar Chavez. Transit travel speeds have generally increased. Speeds increased from 7.8 miles per hour (mph) to 9.3 mph (19 percent) in the southbound direction during the AM peak period, and from 5.2 mph to 7.3 mph (35 percent) in the southbound direction during the PM peak period. Transit travel speeds decreased from 8.5 mph to 8.1 (5 percent) in the northbound direction during the AM peak period between 2011 and 2017, and increased from 7.1 mph to 7.9 mph (11 percent) in the northbound direction during the PM peak period. It should be noted that transit-only lanes were implemented on Mission Street during this time (in 2015), which has contributed to the increase in speed noted between 2015 and 2017.

Table 3. Transit Travel Speeds Along Mission Street (14th Street to Cesar Chavez)

Time Period	AM Peak Period		PM Peak Period	
Direction	**Southbound**	**Northbound**	**Southbound**	**Northbound**
2007	7.8	N/A	5.4	7.1
2009	8.4	N/A	6.6	7.1
2011	8.8	8.5	6.9	7
2013	8.6	8.3	6.6	6.8
2015	8.9	8.3	6.7	6.8
2017	9.3	8.1	7.3	7.9
% Change (2007-2017)	19%	-5%	35%	11%

Source: SFCTA Congestion Management Program, 2018

Exhibit C

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN FRANCISCO

Document Scanning Lead Sheet

Oct-31-2017 2:11 pm

Case Number: CPF-16-515238

Filing Date: Oct-31-2017 2:11

Filed by: AUDREY HUIE

Image: 06086487

ORDER

SAVE THE HILL AND GROW POTRERO RESPONSIBLY VS. CITY AND COUNTY OF SAN FRANCISCO ET AL (CEQA Case)

001C06086487

Instructions:

Please place this sheet on top of the document to be scanned.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

SAVE THE HILL AND GROW POTRERO RESPONSIBLY, unincorporated associations;

Petitioners,

v.

CITY AND COUNTY OF SAN FRANCISCO, its PLANNING COMMISSION and BOARD OF SUPERVISORS, and DOES 1-5;

Respondents.

POTRERO PARTNERS LLC, PRADO GROUP INC., WALDEN DEVELOPMENT, LLC, DAN SAFIER, JOSH SMITH, and DOES 6-10;

Real Parties in Interest.

Case No. CPF-16-515238

ORDER DENYING PETITION FOR WRIT OF MANDAMUS

California Environmental Quality Act (CEQA)

Hearing date:	May 12, 2017
Time:	9:30 a.m.
Dept. 503:	Hon. Cynthia Ming-mei Lee
Petition filed:	August 26, 2016

This matter was heard at 9:30 a.m. on May 12, 2017, in Department 503 of the San Francisco County Superior Court before the Honorable Cynthia Ming-mei Lee. Rachel Mansfield-Howlett appeared for Petitioners Save the Hill and Grow Potrero Responsibly ("Petitioners"). Whitman F. Manley, L. Elizabeth Sarine and Steven L. Vettel appeared on behalf of Real Parties in Interest Potrero Partners, et al. ("Real Parties"). Andrea Ruiz-Esquide and Christopher Tom appeared on behalf of Respondents City and County of San Francisco, et al. ("City" or "Respondents").

In this writ of mandamus proceeding, Petitioners challenge Respondents' environmental review and approval of the 901 16th Street and 1200 17th Street mixed-use residential project ("Project") proposed by Real Parties on the grounds that Respondents failed to comply with the California Environmental Quality Act ("CEQA") (Pub. Resources Code, § 21000 et seq.).

The Court has reviewed the record of proceedings certified by the City and lodged with the Court. The Court has also reviewed the briefs filed by the parties and considered the arguments of counsel on May 12, 2017. The Court finds and rules as follows.

I. REQUESTS FOR JUDICIAL NOTICE

Petitioners filed a Request for Judicial Notice in Support of Opening Brief with respect to Exhibit A (Objective 3 of the San Francisco General Plan Urban Design) and Exhibit B (Priority Policy 2 and 8 of the San Francisco General Plan). The City and Real Parties did not oppose the request. The request is therefore granted.

Respondents and Real Parties filed a Request for Judicial Notice in Support of Opposition Brief with respect to Exhibit A (City Charter, § 4.106; City Admin. Code, §§ 10E.2, 31.16; City Planning Code, §§ 134, 135, 136, 145.1, 152.1, 260, 270.1, 329, 803.3) and Exhibit C (City's zoning map HT08). Petitioners did not oppose the request with respect to Exhibits A and C. The request to take judicial notice of Exhibits A and C is therefore granted.

Respondents and Real Parties also filed a Request for Judicial Notice in Support of Opposition Brief with respect to Exhibit B. This exhibit consists of excerpts from the 2011-2015 Eastern Neighborhoods Monitoring Report prepared by the City. Petitioners oppose this request. The 2011-2015 Eastern Neighborhoods Monitoring Report is an official act of the City within the meaning of Evidence Code section 452, subdivision (c), which authorizes judicial notice of "[o]fficial acts of the

legislative, executive, and judicial departments of the United States and of any state of the United States." The City and County of San Francisco is a "legal subdivision" or "legal department" of the State of California. (See Cal. Const., art. XI, § 1 ["The State is divided into counties which are legal subdivisions of the State"]; *Otis v. City of Los Angeles* (1942) 52 Cal.App.2d 605, 611-612; *Watson v. Los Altos School Dist., Santa Clara County* (1957) 149 Cal.App.2d 768, 772.) Therefore, official acts of the City are judicially noticeable acts under section 452, subdivision (c). (See, e.g., *Fontenot v. Wells Fargo Bank, N.A.* (2011) 198 Cal.App.4th 256, 262-267; *Washington v. County of Contra Costa* (1995) 38 Cal.App.4th 890, 895, 897, 901; *Pan Pacific Properties, Inc. v. County of Santa Cruz* (1978) 81 Cal.App.3d 244, 255, fn. 2.)

Petitioners oppose the request for judicial notice because Exhibit B post-dates the date that the City approved the Project and therefore this exhibit is not part of the City's record of proceedings and was not before City decision-makers, citing *Western States Petroleum Assn. v. Superior Court* (1995) 9 Cal.4th 559 ("*WSPA*"). The City approved the Project in July 2016. The monitoring report was issued two months thereafter, in September 2016. Although some of the same data may appear within other parts of the administrative record, it was not considered by the City and is not properly part of the administrative record to be reviewed by this Court in this writ proceeding. For these reasons, the Court denies the request by the City to take judicial notice of Exhibit B.

II. DISCUSSION

Petitioners challenge the City's decision to approve the Project, alleging that the City has not complied with CEQA. Petitioners challenge the following aspects of the City's CEQA compliance efforts: (1) the City's findings rejecting the Metal Shed Reuse Alternative as infeasible; (2) the City's reliance on a Community Plan Exemption under Public Resources Code section 20183.3 to streamline the CEQA analysis of the Project; (3) the City's analysis of cumulative impacts, particularly with respect to traffic; (4) the City's analysis of the project's consistency with land-use policies; (5) the City's conclusion that the Project would not result in significant open space, recreation, or shadow impacts; (6) the City's approach towards the Project's aesthetic impacts; and (7) the responses to comments set forth in the City's Final Environmental Impact Report ("EIR"). The City and Real Parties dispute these claims. The City and Real Parties also argue that Petitioners failed to exhaust their

administrative remedies with respect to their claim concerning the City's findings on project alternatives. Each of these claims is addressed below.

A. Statement of Facts

In 2007, the City proposed the Eastern Neighborhoods Rezoning and Area Plans Project ("Eastern Neighborhoods Plan"). (AR 8327.) The goal was to permit housing development in areas that were zoned for industrial use, while protecting an adequate supply of land and buildings for production distribution and repair (PDR) employment and businesses. (AR 8404.) This resulted in plans covering four neighborhoods: Central Waterfront, Showplace Square/Potrero Hill ("Potrero"), the Mission, and East South of Market. (AR 8413-8430.) The Eastern Neighborhoods Plan was an amendment to the existing San Francisco General Plan. (AR1036.)

The 2007 Eastern Neighborhoods Plan EIR ("Plan EIR") analyzed three rezoning options: Options A, B, and C for each neighborhood. (AR 8413-8414, 2886.) The options varied by the degree to which they would permit land then zoned for industrial uses to be converted to residential and mixed-use districts, with Option A permitting the least conversion and Option C permitting the greatest. (AR 8413-8414.) Under all three options, most of the existing Heavy Industrial (M-2) and Light Industrial (M-1) use districts would be replaced with either mixed-use residential districts (MUR), new Urban Mixed-Use (UMU) districts that would permit residential and PDR uses, or new districts permitting only PDR uses. (AR 8414.)

The 2008 Plan Final EIR included a "Preferred Project" based on public input. (AR 9111.) The Preferred Project resembled the zoning in Option B with elements of Option C. (AR 9111, 1036.) In the Showplace Square/Potrero area, the Preferred Project changed the proposed use district on seven large parcels from PDR to UMU. (AR 9118.) It allocated 84.1 acres for mixed use and 71.5 acres for PDR in that area. (AR 9121.)

In August 2008, the City's Planning Commission ("Commission") certified the Plan EIR and recommended approval of the Preferred Project and four sub-area plans. (AR 2886-2889.) The Commission also adopted CEQA Findings and a Statement of Overriding Considerations for the Plan's significant and unavoidable impacts, including transportation/circulation impacts and cumulative loss of PDR. (AR 2890-2922.) In December 2008, the City's Board of Supervisors incorporated the

Commission's CEQA Findings and approved the area plans, rezoning and Planning Code amendments. (AR 816-817, 9377-9470.)

The project at issue here ("Project") is a mixed use project at 901 16th Street and 1200 17th Street, within the Showplace Square/Potrero Area of the Eastern Neighborhoods Area Plan. As part of the 2008 Area Plans approval, the City rezoned the Project site to an UMU district and amended the site's height and bulk districts to 68 feet along 16th Street and 48 feet on 17th Street. (AR 1036.) The UMU zoning district "encourage[s] transitional development patterns between business and employment districts and predominantly residential neighborhoods" with a mix of housing, retail, and commercial uses permitted. (AR 8415-8416, 35, 37.)

The Project site currently contains two metal shed industrial warehouse buildings, a brick office building, modular office structure and parking lots. (AR 822-827, 825, 957-961.) Surrounding uses include educational facilities, light industry, office space, residential uses, retail, warehouses, and a park. (AR 1044.)

In May 2012, Real Parties proposed the Project (AR 12397-12409) and revised the application in 2014. (AR 13422-13501.) The Project proposes to demolish all existing buildings except the brick office building (AR 828) and replace them with two mixed-use buildings. The north building at 901 16th Street is six stories and 68 feet in height and will have 260 dwelling units; the south building at 1200 17th Street is four stories and 48 feet in height and will have 135 dwelling units. (AR 35-36.) There will be a total of 395 residential units, 24,486 square feet ("sf") of retail space, and 388 off-street parking spaces. (AR 35, 823, 2772.) The buildings include rooftop elements like mechanical and stair penthouses that extend above the maximum building height, occupying roughly 12% of the 16th Street building's roof and 3.8% of the 17th Street building's roof, as allowed by Planning Code section 260(b). (AR 829, 832-834, 839, 843; see Respondents' RJN, Exh. A, pp. 58-65.) The Project also includes 14,669 sf of public open space (including a 30- to 40-ft wide publicly accessible pedestrian alley), 33,149 sf of common open space for residents, and 3,114 sf of private open space. (AR 2772, 829-830, 1060.) Total open space will be 50,932 sf. (AR 867-868, 2819-2820; see Planning Code, § 135 [Respondents' RJN, Exh. A, pp. 28-37].)

The Project is generally consistent with applicable density, uses, height, open space, and other Planning and Zoning Code standards. (AR 864.) The Planning Commission approved the applicant's request for six minor design exceptions and waivers in its Large Project Authorization ("LPA") application as allowed under the City's Code. (AR 864, 35 [citing Planning Code §§ 134, 136, 145.1, 152.1, 270.1, 329(D)(10), & 803.3(B)(1)(C)]; see Respondents' RJN, Exh. A, pp. 18-57, 65-78.)

The City prepared an EIR to analyze the Project's impacts. In performing this review, the City determined that since the Project is a mixed-use, residential project on an infill site, visual and parking impacts are not subject to CEQA review. (Pub. Resources Code, § 21099; AR 819.)

CEQA mandates that projects consistent with the development densities established by existing zoning, general plan, or community plan policies for which an EIR was certified require a limited or "streamlined" review by the lead agency. (Pub. Resources Code, § 21083.3; Cal. Code Regs., title 14, § 15000 et seq. ("CEQA Guidelines"), § 15183.) The environmental review is limited to effects upon the environment which are peculiar to the parcel or to the project and which were not addressed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. (*Id.*) Relying on the 2008 Plan EIR, the City found that the Project qualifies for streamlined review under these provisions. (AR 819, 1034-1038, 13774-13775, 15204-15206.)

In February 2015, the City completed and circulated for public review a Notice of Preparation and Community Plan Exemption ("CPE") Checklist. (AR 1034-1038, 1040-1109.) The City concluded that transportation and circulation and historic architectural resources impacts required further analysis in a focused, project-specific EIR. (AR 14-15, 1035, 1037.) The CPE Checklist determined that the Project would not result in new or more severe environmental impacts than those analyzed in the Plan EIR for all other categories: land use and land use planning; population and housing; paleontological and archeological resources; noise; air quality; greenhouse gas emissions; wind and shadow; recreation; utilities and service systems; public services; biological resources; geology and soils; hydrology and water quality; hazards and hazardous materials; mineral and energy resources; and agriculture and forest resources. (AR 1064-1101, 2772.) The CPE Checklist addressed loss of PDR uses in the land use section, noting that the Project would contribute to the significant and unavoidable impact related to

cumulative loss of PDR uses previously identified in the Plan EIR. (AR 1064-1065, 784-785.) The CPE Checklist incorporated seven mitigation measures from the Plan EIR to reduce impacts related to archeological resources, air quality, noise, and hazardous materials. (AR 1101-1109, 2772.)

In August 2015, the City circulated the Project's Draft EIR ("DEIR") for public review and comment. (AR 15907-15917.) The DEIR focused on Transportation and Circulation and Historic Architectural Resources. (AR 782, 770-1031.) The DEIR described the Project (AR 822-858), discussed applicable City plans and policies (AR 860-871), analyzed three alternatives (AR 990-1026 [No Project, Reduced Density, and Metal Shed Reuse Alternatives]) and included the CPE Checklist as an Appendix (AR 1032-1109). The DEIR concluded that Impact TR-2 (significant traffic impacts at 3 of the 14 study intersections) and Impact C-TR-2 (significant cumulative traffic impacts at 4 of the 14 study intersections) would be significant and unavoidable even after mitigation. (AR 920-924, 945-947.) The other thirteen Transportation and Circulation impacts would be less than significant, either with no mitigation required or after implementing mitigation. (AR 786-795.) The DEIR incorporated the Eastern Neighborhoods EIR mitigation measures identified in the CPE and proposed additional mitigation and improvement measures to reduce transportation impacts. (AR 786-802 [DEIR], 249-271 [Mitigation Monitoring and Reporting Program].) The DEIR determined that only the brick office building qualified as an historic resource (AR 791-895) and that the Project's impact would not be significant because the brick office building will be preserved and rehabilitated. (AR 977-978.)

The DEIR included project elevations and visual modeling, as well as an assessment of parking demand. (AR 823-857 [aesthetics], 902-904 [parking conditions], 1063.) The DEIR stated that information provided about aesthetics and parking "does not relate to the impact significance determinations in the EIR." (AR 819.)

On October 1, 2015, the Planning Commission held a public hearing to receive comments on the DEIR. (Supplemental Administrative Record ("SAR") 18079-18090, 18085-18086.) The Planning Department received written comments through October 4, 2015. (AR 284.)

In April 2016, the City released the Project's Final EIR ("FEIR"), including responses to comments ("RTCs") and revisions to the DEIR in light of Senate Bill 743 and Commission Resolution 19579 regarding the use of vehicle miles traveled ("VMT") – instead of Level of Service ("LOS") – as

the appropriate metric to assess transportation impacts. (AR 272-495, 287-288, 489-495 [revisions to DEIR].) The RTC document was organized by topic area (e.g., Transportation, Alternatives, and Land Use), with excerpts of comments preceding the responses. (AR 278, 313-488.)

On May 12, 2016, the Commission held a public hearing, certified the EIR and approved the Project in separate motions. (AR 2924-2933 [agenda], 3569-3589 [minutes].) The Commission certified the Project EIR in a motion with its certification findings (AR 6-8 [Motion No. 19643]). Immediately thereafter, the Commission adopted CEQA Findings, including findings related to the feasibility of alternatives (AR 9-34 [Motion No. 19644]) and approved the Project by granting the Large Project Authorization in a motion with its LPA findings (AR 35-79 [Motion No. 19645]). No party, including Petitioners, filed an appeal of the LPA approval and its CEQA Findings to the City's Board of Appeals within the 15-day appeal period as set forth in Planning Code Section 329(e)(5). (AR 2771).

On June 10, 2016, Petitioners filed an appeal to the Board of Supervisors within the 30-day appeal period for EIR certification set forth in San Francisco Administrative Code section 31.16(c)(2). (AR 1110-1111, 2770; see Respondents' RJN, Exh. A, pp. 12-17.) On July 18, 2016, the Planning Department issued a letter to the Board of Supervisors regarding Petitioners' appeal, in which it recommended that the Board: (1) uphold the Planning Commission's certification of the EIR, and (2) reject the purported appeal of the Commission's CEQA Findings because such findings are appealable to the Board of Appeals as part of the LPA approval and not to the Board of Supervisors. Appeals of an LPA are required to be made to the Board of Appeals within fifteen (15) days. (AR 2770-2873, 2771.) In the event the Board of Supervisors entertained the merits of the purported CEQA Findings appeal, Planning staff's memorandum also addressed the substance of those claims. (AR 2814-15.) On July 26, 2016, the Board of Supervisors denied the appeal and affirmed the Planning Commission's certification of the Project's FEIR at a public hearing. (AR 217-222 [Motion M16-097], 3810 & 3812 [minutes].) On July 29, 2016, the City filed a Notice of Determination. (AR 1-5.) Petitioners filed their petition for writ of mandamus on August 26, 2016.

B. Standard of Review

The standard of review in CEQA actions is prejudicial abuse of discretion if it "is established that the agency has not proceeded in a manner required by law or if the determination or decision is not

supported by substantial evidence." (Pub. Resources Code, § 21168; *Laurel Heights Improvement Assn. v. Regents of Univ. of California* (1988) 47 Cal.3d 376, 392 (*Laurel Heights I*).) The Court "adjust[s] its scrutiny to the nature of the alleged defect, depending on whether the claim is predominantly one of improper procedure or a dispute over the facts." (*Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova* (2007) 40 Cal.4th 412, 435.) In CEQA actions, claims of improper procedure are reviewed de novo and disputes over facts and conclusions are reviewed under the substantial evidence standard with "greater deference to the agency's substantive factual conclusions. In reviewing for substantial evidence, the reviewing court 'may not set aside an agency's approval of an EIR on the ground that an opposite conclusion would have been equally or more reasonable,' for, on factual questions, [the Court's] task 'is not to weigh conflicting evidence and determine who has the better argument.' [Citation.]" (*Ibid.*)

The parties dispute which standard of review applies. The proper standard of review must be determined in the context of each of Petitioners' claims, and whether that claim focuses on improper procedures or factual determinations. This issue is therefore addressed in the discussion of each of Petitioners' claims.

Petitioners have the burden of proof. (*Gilroy Citizens for Responsible Planning v. City of Gilroy* (2006) 140 Cal.App.4th 911, 918-919.) To meet this burden, Petitioners must show either that the City failed to proceed in the manner required by law or that its conclusions are not supported by substantial evidence. (*Citizens for a Sustainable Treasure Island v. City and County of San Francisco* (2014) 227 Cal.App.4th 1036, 1064 (*Treasure Island*).) Petitioners must also show prejudice. (Pub. Resources Code, § 21005, subd. (b); *Neighbors for Smart Rail v. Exposition Metro Line Const. Auth.* (2013) 57 Cal.4th 439, 463; *Rialto Citizens for Reasonable Growth v. City of Rialto* (2012) 208 Cal.App.4th 899, 925, 926-927 (*Rialto Citizens*).)

C. City's CEQA Findings on Metal Shed Reuse Alternative

In approving the Project, the Planning Commission adopted CEQA findings rejecting the Metal Shed Reuse Alternative as infeasible. Petitioners challenge this finding and argue the Board of Supervisors failed to fully consider their CEQA appeal. The City defends its actions on two grounds:

(a) Petitioners did not exhaust their administrative remedies with respect to this claim; and (b) substantial evidence supports the City's findings.

1. Exhaustion of Administrative Remedies

A petitioner must exhaust its administrative remedies prior to seeking judicial review of an agency's decision. The exhaustion requirement is a jurisdictional prerequisite. Whether a petitioner has exhausted its remedies is a question of law. Petitioners have the burden of proof to show they exhausted their remedies. (*Tomlinson v. County of Alameda* (2012) 54 Cal.4th 281, 291; *North Coast Rivers Alliance v. Marin Municipal Water Dist. Board of Directors* (2013) 216 Cal.App.4th 614, 624 (*North Coast*); *Sierra Club v. City of Orange* (2008) 163 Cal.App.4th 523, 536.)

In this case, the Planning Commission certified the completeness and accuracy of the information contained in the Project EIR. (AR 6-8.) Having certified the EIR, the Commission then adopted CEQA Findings and approved the Project by granting the Large Project Authorization in May 2016. (AR 9-33 [CEQA Findings], 35-67 [approving LPA)], 36 [LPA reference to CEQA Findings], 3495-3496 [transcript].) This approach is consistent with CEQA. (Pub. Resources Code, § 21082.1, subd. (c); CEQA Guidelines § 15090, subd. (a) [EIR certification]; Pub. Resources Code, § 21081; CEQA Guidelines, § 15091 [requirement to adopt CEQA findings]; CEQA Guidelines, § 15092 ["in conjunction with making findings under Section 15091," agency may consider whether to approve project].) The City filed its Notice of Determination on July 29, 2016. (AR 1-2.)

Petitioners appealed the Planning Commission's decision to certify the EIR to the Board of Supervisors. (AR 1110-1111.) The right to appeal the certification resolution is consistent with the City's Administrative Code and with CEQA. (S.F. Administrative Code, § 31.16, subd. (c); Pub. Resources Code, § 21151, subd. (c).) Section 31.16(c)(3) of the City's Administrative Code specifies that "[t]he grounds for appeal of an EIR shall be limited to whether the EIR complies with CEQA, including whether it is adequate, accurate and objective, sufficient as an informational document, correct in its conclusions, and reflects the independent judgment and analysis of the City and whether the Planning Commission certification findings are correct." The Board of Supervisors considered the appeal and ultimately upheld the Planning Commission's decision to certify the EIR. (AR 217-222 [Motion M16-097], 3810, 3812 [minutes].)

Petitioners did not separately appeal the Planning Commission's approval of the LPA and adoption of the CEQA Findings, including the finding that the Metal Shed Reuse Alternative was infeasible. The Planning Commission's decision to approve an LPA is properly appealable to the Board of Appeals, not to the Board of Supervisors. (AR 66, 2770-2873, 2771; S.F. Planning Code, § 329(e)(5) [Respondents' RJN, Exh. A, pp. 71-75]; see also S.F. Charter Section 4.106(b) [Board of Appeals has jurisdiction to hear permit appeals – see Respondents' RJN, Exh. A, pp. 3-4].) No party appealed the LPA and its incorporated CEQA Findings to the Board of Appeals.

Section 31.16 of the Administrative Code, relied upon by Petitioners, demonstrates that it applies only to the appeal of EIR certification. (S.F. Administrative Code, § 31.16, subd. (a) [EIR certification is appealable to Board of Supervisors].) EIR certification (Motion 19643) is separate from the City's CEQA Findings (Motion 19644) and LPA Approval (Motion 19645). The City's CEQA Findings were part of the Project's approval, appealable to the Board of Appeals. (See, e.g., *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 981, 999 (*CNPS*) [an EIR assesses whether an alternative is *potentially* feasible, while during the final project approval phase the decision-making body determines whether it is *actually* feasible]; see also *San Franciscans Upholding the Downtown Plan v. City and County of San Francisco* (2002) 102 Cal.App.4th 656, 689-690 [an EIR is an informational document that does not include ultimate determinations of economic feasibility, while the agency bears the responsibility for making feasibility findings].)

Petitioners argue that, because the LPA approval would be voided should the Board of Supervisors uphold their appeal of the EIR certification, the appeal of the EIR certification was also an appeal of the LPA and its CEQA Findings. Petitioners cite no authority for this argument. To the contrary, an administrative appeal of one element of a project (the EIR certification appealed to the Board of Supervisors) does not fulfill the requirement to exhaust a separate administrative remedy (the CEQA Findings appealable to the Board of Appeals). (*Tahoe Vista Concerned Citizens v. County of Placer* (2008) 81 Cal.App.4th 577, 589 (*Tahoe Vista*) [CEQA petitioner must appeal to "the administrative body with the ultimate responsibility to approve or disapprove the project"].) The doctrine of exhaustion of administrative remedies precludes judicial review of those issues, legal and factual, which were not first presented at the administrative agency level. (*Sierra Club v. City of*

Orange (2008) 163 Cal. App. 4th 523, 548; *Coalition for Student Action v. City of Fullerton* (1984) 153 Cal. App. 3d 1194, 1197.) To satisfy the doctrine, "the 'exact issue' must have been presented to the administrative agency". (*Sierra Club*, *supra*, 163 Cal. App. 4th at p. 535.) Petitioners failed to properly appeal the CEQA findings to the appropriate administrative agency. Petitioners' erroneous appeal to the Board of Supervisors does not satisfy the burden of exhaustion of administrative remedies. This Court accordingly lacks jurisdiction to entertain Petitioners' challenge to City's CEQA Findings.

Petitioners cite statements of one member of the Board of Supervisors to support their argument that the CEQA Findings should have been before the Board. (AR 3690-3691.) Whether exhaustion has occurred, however, is a question of law. (*North Coast*, *supra*, 216 Cal.App.4th at p. 624.) For this reason, the views of a member of the Board are not relevant to the resolution of this issue. More significantly, a majority of the Board voted to uphold the Planning Commission's decision to certify the EIR. (AR 217-222 [Motion M16-097].)

Petitioners did not raise this issue to the administrative body with ultimate or final responsibility to approve or disapprove the Project – the Board of Appeals. (See *Tahoe Vista*, *supra*, 81 Cal.App.4th at p. 594.) Because there has not been a final decision by the Board of Appeals regarding the sufficiency of the CEQA Findings as they relate to the feasibility of alternatives, this Court lacks jurisdiction to consider Petitioners' challenge.

2. Adequacy of Findings

However, even if Petitioners had exhausted their administrative remedies, the Court finds that their challenge fails because substantial evidence supports the Planning Commission's findings on the infeasibility of the Metal Shed Reuse Alternative.

The DEIR discussed three alternatives: the No Project Alternative, the Reduced Density Alternative, and the Metal Shed Reuse Alternative. (AR 992-993.) The Metal Shed Reuse Alternative would retain and reuse all the warehouse buildings on site and then build one new building with underground parking in the northeast corner of the site. That project would be a mix of 177 residential units, commercial space, artist workspace and exhibition space. (AR 992, 1008-1021, 410-428, 494-495.) The Project as proposed would provide 395 residential units, additional neighborhood-serving

retail space and incorporate many positive urban design features and add light and air exposure in small courtyards. (AR30).

If an EIR identifies one or more significant effects on the environment that would occur if the project is approved, which has happened here, the lead agency shall not approve the project unless it makes written findings that the impacts have been mitigated or that specific economic, legal, social, technological, or other considerations make the alternatives infeasible. (Pub. Resources Code, § 21081, subd. (a); CEQA Guidelines, § 15091.) "'Feasible' means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors." (Pub. Resources Code, § 21061.1; see also CEQA Guidelines, § 15364.)

Here, the Metal Shed Reuse Alternative was rejected as infeasible. (AR 29-31.) Petitioners challenge this infeasibility finding.

The substantial evidence standard of review applies to this challenge. Infeasibility findings must be supported by substantial evidence. (*CNPS, supra*, 177 Cal.App.4th at pp. 982, 996-997.) "Substantial evidence" means "enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached." (CEQA Guidelines, § 15384, subd. (a).) "Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts." (CEQA Guidelines, § 15384, subd. (b).) It does not include "[a]rgument, speculation, unsubstantiated opinion or narrative, evidence which is clearly erroneous or inaccurate, or evidence of social or economic impacts which do not contribute to or are not caused by physical impacts on the environment." (CEQA Guidelines, § 15384, subd. (a).) The findings are entitled to great deference and "'are presumed correct. The parties seeking mandamus bear the burden of proving otherwise, and the reviewing court must resolve reasonable doubts in favor of the administrative findings and determination.' (Citation.)" (*CNPS, supra*, 177 Cal.App.4th at p. 997.) Evidence for the findings may be contained anywhere in the record. (*Id.* at p. 1003.)

In approving the Project, the Commission rejected the Metal Shed Reuse Alternative as infeasible for six reasons listed in the CEQA Findings:

(1) It would not fulfill the City's "important policy objective . . . to increase the housing stock . . . to address a shortage of housing in the City" as well as the proposed Project;

(2) It would not reduce the significant and unavoidable traffic-related impacts to less than significant levels;

(3) It is unnecessary to reuse the metal sheds for PDR uses because the "City adopted overriding findings that the loss of PDR space and uses within the UMU district was an unavoidable but acceptable cumulative land use impact" when it adopted the Eastern Neighborhoods Plan and [Potrero] Area Plan;

(4) It would not meet to the same degree or be as consistent as the Project with the City's Strategies to Address Greenhouse Gas Emissions or CEQA and the air district's requirements for reducing GHG emissions;

(5) It does not incorporate as many of the positive urban design features as the Project, and it would provide inferior light and air exposure to residential units; and

(6) It is economically infeasible because the "reduced unit count would not generate a sufficient economic return to obtain financing and allow development."

(AR 29-31.) Petitioners' challenge focuses on Findings 6 (economic infeasibility) and 2 (traffic). Findings 1, 3, 4 and 5 address other environmental and policy considerations which are equally permissible to support findings. (*CNPS, supra*, 177 Cal.App.4th at pp. 1001-1003; *Habitat and Watershed Caretakers v. City of Santa Cruz* (2013) 213 Cal.App.4th 1277, 1307-1308 [three of six findings sufficient to support statement of overriding considerations] (*Habitat Caretakers*).) Petitioners did not address these four other findings in their opening brief. The Court concludes that Petitioners' challenge to these findings is waived. (*City of Lomita v. City of Torrance* (1983) 148 Cal.App.3d 1062, 1069 [in a CEQA case, appellant must cite all relevant record evidence]; *Jacobson v. County of Los Angeles* (1977) 69 Cal.App.3d 374, 388 [failure to address evidence is "tantamount to a concession that the evidence supports the findings"]; *Inyo Citizens for Better Planning v. Board of Supervisors* (2009)

180 Cal.App.4th 1, 14 fn. 2 (*Inyo Citizens*) [new arguments raised in reply brief are waived]; *Habitat Caretakers, supra*, 213 Cal.App.4th at p. 1292 fn. 6 [same].)

Petitioners' concession that four of the six findings are supported also supports the determination that the Metal Shed Reuse Alternative was rejected as infeasible. However, even if the Court were to consider the two specifically challenged findings, substantial evidence in the record supports the infeasibility determination.

Here, the City found the Metal Shed Reuse Alternative was economically infeasible because the smaller project of 177 units would result in reduced potential to generate revenue, while the construction costs per square foot would be higher. The development costs would exceed potential revenues, resulting in a negative developer return. Financing would not occur, which would mean the Project would not be built. (AR 30.) The finding discussed a financial feasibility analysis prepared by Seifel Consulting. This analysis concluded that the Metal Shed Reuse Alternative is not financially feasible because the development costs exceed potential revenues, resulting in a negative developer return. It does not meet either of the return thresholds measures by Yield on Cost or Return on Cost. Given the significant fixed development costs, the lower number of units and the high cost to rehabilitate the metal sheds negatively impact its financial viability, as there are fewer units over which to spread the fixed development costs in comparison to the Project and estimated PDR rent levels are relatively low compared to the rehab costs. (AR 31.)

The infeasibility finding is supported by the April 12, 2016, memorandum prepared by Seifel Consulting presenting a "Financial Feasibility Analysis" for the Project and the EIR alternatives (Seifel Memo). (AR 2728-2743; see AR 2726, 2731 [Seifel qualifications].) The City independently reviewed the Seifel Memo in a May 6, 2016, memorandum from staff member Jacob Bintliff. Mr. Bintliff concurred with Seifel's methodology, analysis, and conclusions. (AR 2726-2727; see AR 3660-3662 [testimony to Board of Supervisors]; AR 2813 [staff report].) The Seifel Memo estimated development costs and projected revenues for the Project and alternatives, including the Metal Shed Reuse Alternative. (AR 2737-2738 [tables with comparative analysis of the Project and Alternatives under both rental-apartments and condominium scenarios], 2740, 2743.) The Seifel Memo's analysis demonstrated that the Metal Shed Reuse Alternative's projected return fell below both the developer

margin and yield on cost thresholds. (AR 2735-2738.) Mr. Bintliff found the methodology and approach of Seifel was appropriate and consistent with professional standards and concurred that the low density alternatives considered with the Metal Shed Reuse Alternative were not financially feasible. (AR 2726)

Petitioners argue that the City improperly closed the public comment period before the Planning Commission discussed the feasibility analysis, the City should have provided the Bintliff memorandum to Petitioners before the hearing, and the Board of Supervisors should have addressed Petitioners' feasibility arguments. The record shows, however, that Petitioners reviewed the Seifel Memo. (AR 426-427, 3366-3368, 3370-3373.) Thus, Petitioners have not met their burden of proof to show prejudice. (Pub. Resources Code, § 21005, subd. (b); *Schenck v. County of Sonoma* (2011) 198 Cal.App.4th 949, 958-960.) In addition, CEQA does not require an agency to provide the public an opportunity to review and comment on such an analysis; to hold otherwise "would be inconsistent with the court's recognition that it is the administrative agency, and not the public, that weighs the benefits of a project against its effects and bears responsibility for the decision to approve or reject the project." (*Sierra Club v. County of Napa*, *supra*, 121 Cal.App.4th at p. 1505.) Nor does CEQA require that the public be afforded an opportunity to debate economic feasibility. Rather, the statute requires only that "the public to be informed if its officials choose economic feasibility over environmental concerns in approving a project." (*Id.* at p. 1506.)

The cases cited by Petitioners are distinguishable. In *Citizens of Goleta Valley v. Board of Supervisors* (1988) 197 Cal.App.3d 1167, 1180-1181, the Court concluded that the record did not contain any evidence supporting the county's finding that a smaller hotel would be economically infeasible because there was no evidence in the record of financial analysis of that alternative in terms of comparative costs, profit or losses. The record in this case demonstrates a complete financial analysis of the alternatives. Similarly, in *Burger v. County of Mendocino* (1975) 45 Cal.App.3d 322, 326-327, the record did not contain any "estimate of income or expenditures" for a smaller motel that the county found to be economically infeasible. In *County of San Diego v. Grossmont-Cuyamaca Community College Dist.* (2006) 141 Cal.App.4th 86, 107-108, the record contained no evidence of the agency's share of required traffic improvements; as a result, there was "no substantial evidence"

supporting the agency's finding rejecting that measure. Distinguishable here, the record contains substantial evidence of financial and other analysis in reaching a determination of infeasibility. (AR 2726-2743; see AR 2737-2738 [tables].) That Petitioners disagree with this evidence is immaterial. (*Laurel Heights I, supra*, 47 Cal.3d at pp. 392-393 [deferential substantial evidence standard of review]; *Sierra Club v. County of Napa, supra*, 121 Cal.App.4th at pp. 1502-1506.) Finally, in *Preservation Action Council v. City of San Jose* (2006) 141 Cal.App.4th 1336, the city "failed to make a specific finding regarding the infeasibility of the reduced-size alternative" and the record did not contain any evidence to support such a finding, suggesting that an agency should not uncritically accept a developer's claim that it would not build a reconfigured project. (*Id.* at pp. 1355-1356.) Here, by contrast, the City adopted specific findings about the infeasibility of the Metal Shed Reuse Alternative, cited the Seifel Memo as supporting evidence, independently scrutinized the Seifel Memo (as reflected in the memorandum prepared by Mr. Bintliff in advance of the Planning Commission hearing), and relied on additional findings unrelated to economic feasibility. (AR 29-31, 2726-2743.)

Petitioners argue that the Seifel Memo should have used the applicant's actual land acquisition costs from 2006 instead of current land value. In support of this argument, Petitioners cite a non-expert calculation and analysis of public commenters that purportedly show how the Metal Shed Reuse Alternative would meet the targeted profit margin identified in the Seifel Memo. (AR 1455-1456; see also AR 3599-3600.) There is a paucity of evidence to explain how those figures were reached. In determining feasibility the proper focus is on a "reasonably prudent property owner"; an agency is not to "discriminat[e] between project applicants for an identical project based upon the financial status of the applicant." (*Uphold Our Heritage v. Town of Woodside* (2007) 147 Cal.App.4th 587, 599-600 [wealth of project applicant is irrelevant to feasibility analysis]; see AR 3665-3666 [discussion at Board hearing], 2813 [Seifel Memo appropriately used "a constant land value for all three alternatives" and focused on whether "a prudent person" would proceed with each alternative]; *Maintain Our Desert Environment v. Town of Apple Valley* (2004) 124 Cal.App.4th 430, 443-445 [identity or financial status of end user not relevant to CEQA analysis].) The unsupported conclusions cited by Petitioners also do not take into account carrying and opportunity costs incurred by the applicant after purchasing the site in 2006. The use of current land value is reasonable in the calculation of current development costs.

Seifel's financial analysis was based upon extensive interviews with "members of the real estate community (including developers, contractors, residential and commercial market specialists and architects) to obtain current development revenue, cost and financial performance data and assumptions". (AR 2731) The City had discretion to rely on the analysis by its own experts (Mr. Bintliff, concurring with Seifel) and to reject the views preferred by Petitioners.

Petitioners also argue that the Seifel Memo should have used a $4/sf monthly rental value for PDR uses instead of $2.50/sf. (AR 1456, 1625-1629.) Petitioners cite a publication by SFMade and CitiCommunity Development (AR1625-1629) in support of a $4/sf figure, but a review of that document fails to support any rental rate of PDR. Petitioners failed to demonstrate that the $2.50/sf figure cited by Seifel and confirmed by City staff was unsupported by substantial evidence and unreasonable. (See Pub. Resources Code, § 21080, subd. (e).)

Substantial evidence in the record supports the economic infeasibility finding (Finding 6). Even if Petitioners had submitted evidence to the contrary, this Court's job is not to weigh the evidence. (*Ebbetts Pass Forest Watch v. California Dept. of Forestry and Fire Protection* (2008) 43 Cal.4th 936, 944 [in reviewing for substantial evidence, the court may not set aside an agency's approval of an EIR on the ground that an opposite conclusion would have been equally or more reasonable, as the court's task is not to weigh conflicting evidence and determine who has the better argument].)

Petitioners also challenge Finding 2 in which the Planning Commission found that the Metal Shed Reuse Alternative would not avoid the Project's significant and unavoidable traffic impacts. (AR 29.) The traffic analysis shows that although the Metal Shed Reuse Alternative would generate somewhat less traffic than the Project, the "significant and unavoidable" traffic impacts caused by the Project would still occur under the Metal Shed Reuse Alternative. In other words, the Metal Shed Reuse Alternative would not "solve" any of the Project's significant traffic impacts. (AR 410-413, 1017-1018, 1021.) Although Petitioners submitted their own trip-generation calculations, the trip-generation characteristics of a project, or of an alternative, are methodological issues for the lead agency to resolve, subject to review under the deferential "substantial evidence" standard of review. (*Saltonstall v. City of Sacramento* (2015) 234 Cal.App.4th 549,582-583 [City entitled to rely on the methodology and conclusions in the EIR because it had the prerogative to resolve conflicting factual

conclusions about the extent of traffic congestion that would result]; *Latinos Unidos de Napa v. City of Napa* (2013) 221 Cal.App.4th 192, 206-207 (*Latinos Unidos*) [court's task is not to weigh conflicting testimony from competing traffic experts, but to determine whether substantial evidence supports agency's conclusions]; CEQA Guidelines, § 15151.) Petitioners argue the City should have used lower trip generation rates for PDR uses, as the City did in preparing a "nexus" study to calculate traffic impact fees. The record shows, however, that the City re-calculated the number of trips that this alternative would generate using a revised trip-generation rate (7 trips/1000 sf) for PDR uses taken from the TSF Nexus Study study, as Petitioners proposed, and found that the impacts would remain the same: the Metal Shed Reuse Alternative still contributed to the same traffic impacts. (AR 2807, 412.) The City developed the Metal Shed Reuse Alternative to retain some PDR uses on the site and to preserve the metal sheds in the event they were found to be historic; avoiding traffic impacts was not the focus of this alternative. (AR 1008-1022.) Thus, the analysis shows that the alternative would generate less traffic, but not enough to avoid any of the project's significant traffic impacts. Petitioners complain that the selection of a restaurant and retail space and office composite rates skewed the analysis. This is, in essence, a challenge to the methodology used for the analysis. Challenges to methodology are governed by the substantial evidence standard of review. (*Saltonstall*, *supra*, 234 Cal. App. 4th at p. 583.)

In their reply brief, Petitioners improperly challenge Feasibility Findings 1, 3, 4 and 5 for the first time. These claims are waived as not having been addressed in their opening brief. (*Habitat Caretakers*, *supra*, 213 Cal.App.4th at p. 1292 fn. 6.) Petitioners' arguments are not supported by citations to the record or to authority and are deemed waived on that ground as well. (Petitioners' Reply Brief, pp. 8-10; see *Inyo Citizens*, *supra*, 180 Cal.App.4th at p. 14.) Failure to discuss the evidence supporting the other four findings is tantamount to a concession that the evidence supports those four findings. (*Jacobson*, *supra*, 69 Cal App. 3d at p. 388 [when a party urges the insufficiency of evidence to support findings, it is their duty to set forth the evidence which is claimed to be insufficient and failure to do so will be deemed tantamount to a concession that the evidence supports the findings].) Under CEQA, an agency may cite policy considerations or design characteristics, such as those cited in Feasibility Findings 3, 4, and 5, in rejecting an alternative as infeasible. (*CNPS*, *supra*, 177 Cal.App.4th

at pp. 1001-1003 [upholding infeasibility findings based on policy considerations]; *Sierra Club v. Gilroy City Council*, *supra*, 222 Cal.App.3d at p. 44 [same]; *City of Del Mar*, *supra*, 133 Cal.App.3d at p. 417 [same].)

Assuming arguendo that Petitioners have not waived their challenges to Findings 1, 3, 4 and 5, substantial evidence supports these findings. Of significance, Finding 1 focuses on the extent to which the Project and alternatives will address the City's policy objective of increasing its supply of housing. The Planning Commission rejected the Metal Shed Reuse Alternative because it would provide only 177 housing units, whereas the Project includes 395 units. The Commission's finding cited the "important" policy of increasing the supply of housing wherever it is possible to do so. (AR 29.) This policy objective is derived from the General Plan Housing Element and the Showplace/Potrero Area Plan. (AR 8407, 9391-9392.) The Metal Shed Reuse Alternative provides significantly fewer units and therefore does not meet this objective as fully as would the Project. *CNPS*, *supra*, 177 Cal.App.4th 957 is on point. Thus, even if no other findings were upheld, this would be reason enough to uphold the Planning Commission's findings concerning the Metal Shed Reuse Alternative. (*Habitat Caretakers*, *supra*, 213 Cal.App.4th at pp. 1307-1308 [three of six findings sufficient to support statement of overriding considerations].)

Substantial evidence supports Findings 6 (economic infeasibility) and 2 (traffic). Findings 1, 3, 4 and 5 were conceded and/or waived by Petitioners.

D. <u>Use of Community Plan Exemption</u>

Petitioners assert that the Project does not qualify for a Community Plan Exemption ("CPE") and streamlined EIR because the 2008 Plan EIR is outdated, residential development exceeded the projected growth analyzed in the Plan EIR, cumulative impacts were not fully analyzed, and the Plan EIR failed to analyze height and density contemplated by the Project. (Petitioners' Opening Brief, p. 14:17-25.) Petitioners support many of these arguments by citing to passages in the record in which Petitioners' members, or others in the community, raised objections about traffic congestion, the lack of adequate transit, and the absence of promised parks or other amenities.

CEQA provides for streamlined environmental review for projects consistent with the development densities established by existing zoning, general plan, or community plan policies for

which an EIR was previously certified. (Pub. Resources Code, § 21083.3; CEQA Guidelines, § 15183; see *Wal-Mart Stores, Inc. v. City of Turlock* (2006) 138 Cal.App.4th 273, 279 (*Wal-Mart*) [upholding approval of an ordinance based on CEQA Guidelines section 15183], disapproved of on another ground in *Hernandez v. City of Hanford* (2007) 41 Cal.4th 279, 295.) In those instances, CEQA review "shall be limited to effects upon the environment which are peculiar to the parcel or to the project and which were not addressed as significant effects in the prior environmental impact report, or which substantial new information shows will be more significant than described in the prior environmental impact report." (Pub. Resources Code, § 21083.3, subd. (a).) Where an agency determines that a project *is* consistent with a plan for which the agency previously certified a program EIR, the CEQA Guidelines direct the agency to determine whether the program EIR "adequately addressed" each impact. (CEQA Guidelines, §§ 15063, subd. (b)(1)(C), 15152, subd. (f) [tiering], 15168, subd. (d) [program EIR], 15183 [development densities from plan].)

The agency's conclusions whether the CPE applies to impacts analyses must be upheld if supported by substantial evidence. (*Latinos Unidos*, *supra*, 221 Cal.App.4th at pp. 201-202; *Citizens for Responsible Equitable Environmental Devel. v. City of San Diego Redevelopment Agency* (2005) 134 Cal.App.4th 598, 610-611.) The decision of the agency is reviewed under the deferential substantial evidence standard and the agency's decision that a project or its circumstances were not substantial enough to require a supplemental EIR should be given deference, such that reasonable doubts should be resolved in favor of the agency's decision. (*Santa Teresa Citizen Action Group v. City of San Jose* (2003)114 Cal. App. 4th 689, 702.) The fair argument standard does not apply to judicial review of an agency's determination that a project is within the scope of a previously completed EIR. (*Mission Bay Alliance v. Office of Community Investment and Infrastructure* (2016) 6 Cal. App. 5th 160, 174 ["Substantial evidence is the proper standard where, as here, an agency determines that a project consistent with a prior program EIR presents no significant, unstudied adverse effect. (Citations.)"].) Neither *Wal-Mart*, *supra*, 138 Cal.App.4th 279 nor *Gentry v. City of Murrieta* (1995) 36 Cal.App.4th 1359 held that the fair argument standard applies to judicial review in this situation.

1. The EIR is Outdated

EIRs do not have expiration dates or chronological limitations. (See *Committee for*

Re-Evaluation of the T-Line Loop, *supra*, 6 Cal.App.5th 1237, 1252-1256 [upholding reliance on 1998 EIR]; *Mission Bay Alliance*, *supra*, 6 Cal.App.5th at pp. 172-176 [upholding reliance on 1998 EIR for certain topics]; *Citizens Against Airport Pollution v. City of San Jose* (2014) 227 Cal.App.4th 788, 802 [upholding reliance on 1997 EIR for amendments to airport plan]; see AR 332 [noting that planning horizon for Plan EIR extended to 2025, and that Plan EIR had not expired].)

Public Resources Code section 21083.3, the streamlining device used by the City in preparing the CPE Checklist (AR 1034-1035, 1062), does not state that EIRs certified for zoning actions have expiration dates. Rather, CEQA provides that if impacts were addressed in the EIR certified in connection with the zoning action, the agency is directed not to revisit them. (CEQA Guidelines, § 15183.)

The purpose of the EIR is as an informational document, designed to "ensure that agencies and the public are adequately informed of the environmental effects of proposed agency action". (*Friends of the College of San Mateo v. San Mateo Community College District* (2016) 1 Cal. 5th 937, 951.) The question of whether the Plan EIR remains relevant despite any changes in circumstances or lapse of time is a factual question for the agency; the question for the Court is whether the agency's decision is supported by substantial evidence.

The City complied with CEQA Guidelines section 15168(c)(4) in preparing a written checklist to document the evaluation of the project and determine whether the environmental effects were covered in the Plan EIR. It found the Project would be generally consistent with and encompassed within the analysis in the Plan EIR, determined the Plan EIR adequately anticipated and described the majority of the Project's impacts, and found the Project is consistent with the height, use, and density for the site described in the Plan EIR. (AR 819 [DEIR], 13774-13775 [2014 CPE Eligibility Determination], 15204-15206 [2015 CPE Eligibility Determination].) The CPE Checklist found most environmental impacts of the Project were adequately covered in the Plan EIR but that the Project could result in potentially significant impacts on transportation and circulation and historic architectural resources. A project EIR was required to address only those impacts. (AR 819, 1062-1101 [CPE Checklist].) Other impacts were not addressed in the Project EIR because the CPE Checklist found the impacts had been adequately covered. Petitioners argue that many of the impacts the City concluded

had been adequately reviewed in the Plan EIR had not actually received an adequate review. To the extent these claims attack the Plan EIR, the Court rejects them as untimely. (Pub. Resources Code, §§ 21167, 21167.2; *Laurel Heights II, supra*, 6 Cal.4th at p. 1130.)

Petitioners argue residential development has outpaced the Plan EIR, buttressing its argument that the Plan EIR is outdated. The City determined that the Project is consistent with the densities established in the Eastern Neighborhoods Plan, the Potrero Area Plan, the UMU zoning, and the 68-foot and 48-foot height limits implementing those plans. (AR 819, 13774-13775, 15204-15206 [CPE Eligibility Determinations].) The UMU District does not set a minimum or maximum density requirement for residential uses, but it does require that at least 40% of the units contain two or more bedrooms. (AR 865.) Substantial evidence supports the City's conclusion that the Project complies with this requirement: its 395 residential units include 146 two-bedroom units and 14 three-bedroom units. (AR 865.) The Project's 24,968-sf of commercial uses is below the maximum of 25,000-sf/lot of retail uses permitted in UMU districts. (*Ibid.*) The 68-foot and 48-foot height limits are not exceeded except by minor rooftop elements, which are exempt from the height limits under the Planning Code. (AR 865-866.) In fact, Petitioners concede that the Project is consistent with the applicable development densities and existing zoning. (AR 3729 [petitioner Allison Heath concedes Project is "code compliant"].)

2. Residential Growth Has Outpaced the Plan EIR

The Plan EIR included a growth forecast under Options A, B, C and the B/C Preferred Project. (AR 8436-8437, 9130.) According to the Plan's EIR, by the year 2025, net housing units in Potrero were forecast to be as follows:

Option A	2,294 units
Option B	2,635 units
Option C	3,891 units
Option B/C (Preferred Project)	3,180 units

(AR 8437, AR 9130.) These forecasts represented projections of likely, anticipated development through the year 2025, using the best available information at the time of the Plan EIR certification.

These forecasts did not represent "caps" on permissible development or estimates of maximum zoning capacity at build-out. (AR 333.)

The Plan called for preparing monitoring reports every five years to "track all development activity occurring within Plan Area boundaries . . . as well as the pipeline projecting future development." (AR 2804; see S.F. Admin. Code, § 10E.2 [Respondents' and Real Parties' RJN, Exh. A, pp. 5-11].)

Petitioners have not sustained their burden of showing the obsolescence of the Plan EIR. Substantial evidence in the record demonstrates that the number of residential units that have been constructed or approved in the area pursuant to the Plan EIR do not exceed the development projections of 3,180 units under the Preferred Project and 3,891 units under Option C in the Plan EIR by the year 2025. (AR 330-335, SAR 18724 [2,379 dwelling units have been built or completed CEQA review as of Feb. 23, 2016], SAR 18730 [2,384 dwelling units have been built or completed CEQA review as of July 25, 2016].) If the Project's 395 residential units are added to the 2,384 units that had already been built or entitled under the Plan as of July 25, 2016 (the date of Project approval), the total comes to 2,779 units which is below the Plan EIR's projections for both the Preferred Project and Option C.

Petitioners instead focus on projects in the "pipeline" that are merely proposed and still undergoing review. Some of these projects, however, may not be approved. (SAR 18731 ["some projects were withdrawn or superseded"].) Others will be smaller than originally proposed. (AR 3731 [staff explaining how some projects had reduced number of proposed units].) Still others may not rely on the projections in the Plan EIR, but will instead conduct separate, independent environmental review altogether, which will include consideration of cumulative impacts as required by CEQA. (AR 334 [Potrero Hope SF Project proceeding under stand-alone EIR], 2803-2805; SAR 18731 ["Some projects were removed from our list or not included as some projects . . . will not rely on Eastern Neighborhoods" EIR].) Thus, Petitioners' argument that residential development in the Potrero area may someday exceed the growth projected in the Plan EIR fails since adding the Project's residential units to the number of existing or entitled units does not result in exceeding the Plan EIR's projections. (AR 377 ["the proposed project is consistent with and fits within the growth projections identified in the *Eastern Neighborhoods PEIR* for cumulative conditions. . ."], 333-335 [concluding that growth that

has occurred since adoption of the Eastern Neighborhoods Plan is within the Plan EIR's growth projections].)

Petitioners cite a table from the draft 2011-2015 Eastern Neighborhoods Monitoring Report (AR 1636 [Table 4]) to support their claim that the Potrero area had 4,526 residential units under construction, entitled, or under review, as of December 31, 2015. This total includes 2,634 units that were still "under review," 84 entitled units and 1,808 units under construction. (AR 1636.) This total also includes proposals that may not proceed under or rely upon the Plan EIR. The record does not support Petitioners' claim that the number of residential units constructed or entitled under the Plan exceed the projections for residential development set forth in the Plan EIR.

Assuming arguendo that the record supports Petitioners' claim that the Plan EIR's growth projections had been exceeded, to prevail Petitioners have the further burden of proof to show that, because these projections have been exceeded, the Project will cause or contribute to significant environmental impacts that were not addressed as significant effects in the Plan EIR or will be more significant than described in the Plan EIR. (Pub. Resources Code, § 21083.3, subd. (b); CEQA Guidelines, § 15183.) Petitioners must demonstrate the absence of substantial evidence supporting the City's analysis. Petitioners have not met this burden. For instance, the City explained in the Project EIR that although residential growth may be approaching the Plan EIR's projections, non-residential growth has been substantially less than estimated in that document. (AR 333.) The analysis in the Plan EIR "took into account the overall growth in the Eastern Neighborhoods and did not necessarily analyze in isolation the impacts of growth in one land use category...." (*Id.*) Petitioners have provided no evidence to show how these statements are incorrect. Nor have Petitioners shown that the Project, together with other development in the Potrero neighborhood, would result in greater impacts than those identified by the City in the Plan and Project EIRs. As an example, one of the impacts cited by Petitioners is the loss of land zoned for PDR uses. That impact, however, was identified in the Plan EIR. (AR 2890-2922.) Petitioners also cite cumulative traffic impacts, however the City prepared a project-specific analysis of the Project's direct and cumulative traffic impacts and did not rely exclusively on the traffic analysis in the Plan EIR. The Project analysis included updated traffic counts and projections of regional growth in traffic. (AR 880-951.) At most, Petitioners show that the pace of

residential growth has been more rapid than projected in the Plan EIR, such that someday in the future that development may exceed the Plan EIR's projections for residential development. That is not sufficient to sustain Petitioners burden to show that the Project will cause specific significant impacts that neither the Plan nor Project EIRs disclosed.

In challenging the residential growth analysis, Petitioners allege confusion over the baseline used in the Plan EIR at the Planning Commission. The discussion concerned what "development" was considered part of the environmental setting at the time the City approved the Plan, and, going forward, what "development" the City expected to occur under the rezoning authorized by the Plan. (AR 3417-3419, 332-333.) Petitioners have not met their burden of proof to show how this purported confusion resulted in prejudice. (Pub. Resources Code, § 21005, subd. (b); *Neighbors*, *supra*, 57 Cal.4th at p. 463 [EIR did not commit prejudicial error in using the wrong baseline for analysis].) The discussion focused on the extent of residential development expected to occur under the Plan, i.e., a projection of future development. The baseline for purposes of analysis is the environmental setting against which the impacts of a project are measured and generally consists of physical conditions at the time the analysis is performed. (CEQA Guidelines, § 15125, subd. (a); *North Coast*, *supra*, 216 Cal.App.4th at pp. 644-645; *Wal-Mart*, *supra*, 138 Cal.App.4th at pp. 289-291 [baseline in the context of Guidelines § 15183].) The time to challenge the Plan EIR's description of the setting expired years ago and is presumptively valid. (*Laurel Heights II*, *supra*, 6 Cal.4th at p. 1130 [unchallenged EIR presumed valid]; Pub. Resources Code, § 21167.2 [same].)

3. Height or Density Analysis

Petitioners argue that the Plan EIR did not analyze a project of this height or density at this location. Specifically, Petitioners assert that the analysis for the Plan EIR anticipated a height on the site of 68 feet, while the height of the Project will be 72-83 feet. Petitioners also argue that the 68-foot allowance is only for the north side of 16th Street, while the south side is where the Project is proposed. This is a challenge to plan consistency and will be discussed below in that separately delineated section.

E. <u>Cumulative Impacts</u>

Petitioners challenge the City's cumulative impacts analysis on traffic and transportation impacts, loss of PDR uses, and open space/recreation impacts. Petitioners also challenge the analysis of the pace of residential development, which has been addressed above.

Public Resources Code section 21083 requires a public agency to determine whether a proposed project may have "a significant effect on the environment", which may occur if "[t]he possible effects of a project are individually limited but cumulatively considerable. As used in this paragraph, 'cumulatively considerable' means that the incremental effects of an individual project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." (Pub. Resources Code, § 21083, subd. (b)(2).)

The CEQA Guidelines define "cumulative impacts" as "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts.... The cumulative impact from several projects is the change in the environment which results from the incremental impact of the project when added to other closely related past, present, and reasonably foreseeable probable future projects." (CEQA Guidelines, § 15355, subd. (b).) An EIR's cumulative impacts analysis "need not provide as great detail as is provided for the effects attributable to the project alone." (CEQA Guidelines, § 15130, subd. (b).) The discussion of cumulative impacts "'should be guided by the standards of practicality and reasonableness.'" (*City of Maywood v. Los Angeles Unified School Dist.* (2012) 208 Cal.App.4th 362, 397 (*City of Maywood*).) Courts generally uphold a cumulative impacts analysis that demonstrates a "'good faith effort at full disclosure.'" (*Id.* at pp. 397-401; see *Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 Cal.App.4th 1209, 1228-1229 [upholding brief cumulative traffic impacts analysis]; *Rialto Citizens*, *supra*, 208 Cal.App.4th at pp. 928-931 [upholding cumulative traffic impacts analysis that relied upon a prior "environmental document"]; *City of Long Beach v. Los Angeles Unified School Dist.* (2009) 176 Cal.App.4th 889, 905-912 [upholding cumulative air quality and traffic impacts analyses] (*City of Long Beach*).)

When a project's incremental effect is cumulatively considerable, the EIR must discuss cumulative impacts. (CEQA Guidelines, §15130, subd. (a).) When an incremental effect is not cumulatively considerable, the lead agency does not need to consider the effect significant, but "shall

briefly describe its basis for concluding that the incremental effect is not cumulatively considerable." (*Id.*) A lead agency shall identify facts and analysis supporting the agency's conclusion that the cumulative impact is less than significant. (CEQA Guidelines, § 15130, subd. (a)(2).)

1. Cumulative Transportation and Circulation Impacts

The substantial evidence standard of review applies. (*North Coast*, *supra*, 216 Cal.App.4th at pp. 638-639; see *Eureka Citizens for Responsible Government v. City of Eureka* (2007) 147 Cal.App.4th 357, 375-376 (*Eureka Citizens*).)

Petitioners' argument that the Project EIR did not fully analyze cumulative transportation impacts is that (1) the EIR used cumulative traffic levels from the Plan EIR's 2025 projection, but that growth level is outdated based upon residential growth; (2) the analysis failed to include certain projects; (3) the analysis failed to adequately consider transit impacts; and (4) the City failed to consider adoption of feasible traffic mitigation measures.

Plan EIR's 2025 Projections

The Project's EIR includes an analysis of Transportation and Circulation impacts. (AR 880-951.) This analysis is supported by the Transportation Impact Study ("TIS") prepared by DKS Associates. (AR 15223-15341 [March 2015 TIS], 4691-4718 [August 2015 Errata], 4969-4992 [November 2015 updated traffic counts], 880 [DEIR's discussion based upon TIS and Errata], 369-370 [FEIR discussion of updated counts], 376-377 [FEIR discussion of cumulative traffic].) DKS gathered traffic counts in order to characterize traffic conditions. (AR 721, 887.) The methodology used in the TIS is consistent with the City's Transportation Impact Analysis Guidelines. (AR 7287-7402; see, e.g., AR 15229 & 15235 [TIS conducted intersection analysis using criteria in the City's Guidelines], 15252 [same for Muni's service capacity analysis], 15266 [same for trip generation calculations].) The Project's FEIR includes additional analysis pertaining to vehicle miles traveled ("VMT") and induced demand pursuant to Senate Bill 743 and Planning Commission Resolution 19579. (AR 287-307.) The VMT analysis was in addition to, and did not supplant, the LOS analysis in the DEIR. (AR 288 ["EIR considers traffic impacts of the proposed project under both metrics"].) The FEIR also included updated traffic counts from November 2015. (AR 369-370, 4969-4992.)

The Project EIR's cumulative traffic analysis encompassed growth projections in the Plan EIR; the "impact assessment for year 2025 conditions . . . took into account both the future development expected in the Eastern Neighborhoods . . . and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area at that time, including growth within Mission Bay." (AR 376-377.) As the FEIR explained, the City completed a full TIS in 2015 based on traffic counts gathered in 2012 and 2014; to establish existing traffic levels, the TIS did not rely on traffic counts obtained for the Plan EIR. (AR 369.) The analysis thus took into account any changes in traffic that occurred as a result of development in the area after the City adopted the Eastern Neighborhoods Plan. (*City of Long Beach, supra*, 176 Cal.App.4th at p. 910 [effect of previously approved projects were reflected in traffic counts showing existing conditions].) The cumulative impact analysis then added anticipated increases in traffic through the year 2025. These projections were based on continued development in the area under the Eastern Neighborhoods Plan, as well as a general increase in traffic throughout the region based on the City's transportation model; these projected increases in traffic were added to the counts gathered for the TIS, as well as the estimate of traffic that the Project would generate. (AR 906-907, 914 [DEIR], 376-377 [FEIR].) The City also compared its results with those of traffic studies performed by other agencies in the area, in particular the "University of California San Francisco 2014 Long Range Development Plan EIR." (AR 369.)

The City received a comment that the 2012 and 2014 traffic counts might be too old to capture traffic from the recently opened UCSF Medical Center. The City responded by gathering additional traffic counts to determine "whether any significant changes [] occurred in travel patterns or traffic volumes" in the area after the medical center opened. (AR 721, 370.) These counts, gathered on November 3, 2015, showed that traffic volumes at most intersections had declined or stayed the same. At the sole exception – the 7th/16th/Mississippi intersection – traffic volumes between 2012 and November 2015 had increased by 6% – not enough to affect the intersection's LOS. (AR 4969-4992 [DKS memorandum], 724-745; see AR 369-370.) Thus, although Petitioners argue that traffic conditions deteriorated after 2012, the data show otherwise. Moreover, these traffic counts represented "baseline" conditions against which the Project EIR measured Project-related and cumulative traffic impacts.

Petitioners failed to demonstrate that the cumulative impacts analysis used outdated growth projections. Cumulative conditions were developed from Plan EIR growth projections as well as more recent data. As discussed above, Petitioners failed to demonstrate that residential growth has exceeded the Plan EIR's projections. In addition, even if such growth has exceeded the projections, Petitioners did not demonstrate that such growth makes the transportation cumulative impact analysis deficient.

Other Specific Projects

Petitioners argue the cumulative impact analysis did not account for traffic from other proposed projects in the area. Under CEQA, however, the lead agency has discretion to base its analysis of cumulative impacts either on "(A) [a] list of past, present, and probable future projects producing related or cumulative impacts . . . , or [¶] (B) [a] summary of projections contained in an adopted local, regional or statewide plan, or related planning document, that describes or evaluates conditions contributing to the cumulative effect. . . . A summary of projections may also be contained in an adopted or certified prior environmental document for such a plan." (CEQA Guidelines, § 15130, subd. (b)(1).) In this case, the City used a summary of projections approach to analyze the annual growth in traffic expected to occur as the Eastern Neighborhoods Plan builds out, together with anticipated regional growth in traffic. (AR 376-377, 914.) As noted above, observed growth in the area has not exceeded those projections. (AR 333-335.) Thus, the City's approach is consistent with CEQA. (*Rialto Citizens*, *supra*, 208 Cal.App.4th at pp. 928-929 [trial court erred by assuming the agency had to use a "list of projects" approach; agency also had discretion to rely on "summary of projections"].)

Petitioners cite the Warriors arena project proposed on Third Street in Mission Bay as a project that the City should have considered. First, the EIR did not need to discuss specific projects, as stated above. Second, the DEIR did not include the Warriors project because when the City commenced the Project's review process, the Warriors arena project had not been proposed and thus was not reasonably foreseeable. (AR 377; see CEQA Guidelines, § 15355, subd. (b); *Gray v. County of Madera* (2008) 167 Cal.App.4th 1099, 1127-1128 [agency has discretion to set the date of project's application as cut-off date for determining what other projects are reasonably foreseeable for purposes of assessing cumulative impacts]; *City of Maywood*, *supra*, 208 Cal.App.4th at pp. 398-401 [agency's general awareness of proposal to construct freeway off-ramp was not enough to make it "reasonably

foreseeable"].) The DEIR did assign "trips" to the site, however, because at the time the Project analysis was performed Salesforce had proposed to build its headquarters on the site. Only later did Salesforce sell the land to the Warriors for the arena. By the time the City prepared the Project's FEIR, the Warriors arena project had emerged. The FEIR included additional analysis showing that the arena proposal "would not cause significant change" to the analysis of relevant intersections because the EIR's traffic projections already assumed that the site would be developed (the previously proposed Salesforce office project) and would contribute similar traffic volumes to the one intersection potentially affected by both projects. (AR 377, 378-379, 944, 983.) In 2015, the City certified a focused EIR analyzing the impacts of the proposed Warriors event center in Mission Bay. The Court of Appeal ruled that the City's EIR complied with CEQA, upholding, among other things, the transportation analysis. (*Mission Bay Alliance*, *supra*, 6 Cal.App.4th at pp. 179-191.)

" ' "We review an agency's decision regarding the inclusion of information in the cumulative impacts analysis under an abuse of discretion standard. 'The primary determination is whether it was reasonable and practical to include the projects and whether, without their inclusion, the severity and significance of the cumulative impacts were reflected adequately.' " ' (Citation.)" (*Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 Cal.App.4th 1209, 1228.)

Petitioners did not demonstrate that without the inclusion of the Warriors arena project, or any other specific projects which Petitioners assert were improperly left out, the severity and significance of cumulative impacts were not adequately reflected.

Transit

There was a full consideration of the impact on public transit in the EIR, with the analysis conducted "in a manner consistent with the Planning Department's Transportation Impact Analysis Guidelines." (AR 341-342, 924-927 [less-than-significant Impact TR-3].) Based on this analysis, the EIR concluded that the Project would not result in project-specific or cumulative impacts related to transit capacity or delays. (AR 341, 924 ["The proposed project would not result in a substantial increase in transit demand that could not be accommodated by Muni transit capacity; nor would it affect transit operating conditions within the project vicinity such that adverse impacts to Muni transit service could occur"], 947-950 ["The proposed project, combined with past, present, and reasonably

foreseeable future projects, would not contribute considerably to any significant cumulative transit impacts"].) The City also explained that the Project applicant would be required to pay the Transportation Sustainability Fee and the Eastern Neighborhoods Infrastructure Fee to help fund city-wide infrastructure and planned transit improvements. (AR 342.) Petitioners' arguments on this topic focus on commenters' views that the area is poorly served by public transit. (See, e.g., AR 1411-1412, 1663.) Petitioners do not, however, demonstrate how the EIR's transit impacts analyses violated CEQA.

Mitigation Measures

Petitioners assert the City violated CEQA by failing to consider "traffic reducing and/or calming measures", such as signal timing, bulb-outs or pedestrian islands. (AR 345.) This is incorrect. The EIR details several traffic calming measures already incorporated into the Project description (AR 845) and found signalization of one intersection (Mariposa and Mississippi Streets) inadvisable because traffic patterns are more effectively served by the existing stop pattern than by signalization. (AR 922). As the FEIR noted, the City did not incorporate the additional traffic and signal calming measures suggested by Petitioners because the analysis showed that the Project would not result in "significant traffic hazards or hazards to pedestrians or bicyclists." (AR 345-347, 928-936 [less than significant Impacts TR-4, TR-5, TR-6, and TR-7], 949-950 [less than significant cumulative impacts C-TR-4 and C-TR-5].) Mitigation measures are required only for *significant* adverse impacts. (CEQA Guidelines, § 15126.4, subd. (a); see *South County Citizens for Smart Growth v. County of Nevada* (2013) 221 Cal.App.4th 316, 336 [CEQA did not require county to consider proposal to expand road because EIR found traffic impact on road would not be significant].) The EIR identified, and the City adopted, a measure requiring the applicant to implement a Transportation Demand Management (TDM) Plan, with a goal of reducing one-way vehicle trips by 10%. (AR 923-924 [DEIR], 194-196 [adopted TDM Plan requirement]; see *Mission Bay Alliance, supra*, 6 Cal.App.5th at pp. 179-188 [Transit Service Plan upheld as project component to reduce transportation impacts]; *City of Hayward v. Trustees of Cal. State Univ.* (2015) 242 Cal.App.4th 833, 851-852 [TDM Plan included in proposed master plan upheld as CEQA mitigation].) The City and applicant went beyond the requirements of CEQA in agreeing to adopt improvement measures that would reduce the already less-than-significant project impacts. (AR

933-934 [Improvement Measures I-TR-5a & I-TR-5b: On-site Bicycle Safety Strategies], 936 [Improvement Measure I-TR-6: Off-street Loading Management].) Petitioners' claims are therefore misplaced, as they fail to address how their assertions render the EIR's cumulative impacts analyses deficient. Additionally, the administrative record demonstrates that the City did consider possible mitigation measures to reduce significant adverse traffic impacts.

Petitioners did not demonstrate that the City failed to conduct an adequate analysis of traffic and/or transit impacts. The conclusions that there would not be significant, cumulative impacts on transit, pedestrians or bicycles, or construction-related transportation impacts are supported by substantial evidence.

2. Cumulative Loss of PDR Uses

Petitioners raise the issue of loss of PDR uses in their briefs, but they fail to address how this argument relates to the adequacy of the EIR's cumulative impacts analysis. The CPE Checklist analyzed the loss of PDR space and determined that it would not result in significant impacts that were not previously identified in the Plan EIR, nor be of a more severe impact than analyzed in the Plan EIR. (AR 1065.) The gravamen of the argument seems to be the Project will permanently displace PDR in favor of primarily residential use and allow for too much residential development. Petitioners acknowledge that the UMU zoning changes allow for a mixed-use district in which residential development is mixed with PDR use. UMU zoning does not require a specific allocation of residential and PDR use.

Petitioners further argue that the City improperly relied on the analysis of land use impacts related to the loss of PDR uses in the Plan EIR. Land use inconsistency is not an environmental impact under CEQA unless it can be traced to an effect on the physical environmental. (*Joshua Tree Downtown Business Alliance v. County of San Bernardino* (2016) 1 Cal.App.5th 677, 694-696 [perfect conformity with applicable plans is not required]; *Preserve Poway v. City of Poway* (2016) 245 Cal.App.4th 560, 581 [impacts on "community character" are not environmental impacts]; see *Lighthouse Field Beach Rescue v. City of Santa Cruz* (2005) 131 Cal.App.4th 1170, 1207 ["inconsistency between a project and other land use controls does not in itself mandate a finding of significance"].)

The City addressed the loss of PDR uses in the CPE Checklist by reference to the Plan EIR. (AR 1064-1065.) The Plan EIR concluded that implementation of the Plan, including the rezoning of some formerly industrially zoned land to mixed use UMU zoning, would result in a significant and unavoidable cumulative land-use impact related to the loss of PDR uses that was not able to be feasibly mitigated and adopted a Statement of Overriding Considerations for this impact. (AR 2890, 2907-2908, 2920-2922.) Consistent with the Plan, the Project site was rezoned UMU in 2008 to allow mixed use residential development to replace the existing industrial buildings. (AR 443, 1065, 8458-8459.) This is distinguishable from other locations which were rezoned PDR, a zoning designation that prohibits some uses in order to retain and encourage additional PDR space. (AR 443.) Therefore, although the Project would contribute to the cumulative loss of PDR uses envisioned in the Plan EIR, it "would not result in new significant impacts that were not previously identified or more severe impacts than were analyzed in the [Plan] EIR." (AR 443, 1064-1065, 8465-8471.) Because the cumulative loss of PDR was previously disclosed in the Plan EIR, and is not peculiar to the parcel or Project, no further analysis was required. (Pub. Resources Code, § 21083.3; *Wal-Mart*, *supra*, 138 Cal.App.4th at p. 296 [record did not support claim that ordinance would result in project-specific impacts beyond those already disclosed in plan EIR].) Petitioners have not demonstrated that the City failed to comply with Public Resources Code section 21083.3, nor have they demonstrated how their argument related to loss of PDR use is tied to the adequacy of the EIR's cumulative impacts analysis.

3. Cumulative Open Space, Recreation and Shadow Impacts

Petitioners argue that the City improperly relied on the analysis of open space, recreation, and shadow impacts in the Plan EIR and that unanticipated growth in the Showplace/Potrero area resulted in increased demands on the area's limited open space and recreational facilities.

The City addressed these impacts in the CPE Checklist. (AR 1088 [Recreation], 1081-1087 [Wind and Shadow].) The City relied on the Plan EIR, which concluded that: (a) "none of the proposed rezoning options . . . would result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreation facilities that might have an adverse physical effect on the environment" (AR 8782, 8766-8782 ["Parks, Recreation, and Open Space"]); and (b) "the [Eastern Neighborhoods Plan] project impact with respect to shadow is judged to be significant

and unavoidable for all three rezoning options" (AR 8821, 8785-8821 [Shadow]). Because the Project is within the development projected under the Eastern Neighborhoods Plan, its implementation would not result in either project-level or cumulative significant impacts not previously identified in the Plan EIR related to physical degradation or deterioration of recreation resources or physical effects on the environment. (AR 1088.)

Petitioners have not met their burden of proof to show that the City's determination that the Project would not have peculiar impacts different from those analyzed in the Plan EIR was not supported by substantial evidence. Instead, Petitioners repeat the claim, as elsewhere, that parks have not kept pace with development.

First, Petitioners assert four acres of new park space was required but only one acre of new park space has been provided in Daggett Park. Petitioners quote from the Showplace/Potrero Area Plan:

> "Analysis reveals that a total of about 4.0 acres of new space should be provided in this area to accommodate expected growth. Thus, this Plan proposes providing at least one new open space in the area, in addition to widened sidewalks with pocket parks and green streets, and an increased private open space requirement."

(AR 9437.) Petitioners portray this passage as mandating four acres of new parks. This portrayal is not borne out by the full record. This passage is an aspirational observation in the introductory paragraph preceding the Plan's Streets and Open Space Policies. The Plan actually proposed providing at least one new open space in the area, in addition to widened sidewalks with pocket park and green streets and an increased private open space requirement. (AR 9437.) The Plan and City's Planning Code allow for both public and private open space to fulfill residents' recreation needs. The Project includes 14,669 sf of public open space, 33,149 sf of common open space for residents, and 3,114 sf of private open space (combined ~1.2 acres) (AR 2772, 829-830, 1060), which exceeds Planning Code section 135's requirements of 80 sf of usable open space per dwelling unit if all open space is private or common, or 54 sf/unit if publicly accessible open space is provided. (AR 867-868; Respondents' RJN, Exh. A, pp. 28-37.) Thus, although the record does not support Petitioners' claim that the Potrero area has insufficient open space, even if there were such a shortfall, the record contains no evidence the Project will exacerbate it. (*San Joaquin Raptor /Wildlife Rescue Center v. County of Stanislaus* (1996) 42 Cal.App.4th 608, 624-625.) Moreover, the Project exceeds Planning Code open space requirements and

must pay the City's adopted fee to support park development. (AR 48-49, 457, 2819-2820.) Also, as noted above, the number of units approved and built has not exceeded the Plan EIR's projections. (AR 330-335.)

Second, Petitioners cite the Project's shadow impacts on Daggett Park. (Petitioners' Opening Brief, p. 24.) The CPE Checklist included a shadow analysis comparing baseline shadows with the Project's net new shadow. (AR 1081-1087; see AR 14333-14384 [shadow study].) Although the Project would cast net new shadow on nearby sidewalks and a portion of the park, the CPE Checklist stated that this impact would be less than significant because: (a) many sidewalks in the area "are already shadowed by existing buildings and additional project-related shadow would be temporary in nature and would not substantially affect the use of the sidewalks," (b) Daggett Park would "experience shadowing in the mornings in the mid-fall to mid-winter with or without the proposed project," and (c) the Project's additional shadow on the park "would be limited in both time of day and time of year" and would not occur in the afternoon when the park is expected to experience the greatest use. (AR 1082-1083.) The Project's net new shadow would not substantially affect the use of Daggett Park. Although the Project would contribute to shadows at Daggett Park, the contribution was physically and temporally limited, and therefore less than significant. (AR 458.) The only contrary evidence consists of Petitioners' opinion that the shadow impact is significant. (AR 1407, 1451.) Such a difference of opinion is insufficient to overturn the City's conclusion (*Eureka Citizens*, *supra*, 147 Cal.App.4th at pp. 375-376 [EIR's "qualitative judgment" that playground would not have significant visual impact]), particularly where, as here, the comments are unsubstantiated. (Pub. Resources Code, § 21080, subd. (e)(2); *Pala Band*, *supra*, 68 Cal.App.4th at p. 580.) Finally, the Plan EIR had already disclosed the potential for projects within the Eastern Neighborhoods to cause significant shadow impacts. (AR 8783-8821.) Petitioners failed to demonstrate that the Project's shadow impacts constitute an effect peculiar to the project which were not addressed as significant effects in the Plan EIR, nor have Petitioners shown any substantial information which results in a more significant impact than in the Plan EIR. (Pub. Resources Code, § 21083.3, subd. (b).)

Substantial evidence supports the City's cumulative impacts analysis on all grounds objected to by Petitioners. Petitioners have not met their burden of demonstrating the City failed to adequately analyze cumulative impacts.

F. Aesthetic and View Impacts

Petitioners assert the City erred in relying on Public Resources Code section 21099, which provides that the Project's visual impacts are not considered significant impacts under CEQA. The statute states: "Aesthetic and parking impacts of a residential, mixed-use residential, or employment center project on an infill site within a transit priority area shall not be considered significant impacts on the environment." (Pub. Resources Code, § 21099, subd. (d)(1).) Subdivision (a)(4) and (a)(7) of section 21099 define "infill site" and "transit priority area".

The substantial evidence standard of review applies to the City's factual determinations that the Project falls within the category of projects embraced by section 21099, subdivision (d). (*Concerned Dublin Citizens v. City of Dublin* (2013) 214 Cal.App.4th 1301, 1311-1312.)

Addressing the correct statutory authority, under section 21099, the criteria are that the project be: (1) in a residential, mixed-use residential or employment center, (2) on an infill site, and (3) within a transit priority area. (Pub. Resources Code, § 21099, subd. (d)(1).) Petitioners (1) argue that the Project is not the sort of "mixed-use" contemplated by the statute, and (2) dispute the application of "within a transit priority area."

Petitioners' argument that the Project is not the sort of "mixed-use" contemplated by section 21099 is specious. Section 21099 applies to "a residential, mixed-use residential, *or* employment center project." (Pub. Resources Code, § 21099, subd. (d)(1), italics added.) Petitioners suggest the Project is not the right sort of mixed-use project because the proportion of residential uses is too high. But the statute expressly applies to either residential *or* mixed use projects. (*Ibid.*) The Project is both residential *and* mixed use (395 residential units and ground-floor retail spaces). (AR 38.)

Section 21099 also requires the Project to be within a transit priority area, defined as "an area within one-half mile of a major transit stop that is existing or planned, ..." (Pub. Resources Code, § 21099, subd. (a)(7).) Petitioners argue the Project fails to meet the requirements of subdivision (a)(7) because the area is "severely underserved by transit and proposed upgrades to transit are tenuous."

(Petitioners' Opening Brief, p. 28:6-7) It is noteworthy that in their Reply Brief, Petitioners propose a different argument, that the Project fails to come within the requirements of subdivision (a)(7) because "the Project must be located within one-half mile of a major transit stop or high-quality transit corridor included in a regional transportation plan… a high-quality transit corridor means a corridor with fixed route bus service with service intervals no longer than 15 minutes during peak commute hours." (Reply Brief, p. 13:10-18.) A review of section 21099 demonstrates it does not contain the quoted language or a 15 minute interval requirement.

The Planning Department's Transit-Oriented Infill Project Eligibility Checklist ("21099 Memo") identified a Muni metro stop (T line) at Third Street and Gene Friend Way, which is one-half mile from the Project (operating with headways of less than 10 minutes), and two Muni bus stops: 19 Polk at 17th Street and Rhode Island and 22 Fillmore at 17th Street and DeHaro, one block away (operating with headways of 15 minutes or less). (AR 14416, 14418, 38.) Substantial evidence supports the City's conclusion that the Project site is within half a mile of two existing, major transit stops. (AR 14416, 14418.) Petitioners' argument relating to the area being underserved by transit is without merit and does not defeat the application of section 21099 to the Project.

Petitioners raise the application of Public Resources Code section 21151(a) and CEQA Guidelines section 15064 in support of their argument that visual impacts must be addressed as significant CEQA impacts. Neither authority applies to this issue. The statutory language cited by Petitioners is not contained within the Code or Guideline as quoted.

Petitioners cite CEQA cases stating that personal observations may be evidence of impacts. Section 21099 became effective in 2014. (Stats. 2013, ch. 386, § 5 (Senate Bill 743).) All the cases cited by Petitioners predate 2014. None of the cases address or bear on the applicability of section 21099 or any other statutory exemption.

Petitioners cite critical comments regarding visual impacts. Under Public Resources Code section 21099, subd. (d), for a qualified project, "visual impacts shall not be considered significant impacts." The issue is not whether the Project's critics were displeased. "A project opponent or reviewing court can always imagine some additional study or analysis that might provide helpful information. It is not for them to design the EIR. That further study [] might be helpful does not make it

necessary." (*Laurel Heights I, supra*, 47 Cal.3d at p. 392.) "Where, as here, the agency prepares an EIR, the issue is whether substantial evidence supports the agency's conclusions, not whether others might disagree with those conclusions. [Citations.]" (*North Coast, supra*, 216 Cal.App.4th at p. 627 [upholding EIR's visual impact analysis]; see *Eureka Citizens, supra*, 147 Cal.App.4th at pp. 375-376 [upholding EIR's "qualitative judgment" that playground would not have significant visual impact].) Here, the record shows that critics thought the buildings were too tall. (AR 314-316, 466-469, 1231-1232, 1247-1250, 1254-1258, 1426-1431, 4954-4957.) Petitioners cite these criticisms but do not address the EIR's Responses to Comments, in which City staff explained that the Project is consistent with applicable height limits and policies regarding building heights and neighborhood compatibility and that the minor rooftop elements are exempt from height limits. (E.g., AR 316-317, 322-323, 2777-2779, 3001-3005.) Simulations show that the site is located at the foot of Potrero Hill and that given the topography and the existence of another 68-foot tall building directly across 16th Street (AR 847), the Project will not, in fact, block public views. (AR 832-834 [building elevations], 847-857 [photographs from multiple viewpoints, including visual simulations showing Project will not obstruct views of downtown San Francisco from Potrero Hill].) Petitioners may disagree, or want more simulations, or prefer other visual characterizations of the Project, but under the applicable standard of review, that is insufficient. (*North Coast, supra*, 216 Cal.App.4th at p. 627.)

In any event, the parties' arguments and cited record evidence regarding whether the Project will, or will not, impact views are irrelevant because substantial record evidence supports the application of the section 21099 exemption.

G. <u>Inconsistencies with Plans and Policies</u>

Petitioners argue the CPE Checklist and Project EIR did not adequately address the Project's consistency with the San Francisco General Plan, the Eastern Neighborhoods Plan, and the Potrero Plan. Petitioners' claims focus on the Project's height and bulk and public view.

Petitioners argue that the City violated CEQA because the FEIR declined to consider the extent to which the Project is consistent with applicable plans and policies. The Project EIR includes a chapter on Plans and Policies discussing the ones applicable to the Project and potential inconsistencies. (AR 860-871.) The Final EIR states: "project-related conflicts and inconsistencies do not constitute, in and

of themselves, significant environmental impacts." (AR 322; see also AR 860, 2798.) This statement is correct. (Pub. Resources Code, § 21151, subd. (b) ["For purposes of [CEQA] any significant effect on the environment shall be limited to … adverse changes in physical conditions"]; *Id.* at § 21060.5 [defining "environment" as "physical conditions which exist within the area which will be affected by a proposed project"; CEQA Guidelines, §§ 15358, subd. (b) ["Effects analyzed under CEQA must be related to a physical change"], 15131, subd. (a) ["Economic or social effects of a project shall not be treated as significant effects on the environment"], 15064, subd. (e) [same].) The requirement is that an EIR must "discuss any inconsistencies" with applicable planning documents; the EIR need not resolve them. (CEQA Guidelines, § 15125, subd. (d); *Karlson v. City of Camarillo* (1980) 100 Cal.App.3d 789, 805-806.)

Where a project could conflict with a plan or policy adopted "for the purpose of avoiding or mitigating an environmental effect," the lead agency must analyze such potential conflicts as environmental impacts. (See CEQA Guidelines, Appendix G, § X, subd. (b); AR 1064 [CPE Checklist].) The record shows that the City performed such an analysis. For instance, the CPE Checklist considered whether the Project would exceed noise levels established in the General Plan and Noise Ordinance and be consistent with the 2010 Clean Air Plan. (AR 1070-1080.) The CPE Checklist also considered whether the Project's height and bulk – which are consistent with the 48-X and 68-X height and bulk districts – may result in wind and shadow impacts. (AR 1081-1087.)

Petitioners list 14 bullet points of which 12 are for policies and objectives with which Petitioners believe the Project is inconsistent. Petitioners argue that the City had an obligation under CEQA to analyze environmental impacts associated with these purported inconsistencies. Petitioners fail to support most of the statements of policy or objectives with evidence from the record and they are therefore deemed waived. (*Jacobson, supra*, 69 Cal App. 3d at p. 388; see also *Defend the Bay v. City of Irvine* (2004) 119 Cal.App.4th 1261, 1265–1266 ["As with all substantial evidence challenges, an appellant challenging an EIR for insufficient evidence must lay out the evidence favorable to the other side and show why it is lacking. Failure to do so is fatal. A reviewing court will not independently review the record to make up for appellant's failure to carry his burden. (Citation.)"].)

As to Petitioners' arguments related to scale and height of the Project's buildings, the CPE Checklist and Project EIR adequately addressed this issue. They demonstrate that the Project is consistent with the height and bulk limits established by the Eastern Neighborhoods Plan and Potrero Plan. (AR 316-317 [FEIR, RTC PO-1], 865-866 [DEIR], 1064 [CPE Checklist], 2798-2800.) The DEIR specifically noted the Eastern Neighborhood Plan approvals rezoned the site to the 48-X (17th Street) and 68-X (16th Street) height and bulk districts (AR 864-865, 1064; see AR 2799), which allow buildings up to 68 feet and 48 feet high, respectively. (AR 1064.) The CPE Checklist and EIR indicated the Project is consistent with these limits and would not cause greater impacts than identified in the Plan EIR. (AR 865, 1064-1065, 9113, 9115, 2799.)

Petitioners argue that the Project cannot rely on the Plan EIR because, Petitioners claim, the Plan EIR assumed height limits on the south side of 16th Street would be lower than 68 feet. The record does not support this claim. Although the Plan's Draft EIR looked at lower heights, the Plan's Final EIR analyzed height limits of 68 feet on both sides of 16th Street at the Project site. (AR 9113, 9115; see AR 9100 [August 7, 2008, approved height limit map].) Although Petitioners note that the Plan FEIR stated "the established residential areas of Potrero Hill would remain unchanged at 40 feet," Figure C&R-2 of the Plan FEIR makes clear that this statement applied to other residential areas of Potrero Hill, not the Project site. (AR 9113, 4466-4467.) These same height limits are shown on the final height-limit map approved by the Commission and Board of Supervisors in 2008. (AR 9100; Respondents' RJN, Exh. C [Zoning Map HT08].)

Petitioners did not demonstrate either an inconsistency with height and bulk limits or an inadequacy of the environmental review documents in discussing consistencies with those limits.

As to Petitioners' arguments that the Project is inconsistent with restrictions against obscuring public views and altering the natural topography of Potrero Hill, such aesthetic and view impacts are not significant impacts under CEQA, as discussed above. (Pub. Resources Code, § 21099, subd. (d)(1).)

Petitioners failed to meet their burden of demonstrating that either the Project is inconsistent with the General Plan, the Eastern Neighborhoods Plan, or the Showplace Square/Potrero Area Plan, or that any inconsistencies were not adequately identified and discussed in the EIR as required by Guidelines section 15125.

H. Responses to Comments

Petitioners argue the FEIR does not provide adequate Responses to Comments. The FEIR contains 176 pages of responses. (AR 313-488.) These responses address cumulative impacts, policies, and recreation/open space. (E.g., AR 280-282, 330-336, 341-342, 376-377 [cumulative impacts], 314-323 [plans/policies], 456-458 [recreation/open space].) These responses contrast with the perfunctory responses regarding major environmental issues at issue in *People v. County of Kern* (1976) 62 Cal.App.3d 761, 769-774 and *Cleary v. County of Stanislaus* (1981) 118 Cal.App.3d 348, 355-360. In *Friends of the Eel River v. Sonoma County Water Agency* (2003) 108 Cal.App.4th 859, 878-879, the Court generally upheld the FEIR's responses, except for those pertaining to portions of the EIR that were themselves deficient. In this case, the FEIR's responses constitute the good-faith effort that the courts uphold. (E.g., *City of Irvine v. County of Orange* (2015) 238 Cal.App.4th 526, 546-558; *Eureka Citizens*, *supra*, 147 Cal.App.4th at p. 378.)

Petitioners fail to identify to which comments the FEIR failed to adequately respond, explain why a response was inadequate or cite to the administrative record. It is Petitioners' burden to demonstrate there is no sufficient evidence in the record to justify an agency's action and petitioner "must set forth in its brief all the material evidence on the point." (*Citizens for a Megaplex-Free Alameda v. City of Alameda* (2007) 149 Cal. App. 4th 91, 112-113.) It is not the Court's obligation to scour the record and find the evidence on behalf of Petitioners. (*Id.* at p. 113.) The Court deems the claim waived by Petitioners. Additionally, the FEIR's Responses to Comments were cited and addressed at various points in the above discussion.

III. CONCLUSION

For the reasons set forth above, the Petition for Writ of Mandamus is denied in its entirety.

IT IS SO ORDERED.

Dated: October 31, 2017

Hon. Cynthia Ming-mei Lee
JUDGE OF THE SUPERIOR COURT

Superior Court of California
County of San Francisco

SAVE THE HILL AND GROW POTRERO RESPONSIBLY, Plaintiff(s) vs. CITY & COUNTY OF SAN FRANCISCO, ET AL., Defendant(s)	Case Number: CGC-16-515238 **CERTIFICATE OF ELECTRONIC SERVICE** (CCP 1010.6 & CRC 2.251)

I, Audrey Huie, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On **October 31, 2017**, I electronically served **ORDER DENYING PETITION FOR WRIT OF MANDAMUS** via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated: **October 31, 2017**

CLERK OF THE COURT,

By: _____
Audrey Huie, Deputy Clerk

West Bay Law
Law Office of J. Scott Weaver

June 8, 2018

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

Re: Case No. 2014.0376 CUA 2918 Mission Street, File No. 170808
Appeal of the November 30, 2017 Planning Commission Decisions

Dear Supervisor Breed and Members of the Board of Supervisors:

Please accept this submission on behalf of Calle 24 Latino Cultural District Council with respect to its appeal of the proposed project at 2918 Mission Street.

Summary

The Mission Area Plan (MAP) and the Eastern Neighborhoods EIR (PEIR) were prepared in 2008, during the "great recession". It did not predict the extraordinary changes that would unfold in the Mission, sky-high prices, massive displacement and gentrification, dramatic changes in transportation patterns, and unprecedented development. These extraordinary changes have rendered both the PEIR and the MAP outdated, and they can no longer be relied on to assess CEQA impacts for the Mission. Likewise, the proposed mitigations suggested in the PEIR and the Mission Area Plan (MAP) have proven inadequate.

Notably, the PEIR and the Mission Area Plan (MAP) completely misjudged the unprecedented rate of development in the Mission. The PEIR assumed construction of up to 2054 new units in the Mission between 2008 and 2025. Currently, the number of Mission pipeline units built, entitled, and that are otherwise in the pipeline as of Q-4 2017 stands at no less than 3,409 units. This number is more than twice the "preferred project" of 1,696 units for the Mission, and we are only half way through the Eastern Neighborhoods Plan. (See Exhibit C-12, 13). Because the PEIR did not assess cumulative impacts beyond that studied, it cannot be the tool for doing so. The Community Plan Evaluation (CPE) for this project, which tiered off from the PEIR, did not undertake a cumulative impact analysis of this and the other projects, built, entitled, and in the pipeline for the Mission. As such, the Commission's CEQA approval did not include the required evaluation of the cumulative environmental impacts of this and other projects built, entitled, or in the pipeline for the Mission.

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Furthermore, completely unaddressed in the Community Plan Evaluation are project specific impacts of the on the Zaida T. Rodriguez Pre-School and Transitional Kindergarten. There, the shadow impacts on the Bartlett Street campus Playground and school were not studied, nor were noise and other health impacts on the preschool, including its Speech and Learning Center evaluated in terms of shadow, construction noise and vibration, dust and debris.

The Proposed Project.

The project sponsor proposes to construct a 75 unit eight story building, with 6,724 square feet of first floor commercial use. Only 10% of the units would be affordable. The proposed project is located at 2918 Mission Street, near 25th Street. It is in the Mission Street Corridor and across the street from the western boundary of the Calle 24 Latino Cultural District. Notably, it is also adjacent to the two campuses of the Zaida T. Rodriguez Pre-School and Transitional Kindergarten. The only environmental review for the project consisted of a Community Plan Evaluation (CPE) that tiered off the 2008 Eastern Neighborhoods Plan EIR (PEIR). (The CPE and Links to the PEIR have previously been submitted.)

A. THE PEIR IS NO LONGER VIABLE FOR ASSESSIING CUMULATIVE ENVIRONMENTAL IMPACTS.

Public Resources Code Section 21083, subdivision (b)(2) requires environmental analysis of a project's cumulative impacts. That is, it must include the aggregate impacts of "past projects, other current projects, and probable future projects." (CEQA Guidelines Section 15065 subdivision (a) (3)). In *Citizens to Preserve the Ojai v County of Ventura* (1985) 176 Cal.App.3d 421, the court ruled that an understated cumulative impacts analysis "impedes meaningful public discussion and skews the decision makers' perspective concerning the environmental consequences of a project, the necessity for mitigation measures, and the appropriateness of project approval." Outdated information is insufficient in assessing Here, by using outdated information regarding potential cumulative impacts,

CEQA allows broader EIRs (such as the PEIR) to address these cumulative impacts, leaving individual projects to utilize a CPE to focus on project specific impacts. (CEQA Guidelines Section 15152). This process is called "tiering". The effectiveness of the environmental analysis is premised on the integrity of the underlying EIR. Here, the EIR is out-of-date or otherwise flawed and is no longer a viable tool for evaluating cumulative CEQA impacts.

The PEIR is no longer viable because

1) Original growth projections in the PEIR have already been exceeded. The PEIR's cumulative impacts analysis is therefore necessarily understated with respect to issues of land use, pedestrian and bicycle safety, open space and recreation, childcare, schools, and youth recreation, adequacy of community benefits, transportation, open space, and recreation infrastructures and other growth inducing impacts.

2) Substantial changes on the ground have rendered the PEIR out of date.

3) The PEIR is more than five years old and the City has not met the requirements of Public Resources Code Section 21157.6 or Guidelines Section 15179.

1. The Eastern Neighborhoods PEIR is no Longer a Reliable Tool for Evaluating Cumulative CEQA Impacts Because its Growth Projections Have Proven Wildly Inaccurate.

The Eastern Neighborhoods PEIR was prepared in 2008, amid the "great recession". Its purpose was to address environmental consequences under three potential "project" scenarios for Eastern Neighborhoods. The neighborhoods included East SOMA, Central Waterfront, Showplace Square/Potrero Hill, and the Mission.[1] Growth assumptions were made within the context of a population projection for San Francisco of 835,000 by 2025 and requiring construction of an additional 17,000 units citywide.[2] So far, there were 20,455 Units built between 2014 and an additional 12,023 built between 2015 and the 3rd Quarter of 2017 for a total of 32,478 units. As of that time, there were an additional 13,860 units entitled.[3]The City's Commerce and Industry Inventory currently sets the population at 866,000, 31,000 above the projected figure, and that number will continue to climb during the next seven years.[4] In other words, we have far exceeded the growth projections for the entire City that underly the PEIR.

The PEIR evaluated potential CEQA impacts of forecasted growth in housing unit production for the Mission, under a "no project" scenario and with Options A, B, and C, with Option C. anticipating the more drastic rezoning option and, thus, the largest housing production.[5] The EIR's analysis was based on these assumptions for growth.[6] Put another way, the EIR did not evaluate environmental impacts where growth was greater than that stated in Option C. As you will see [7] the EIR anticipated up to 2,054 units for the Mission by 2025 under Option C. Rezoning was ultimately scaled back to projected growth under a "preferred project" to 1,696 units.

The Mission is now well above its projected growth numbers, with no less than 3,409 units, built, entitled, and otherwise in the pipeline as of Q-4, 2017. (See Exhibit C-13, 14) [This

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[1] http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-EN_Final-EIR_Part-3_Land-Use_Plans.pdf Page 34

2 http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-EN_Final-EIR_Part-3_Land-Use_Plans.pdf Page 30

[3] See Exhibit C146-148, (This does not include Treasure Island, Park Merced, or Bayview Hunters Point)

[4] http://www.sfexaminer.com/sf-job-growth-steadily-climbs-housing-demand-cant-keep/

[5] http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-EN_Final-EIR_Part-3_Land-Use_Plans.pdf, And Exhibit C-12

[6] http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-EN_Final-EIR_Part-3_Land-Use_Plans.pdf

[7] http://sf-planning.org/sites/default/files/FileCenter/Documents/3991-EN_Final-EIR_Part-1_Intro-Sum.pdf, Page 1-2

data was gathered from the Planning Department's Development Pipeline and confirmed with SF Property Information Map, http://propertymap.sfplanning.org/. The Planning Department itself does not keep regular track of this information (C-15-17). Projects involving less than 10 units were, as a rule, not counted because they were so numerous.] The 3409 total is more than double the preferred plan, and we have seven more years until 2025 to entitle and build even more units. This is almost 50% higher than the highest number anticipated, and we are approximately half way through the plan period. Other Eastern Neighborhoods appear to have similar growth patterns.

The PEIR for the Eastern Neighborhoods and Mission Area Plans (MAP) also included a Public Benefits Analysis, a Socioeconomic Impacts Analysis, Community Health Analysis, and Housing Nexus Study. Each component is interlinked with the PEIR and the MAP.[8] The PEIR and MAP did not study a scenario of a 50% overbuild in half the duration of the Plan. Impacts would include: traffic and circulation, bicycle and pedestrian safety, open space and recreation, childcare, schools, and youth recreation, adequacy of community benefits, and growth-inducing impacts on infrastructure. Undoubtedly, this compressed overbuild would create impacts unforeseen in the PEIR. This overbuild is, by necessity, inconsistent with the Eastern Neighborhoods Plan in general and the Mission Area Plan in particular.

Simply put, the PEIR and the CPE for this project could not possibly provide accurate or adequate information regarding potential cumulative impacts for the densely populated Mission. As a result, we cannot know the extent and nature of the additional impacts of overgrowth nor the mitigation measures that would ease these impacts.

2. The Eastern Neighborhoods PEIR is no longer a Reliable Tool for Evaluating Cumulative CEQA Impacts Because There Have Been Substantial Changes on the Ground Unaccounted for Under the PEIR.

At least part of the reason for the disconnect between the goals and the outcomes of the Eastern Neighborhoods Plan is that there have been numerous changes on the ground that have direct, indirect and cumulative impacts on the environment. When substantial new information becomes available, CEQA Guidelines require comprehensive analysis of these issues. (CEQA Guidelines Sec. 15183). In addition to the overwhelming number of housing units being built, the situation on the ground has changed substantially since the PEIR was prepared in 2008 in the following ways:

- **An Unanticipated Rapid Pace of Development.** The PEIR did not project the current pace of development that we are experiencing. It also did not envision the steep increase in housing prices that we have seen during the past ten years. The sheer number of units and speed with which they have been produced was not envisioned in the ENP, nor was the steep increase in the number of very high paying jobs that have come to the City. Because of the pace of development, and especially luxury development, community benefits, including improvements to the Mission's

[8] http://sf-planning.org/sites/default/files/FileCenter/Documents/3991-EN_Final-EIR_Part-1_Intro-Sum.pdf Pages 5-8

traffic, transportation, open space, and recreation infrastructures have been unable to keep pace (See ENCAC Response to EN Monitoring Report - The report also noted that transportation impacts hurt businesses Exhibit C-135-145, C, 143). The PEIR clearly did not anticipate this pace of development. nor the necessity to step up mitigation measures.

- **Community Benefits Have Not Kept Pace with Anticipated Needs.** Impact fees are designed to blunt the impacts created by new development; such as impacts on transportation, infrastructure, open space, pedestrian and bicycle safety, and affordable housing. Because they are set lower that than the actual impact created, the fees cannot address all the needs created by new development.[9] Exacerbating this problem is that the level of development has created additional needs that the EN did not anticipate and the pace of development has moved faster than the ability of the City to access and spend these fees. The ENCAC Response to EN Monitoring Report (C-135-145) details numerous unmet needs resulting from this rapid development. It includes discussion of resultant deficiencies in infrastructure, transportation and pedestrian and bicycle safety, open space, and affordable housing production. (C-141-143). The Response also pointed out the inadequacy of impact fees in addressing the increasing infrastructure requirements that resulted from the rapid pace of development.

- **Changed Transportation Patterns.** In addition to the cumulative concentration of traffic, the project area will experience unforeseen changes in traffic patterns that have not yet been evaluated. These include the so-called "ride share" (or TNCs[10]) phenomena, and increased frequency delivery trucks serving residences, which did not exist in 2008. Nor were tech shuttles they have created bedroom communities within communities, caused additional traffic burdens, and contributed to displacement. The Anti-Eviction Mapping Project has documented the connection between shuttle stops and higher incidences of no-fault evictions. [11]

  TNCs deserve particular attention in this regard as more and more information has become available. Currently, there are at least 45,000 TNCs in San Francisco in any given day, making more than 170,000 vehicle trips daily, and accoun6ingt for 570,000 VMTs per day, or 20% of the total VMT for San Francisco. The vast majority of these trips are in the northeast quadrant of the City, including the Mission, exacerbating traffic congestion in these areas.[12] Other studies have reached the self-evident conclusion that it is the more financially well-heeled who use these services.[13] At the same time, TNCs are causing a reduction in the use of mass transportation.[14]

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[9] http://default.sfplanning.org/Citywide/Info_Analysis_Grp/2016_ENMR_Mission_FINAL.pdf, P39

[10] Transportation Network Companies

[11] http://www.antievictionmappingproject.net/techbusevictions.html

[12] http://www.sfcta.org/tncstoday, http://www.nydailynews.com/opinion/turns-uber-clogging-streets-article-1.2981765

[13] https://www.citylab.com/transportation/2017/10/the-ride-hailing-effect-more-cars-more-trips-more-miles/542592/

Finally, and not unimportantly, there is mounting evidence that residents of so-called "market rate" units are more likely to own vehicles than their low and moderate-income counter parts.[15]

- **Steeply Rising Housing Costs.** It is well acknowledged that the costs of renting and owning a home have risen dramatically since 2008. Nowhere in the Eastern Neighborhoods Plan nor the EIR was there any suggestion that these costs would rise as dramatically as they have. The 2007 Nexus Study put the cost to purchase a condominium at $725 per square foot. The 2016 Nexus Study put the cost at $1,000 per square foot, a 38% increase. Rental housing costs likewise increased from $3.20 per square foot to $5.00 per square foot, a 56% increase. At the same time, wages have been relatively stagnant, providing fewer housing opportunities for most residents earning under 150% AMI.

- **Disproportionate Construction of Market Rate Units as compared with Affordable Units.** One cannot reasonably assert that "we are not building enough housing". The 2017Q3 Residential Pipeline Report states that, only two years in, San Francisco has exceeded its 2015 to 2022 housing production goals,and has built or entitled 217% of the RHNA Goals for above moderate income housing (greater than 120% AMI).[16] Moderate and low-income production is well below targets – even if one equates housing rehabilitation with housing production – which these figures seem to indicate. These figures do not include an additional 22,680 units from the large projects at Hunters Point, Treasure Island, and Parkmerced. Put another way, approximately 70% of the housing built or entitled serve the top 20% of the population, while 80% compete for less than a third of the housing. This has implications with respect to the way in which the City – especially the affected areas – are transformed. In addition to the injustice, the transformation impacts of the overbuild of luxury housing has environmental implications relative to traffic, congestion, land use, and health and safety.

- **State of Advanced Gentrification in the Mission.** The glut of high income earners in the Mission has created an "advanced gentrification" that was not anticipated at the time of the PEIR. With this gentrification, small Latino "mom and pop" businesses and non-profits have been replaced with high end restaurants, clothing and accessory stores, and other businesses that cater to high earners. Additional high-income earners who will occupy the proposed market rate units will further exacerbate these problems.[17]The San Francisco Analyst has reported that the Mission has lost 27% of

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[14] http://www.vitalsigns.mtc.ca.gov/transit-ridership, https://www.citylab.com/transportation/2018/01/to-measure-the-uber-effect-cities-get-creative/550295/

[16] Exhibit C-146-148

[17] https://www.urbandisplacement.org/sites/default/files/images/case_studies_on_gentrification_and_displacement-_full_report.pdf PP 24-40

its Latinos and 26% of its families with children since 2000. The PEIR made no mention of this exodus, and had it observed this phenomenon as it was occurring one would hope that it would have advocated for more protective measures.

- **Gentrification Has Resulted in Changes to the Physical Environment, Including Valenciazation of the Mission Corridor and the Calle 24 Latino Cultural District.** At the time of the PEIR, the level gentrification that we have was not anticipated. Today, the Mission Corridor as well as the Calle 24 Latino Cultural District – both of which are adjacent to the proposed project – are at risk of collapse. (See Exhibit C-74). While luxury development is not the sole cause of this phenomena, it certainly puts gasoline on the fire. Such gentrification and resulting displacement causes changes to the physical environment and subject to examination under CEQA. (See - *Bakersfield Citizens for Local Control v City of Bakersfield* (2004) 124 Cal.App. 4th 1184 – urban decay a change in physical environment; *El Dorado Union High School Dist. v City of Placerville* (1983) 144 Cal. App.3d, 123, 131 – project's demand on School District proper subject for CEQA review; *Christward Ministry v. Superior Court* (1986) 184 Cal.App.3d 180, 197, effect on worship subject to CEQA. Transformations such as these were not considered under the PEIR.

- **Gentrification Has Caused Unanticipated Increases in Traffic Congestion and Automobile Ownership.** The unanticipated influx of high earners in the Mission has resulted, and will result, in a substantial increase in the rate of automobile ownership and "ride sharing" in the Mission. Between 2000 to 2013, the number of households with automobiles increased from 37% to 64% - or 9,172 automobiles in 2000 to 16,435 in 2013. At the same time AMI increased from $50,676 to $75,269. It is now well recognized that high earners are twice as likely to own an automobile than their low-income counterparts – even in transit rich areas such as the Mission. The displacement of Mission residents has resulted in, and will result in, long reverse commutes to places of employment, children's schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR.

- **Changed Work Patterns that Skew Office Space Growth Impacts.** The Eastern Neighborhoods Plan, allowed varying degrees of PDR to Office conversion. In calculating the environmental impact, the certain PDR uses could be converted to office space. The PEIR made its employment projections based on a conversion rate of 300 square feet per non-PDR worker. Due to advances in technology and changes in the work environment, that number now ranges between 151 and 225 square feet per office worker. [18]

[18] http://sf-planning.org/sites/default/files/FileCenter/Documents/3995-EN_Final-EIR_Part-3_Land-Use_Plans.pdf, Page 31, https://mehiganco.com/?p=684 , https://www.cbsnews.com/news/companies-are-packing-workers-in-like-sardines/

3. The PEIR is More than Five Years Old, and the City has not Satisfied the Requirements of Public Resources Code Section 21157.6 and CEQA Guidelines Section 15179.

As previously stated, CEQA permits tiering from a Master EIR such as the Eastern Neighborhoods EIR. Public Resources Code Section 21157.6 and Guidelines Section 15179 limit the use of Master EIRs for tiering purposes if they are over five years old. These sections do allow the use of EIRs over five years old if lead agency either: 1) finds that there are no substantial changes on the ground or 2) it prepares an initial study and, pursuant to that study either a) certifies a subsequent EIR or b) approves a mitigated negative declaration. To date, the department has done neither.

There has been no further cumulative impacts analysis for the Eastern Neighborhoods since the PEIR. Given the circumstances described above, a comprehensive analysis is required.

B. THE CPE DID NOT PROVIDE ADEQUATE INFORMATION REGARDING POTENTIAL HEALTH IMPACTS ON THE CHILDREN ATTENDING THE ZAIDA T. RODRIGUEZ PRESCHOOL

1. Information Regarding Potential Shadow Impacts Was False and Misleading.

The Zaida T. Rodriguez Preschool, immediately adjacent to the project site. It has two campuses serving approximately 135 preschool children. One campus is south of the project site, the other is west, across Osage Alley. Each have their respective playgrounds. A preliminary shadow fan analysis was prepared and, based on its finding, the CPE concluded that the proposed project would not cast shadows on the southern playground. (CPE, Page 31) The CPE was completely silent about shadow effects on the playground on Osage Alley. (See Exhibits C- 75, 76, CPE, Section 8, Page 31). To most, significant shadow impacts of an eight-story building immediately and directly east of the playground would be intuitive. Exhibits C-75a and 76a demonstrates that the Osage playground falls clearly within the shadow fan – most likely blocking sunlight for a significant part of the day. Nevertheless, the CPE ignored this shadow impact and thereby created the false impression that the Osage playground would be unaffected.

This misleading information came into play at the November 30. 2017 Planning Commission's hearing for consideration of the proposed project. Dr. Boucher, the school's principal, stated that there were two campuses and two playgrounds, and that, in addition to shadow impacts, children at both campuses would be exposed to construction for countless years. The school is open between 7:30 a.m. and 5:00 p.m. and is year-round. The Speech and Language Center serves 40 students with speech delays is immediately adjacent to the proposed project site and will be severely impacted by the construction process.[19]

Commissioners Melgar and Richards both voiced their concerns regarding health impacts caused by the shadow, both in terms of lack of sunshine and colder temperatures. Commissioner

[19] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290 at 2:25, 3:27,

Melgar pointed out that these school children are an especially vulnerable population and that they have very few open space alternatives.[20]

The Planning Department informed the project sponsor that there were no shadow impacts.[21] The Department staff referred to the CPE. After questioning from the Commission, Senior Planner Richard Sucre stated that the CPE said, "The project does not cast a shadow on the playground to the South, presumably both (playgrounds) would have been analyzed in the CPE."[22] Unfortunately, the CPE, however, did not contain an analysis of the Osage playground to the west. This omission clearly created the false impression that there would be no shadow impact. Had the CPE contained an analysis of the shadow impacts on the Osage playground, the Commission would have had information it had sought, and then could have moved on to the question of health effects.

Lack of sunshine is known to have negative health effects – especially in young children. Vitamin D insufficiency affects nearly 50% of the population worldwide. (See attached journal articles, Exhibits C-80, C-95, C-104, C-119).[23] The primary source of Vitamin D is sunshine. The attached articles all affirm that Vitamin D production is a critical element in the absorption of calcium which is necessary for healthy bone growth, especially for young children. The articles also state that sunlight exposure may be protective against other diseases such as autoimmune disorders, hypertension, and cancer.

The proposed project would be a permanent structure affecting school children for generations to come. The potential health impacts resulting from the shadow cast by the proposed project on the Osage playground are potentially significant, serious, and should be thoroughly studied.

2. The CPE did not Provide Adequate Information to Enable the Planning Commission to Determine Whether or Not Additional Mitigation Measures Were Necessary to Minimize Disruption of the School During Construction.

Were this project to proceed, parents of Zaida T. Rodriguez preschoolers would face years of construction. Noise, vibration, dust, and debris would be an everyday occurrence and would not stop during instruction, nap time, or outdoor play time. In defiance of logic and common sense, the CPE checklist stated that these issues would have "no significant impact not

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[20] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290 at 2:55, 3:02, 3:23, and 3:26, 3:53.

[21] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290, 3:56,30

[22] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290 at 3:57

[23] C-80, *A Review on Vitamin D Deficiency Treatment in Pediatric Patients,* Journal of Pediatric Pharmacology and Therapeutics, 2013, C-95 *Benefits of Sunlight, a Bright Spot for Human Health,* Environmental Health Perspectives, U.S. National Institute of Environmental Health Science, 2008; C-104 *Sunshine is good medicine, the health benfits of ultraviolet-B induced Vitamin D Production,* Sunlight Nitrition and Research Center, 2004; C-119, *Vitamin D, the "sunshine" vitamin,* Journal of Pharmachology and Pharmacotheraputics, 2012.

previously identified in the PEIR". So doing, the CPE ignored the vulnerability of this young population many of whom spend the vast majority of their day at the Preschool.

As noted previously, these concerns were raised during the November 30 Planning Commission Hearing. Commissioner Melgar stated that the area around the preschool was an "equity zone" and that the school children were an especially vulnerable population.[24] When asked about precautions about air quality, the Department punted to the Health Department, however, Director Rahim noted that the CPE evaluated whether air quality mitigation was beyond the norm, using the Health Code as a guide.[25] City Attorney Kate Stacey further clarified stating that "no further air quality measures were necessary" and that the CPE (and Commission) relied solely only on mitigation measures in the PEIR.[26]

The potential health impacts on the preschool children is clearly foreseeable, and those risks have potentially serious consequences. The Center on the Developing Child at Harvard University has emphasized the importance of avoiding stressors like those described above. The brain's architecture is constructed through a process and continues into adulthood, with early experiences strongly influencing the quality of that architecture. Toxic stress damages the developing brain architecture, which can lead to lifelong problems in learning, behavior, and physical and mental health. [27]

Finally, it is of note that there are few alternatives for the parents or their children. When asked by Commissioner Richards if the preschool could be moved, Dr. Boucher stated that it could not due to lack of available locations and licensing requirements.[28] Moreover, the absence of adequate childcare and preschool facilities for San Francisco Parents is well recognized. Currently, there are more than 3,000 on a waiting list for childcare in San Francisco, with less than 100 placements per month.[29]

Neither the CPE nor the PEIR studied these potential health and safety impacts on a vulnerable population that was in the formative stage of their lives. That is information that the Commissioners asked about, however, information about impacts and about possible further mitigations was not provided. As such, it failed to provide sufficient information to allow decisionmakers to make an informed decision. It was neither infeasible for the Planning Department to perform such a health risk assessment, nor to propose potential mitigations above and beyond that provided in the PEIR.

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[24] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290, 302:25, 3:03
[25] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290, 3:00:11
[26] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290 3:01
[27] https://developingchild.harvard.edu/resources/inbrief-science-of-ecd/ See also, https://developingchild.harvard.edu/science/key-concepts/toxic-stress/
[28] http://sanfrancisco.granicus.com/MediaPlayer.php?view_id=20&clip_id=29290 3:30:20
[29] http://sfoece.org/wp-content/uploads/2018/05/SAN-FRANCISCO-CHILD-CARE-CONNECTION-April-2018-Monthly-Data-Report.pdf

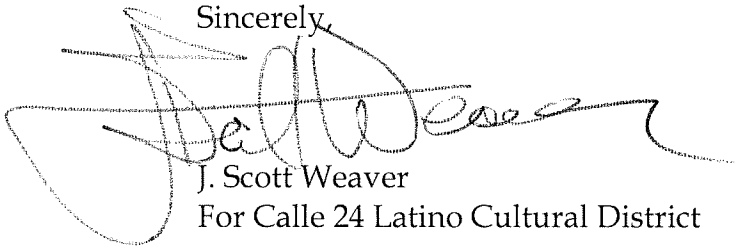
CONCLUSION

The preschoolers and their parents deserve more than what was provided in the CPE. An informed decision can only be made if the decision-makers are provided with detailed information about potential health and safety impacts on preschoolers at Zaida T. Rodriguez Preschool. Potential shadow impacts should be thoroughly evaluated, and necessary, feasible mitigation measures proposed for consideration. The Planning Department should also be requested to examine the impacts of construction-related activities, on the school children and provide feasible additional mitigation measures in light of the vulnerabilities of these children and the severity of potential negative health outcomes.

Eastern Neighborhoods communities deserve better as well. A good start would be a comprehensive cumulative impacts analysis to replace or update the current PEIR. This analysis should set forth the number of units built, entitled, and that have applied for environmental review for each of the Eastern Neighborhoods. The Department should also consider the CEQA impacts of the unanticipated and sudden growth, as well as the other changes on the ground described above. This analysis should be made available for public review and comment prior to presenting it in a final form.

The Eastern Neighborhoods PEIR is inextricably tied with Area Plans, Community Benefits Analysis, and Socio-Economic Analysis which should also be amended and updated to reflect the new realities which did not exist at the time of their initial creation.

Sincerely,



J. Scott Weaver
For Calle 24 Latino Cultural District

EXHIBIT C

EXHIBIT C

EXHIBIT C

West Bay Law
Law Office of J. Scott Weaver

October 9, 2016

Via U.S. Mail and email
Richard Sucre
Julie Moore
San Francisco Planning Department
1650 Mission Street, Suite 400
San Francisco, CA 94103

Richard.sucre@sfgov.org
Julie.Moore@sfgov.org

Re: Case No. 2014-0376ENV – 2918-2924 Mission Street, SF

Dear Mr. Sucre and Ms. Moore,

I am writing on behalf of the Calle 24 Latino Cultural District Council, an organization consisting of businesses, residents, and nonprofits living and working along the 24th Street corridor. In May of 2014, the Mayor and Board of Supervisors designated the geographic area between Mission and Potrero Avenue, 22nd Street and Cesar Chavez Blvd. as the Calle 24 Latino Cultural District. For clarity sake, this geographic area will hereafter be referred to as the "LCD." I am writing to express my concern regarding the likely impact that the project proposed for 2918-24 Mission Street will have on the existing businesses, residents, and nonprofits in the LCD, both short term and over time.

The proposed project cannot be considered solely inside the bubble in which it is built. It will add up to 73 "market rate" households to the neighborhood, households many of whose incomes are likely to exceed 200% AMI – that's up to 4 times the AMI of adjoining census tracts. In so doing, it would put in place economic forces that will adversely affect the neighborhood. These high earning households will interact with the neighborhood on a daily basis, creating demands for high end services and products, and thereby putting existing businesses – many of whom are on short term leases – at risk. Likewise, the proposed project will exacerbate demand for affordable housing (see reference to Nexus Analysis below). As we have seen over and over again, the economic climate created by such gentrification will provide landlords with incentives to displace residents using various means at their disposal (including Ellis Act Evictions, OMI evictions, or more commonly, threats and harassment).

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Compounding this problem is the fact that several other projects are now proposed that are either in or adjacent to the LCD. This proposed development is one of several that will bring into the Mission approximately 500 high earning households and create an economic force that will be impossible for commercial and residential landlords to resist. Anyone skeptical of this impact need only to look at the changes on Valencia Street between 17th and 21st Streets, where less than 100 market rate units have been built, but visible gentrification has occurred. Thus, the cumulative impacts of these proposed projects must be assessed.

We know that those displaced residents and businesses will no longer be able to afford residential or business leases in the Mission. We have seen displaced residents forced to move to far reaches of Northern California, Vallejo, Antioch, Tracy, Sacramento and even Modesto. Many with ties to the community must make long commutes to their places of employment, their children's schools, and to services that are not otherwise available in these further locales. At the very least, the cumulative impacts of these projects creates an indirect physical impact on the environment in terms of greenhouse gases and traffic congestion, and thus implicates a CEQA analysis. SF Business Times article of October 4, 2016 just reported that: "latest MTC figures is that on some stretches, notably the westbound I-80 morning commute from Hercules and across the Bay Bridge to San Francisco, the traffic congestion literally never stops on weekdays, often lasting from 5:30 in the morning to nearly 8 p.m. http://www.bizjournals.com/sanfrancisco/news/2016/10/03/bay-area-traffic-worse-bay-bridge-gridlock-mtc.html

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

Substantial New Information Negates the Exemption From Environmental Review.

The Department should not issue a Community Plan Exemption allowing the Department to use the Eastern Neighborhoods Plan EIR (PEIR) instead of a project EIR. The use of the PEIR in this way presupposes that it is sufficiently current to address all areas required under CEQA.

Unfortunately, circumstances on the ground have rendered the 2008 PEIR out of date, and it cannot be a reliable measure of environmental impacts of market rate development in the Mission. It is well recognized that the Mission has already experienced extensive displacement

of its residents, so much so, that it is now in an advanced stage gentrification. http://missionlocal.org/2015/09/sf-mission-gentrification-advanced/ Should the project proceed, it will cause significant economic and social changes in the immediate area that will result in physical changes, not the least of which is displacement of residents and businesses which will affect air quality, traffic and transportation, as well as negative impacts on the Cultural District. (See CEQA guidelines, 15604 (e).

A 2007 Nexus Study, commissioned by the Planning Department, concluded that the production of 100 market rate rental units generates a demand of 19.44 lower income households through goods and services demanded by the market rate tenants. [These conclusions were made in 2007, well before housing prices began their steep upward trajectory. Today, new "market rate" two bedroom apartments rented in the Mission begin at about $6,000 per month – requiring an annual household income of $240,000.] At the time, the PEIR anticipated a 15% inclusionary rate. The current Nexus study waiting to be released is expected to show a demand of 28 affordable units for every 100 built. With a 12% inclusionary rate, there is a need for 16 additional affordable units per hundred market rate units produced. (28 minus 12 – 16) This was not anticipated in the PEIR. One must to ask: how will these low income households created by the demand of market rate units live? and how will they get to work? School? Services? and what is the impact on air quality and transportation? These questions should be addressed by the Department.

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

- The cumulative total of units built, approved, and in the pipeline (2,451 as of February 23, 2016), now exceeds the highest number of units contemplated in the Plan EIR for the Mission (2,056). Worse yet, the latter number was anticipated for the period 2008 to 2025. Development has therefore accelerated at a pace higher than that anticipated in the PEIR.

- The number of "market rate" units built, approved, and in the pipeline for the Mission far exceed the projected number while the number of units affordable to low and moderate income San Franciscans is one fourth of that set forth in the RHNA.

- The glut of high income earners in the Mission has created an "advanced gentrification" that was not anticipated at the time of the PEIR. With this gentrification, small Latino "mom and pop" businesses and non-profits have been replaced with high end restaurants, clothing and accessory stores, and other businesses that cater to high earners. Additional high income earners who will occupy the proposed market rate units will further exacerbate these problems.

- Notably with respect to this proposed project, the PEIR did not, nor could it have considered the impact of a project on the LCD because the LCD did not exist at the time. Where, as here, the offsite or cumulative impacts were not discussed in the prior PEIR, the exemption provided by Section 15183 does not apply. (See 15183(j))

- The unanticipated influx of high earners in the Mission has resulted and will result in a substantial increase in the rate of automobile ownership in the Mission, and has thus increased greenhouse gas emissions and traffic congestion.

- The displacement of Mission residents has resulted and will result in reverse commutes to places of employment, children's schools, and social services that are not available in outlying areas. These reverse commutes further exacerbate traffic congestion and create greenhouse gas emissions not contemplated in the PEIR. A recent report by the Eviction Defense Collaborative following up on displaced clients found that nearly 39% of those clients who were forced to move moved outside San Francisco. http://antievictionmappingproject.net/edc2015.html

- The PEIR assumed that the Eastern Neighborhoods Plan and the Mission Plan would meet their goals of providing over 60% of low, moderate, and middle income housing. This goal has not come close to materializing, further exacerbating the problems of displacement.

- The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such, we have high-earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no-fault evictions. (see: http://www.antievictionmappingproject.net/techbusevictions.html)

- The recent traffic changes along Mission Street by the SFMTA forces mandatory right turns onto Cesar Chavez from Mission, and prohibits through traffic on Mission, which has added increased traffic on the surrounding residential streets. This project will add 73 more households and significantly increase the traffic on Mission Street.

These changed circumstances render the current PEIR obsolete. **A Community Plan Exemption is therefore not appropriate for this project and should not be issued**, due to new conditions that were not contemplated in the 2008 EN EIR, and the overbuilding of market rate units in the Mission, which have exceeded the unit count contemplated in the EN EIR.

Background of the LCD and Existing Threats.

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

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

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

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

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

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

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

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

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

CEQA defines "environment" as "the physical conditions which exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, and objects of historic or aesthetic significance." 14 CCR Sec. 15131(a). See eg. *Eureka Citizens for Responsible Government v City of Eureka* (2007) 147 Cal.App.4th 357, 363. The LCD falls under CEQA because (1) it is both "physical" in terms of the buildings, its residents,

the businesses, and the nonprofits, and (2) it is "historic" as defined in the Public Resources Code and the CCR. Further, the indirect impacts of displacement are "environmental" in that the displacement causes greenhouse gas emissions and exacerbates already strained transportation infrastructure.

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

Lead agencies have the responsibility to evaluate projects against the CRHR criteria prior to making a finding as to a proposed project's impacts to historical resources (California Public Resources Code, Section 21084.1). A historical resource is defined as any object, building, structure, site, area, place, record, or manuscript that: a) Is historically or archaeologically significant, or is significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, or cultural annals of California; and b) Meets any of the following criteria: (1) Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage; (2) Is associated with the lives of persons important in our past; (3) Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or (4) Has yielded, or may be likely to yield, information important in prehistory or history (14 CCR 15064.5(a)(3)). These businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City.

The businesses and nonprofits in the LCD have been recognized as an important cultural and commercial resource for the City. The Ordinance creating the LCD noted that "The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepeneurship is unrivaled in San Francisco." The District was established "to stabilize the displacement of Latino Businesses, and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco's residents and tourists, . . ." and that its contribution will provide "cultural visibility, vibrancy, and economic opportunity for Latinos in the City and County of San Francisco."

Unfortunately, we have begun to see the impact of demographic changes along the LCD, without significant market rate development, the proposed project, along with the 540 other units in the pipeline will make the intersection of class, race, and culture, further impair the viability of the LCD. For instance, at a proposed project on 24th and York, the owner plans to build 12 condo townhomes which will cover a mural that has been on there over 30 years and is part of the Precita eyes mural tours. The famous

Carlos Santana mural on 22nd and South Van Ness was completely covered when the lot in front built housing. In Balmy Alley, new owners of a property wanted to remodel and add a second unit which faced the alley, covering a 40 year old mural.

More disturbing has been complaints against neighboring Latino-owned businesses from the owner and residents of the Vida on Mission Street. A group of new residents on Harrison St. calling themselves "the gang of five" said they would sue to stop Carnaval. During Sunday Streets on 24th Street, a group of neighbors did not want the low riders on Harrison Street, saying that they were intimidated by them. Additionally, neighbors have complained about "Mexican" music on 24th Street. Problems such as these will only get worse with the influx of hundreds more "gentrifiers", all to the detriment of the residents, businesses, and nonprofits that the City said it wanted to protect
when it created the LCD. As we have seen on Valencia Street, we can foresee gentrfifiers requesting the police to move Latino youths, and adults, off "their" street corners. This video, entitled "What it's like to get kicked out of your neighborhood" shows the problems of when newcomers "book" a pick-up soccer field that has been public, first-come-first- use by Latino youth for generations. https://www.youtube.com/watch?v=awPVY1DcupE . Continue watching, as a SF native speaks about the gentrification of the Mission.
https://www.youtube.com/watch?v=tYNuR1oaQts

The proposed project itself will result in the influx of approximately 73 households earning 200% AMI. In the pipeline are projects proposing over 200 units within the LCD (in addition to the 98 units proposed), and 350 proposed market rate units adjacent to the LCD. It is no leap of faith to anticipate that the proposed project will, both individually and cumulatively, result in higher rents on properties within the LCD . High wage earners have much more disposable income than most residents of the area. According to 2009-2013 census estimates, the median income for residents in the census tract on which the proposed project site is situated was $51,510 (or 50% Median Income for a family of four). In addition to having significantly more disposable incomes and ability to purchase higher priced goods and services, these newcomers are more likely to have different consumer preferences, affecting both price and the nature of the goods and services provided by businesses in the 24th Street corridor. We might ask "how can the City provide economic opportunities for Latinos if its land use policies and practices price Latinos out of the market?" We only need look at Valencia Street to see how, with only modest market rate development (currently, about 100 units) fortifies the influx of higher wage earners and impacts a commercial corridor, substituting for mom and pop businesses with high end restaurants and clothing stores. Envisioning a similar result along 24th Street is reasonably foreseeable and must be guarded against.

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

As previously mentioned, the impacts from the proposed project cannot be examined in isolation. The proposed project is not constructed inside a bubble. Both the project and its residents interact with the immediate community in multiple ways. Similarly, the environmental impacts of this project cannot be examined apart from other proposed projects currently in the pipeline. Proposed projects located within the boundaries of the LCD are: 1515 South Van Ness (140 market rate units), 2675 Folsom Street (98 market rate units), 3314 Cesar Chavez (52 units), 2600 Harrison St. (20), 2799 24th St. (8), and 3357 26th St. (8). Proposed projects immediately adjacent to the LCD are: 1198 Valencia St. (52 units), 1298 Valencia St. (35). Two blocks from the LCD is 2000-2070 Bryant Street (191 market rate units). This brings to total of 677 market rate units in or near the LCD. At least three projects are in the pipeline for the southwest corner of 22nd and Mission, and additional proposed projects are likely to be added to the pipeline as planning continues to give the green light to market rate developers.

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

Therefore, the impact of the proposed project (consisting of 73 market rate units) should be evaluated in conjunction with the cumulative impacts it and the additional 594 units would have on the LCD.

Traffic, Congestion, and Greenhouse Gas Impacts Should be Evaluated.

As previously stated, the addition of high end units on Mission Street will add to traffic and congestion problems, due to the significantly higher level of car ownership found among high earners. Further, the forced right turn and other new traffic limitations will create other unintended results in traffic flow that should be evaluated. Finally, the Department needs to undertake an evaluation of the problem of reverse commute.

Evaluation Requested Re: Calle 24 Latino Cultural District.

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

- The amount of anticipated disposable income of the households moving into the market rate units at the proposed project.

- The consumer preferences for goods and services of households moving into the market rate units at the proposed project, as compared to those Latino residents in the LCD earning 50% AMI.

- The potential venues where those consumer preferences are likely to be met.

- The short and long term impacts on neighborhood serving Latino businesses that new market rent paying households, with higher disposable incomes, will have on commercial rents in the Latino Cultural District – both from the standpoint of the proposed project and from the standpoint of the cumulative impact of the projects listed above.

- The short and long term impact that rents at the proposed project (and cumulative proposed projects) will have on rents of vacant resident units in the immediate areas.

- The short and long term impact that the proposed project (and cumulative proposed projects) will have on displacement of Latinos and families now living in the Calle 24 Latino Cultural District.

- The housing alternatives of residents now living in the Calle 24 Latino Cultural District should they be displaced.

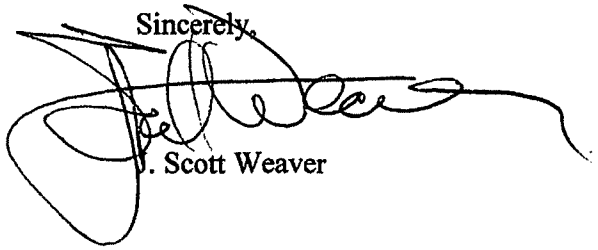
- The short and long term impact that the proposed project (and cumulative proposed projects) will have on the percentage of Latino residents and businesses living and working in the Calle 24 Latino Cultural District.

- Mitigation alternatives that, if employed, would stabilize commercial rents in the Latino Cultural District.

I have not had the opportunity to thoroughly discuss all the potential issues that would inform the impacts of the proposed project, both individually and cumulatively, and may request that you add to this inquiry in the future.

In light of the foregoing, you are requested to undertake the evaluation requested before considering the proposed project, or any of the other projects listed above that would have an impact on the Calle 24 Latino Cultural District. At your convenience, please let me know if the Department intends to undertake this evaluation as requested.

Sincerely,



J. Scott Weaver

Jsw:sme

cc. Calle 24 Latino Cultural District
Our Mission No Eviction
PODER
MEDA
John Rahaim
Members, San Francisco Planning Commission
Members, San Francisco Board of Supervisors
Mayor, Ed Lee
Joaquin Torres
Dianna Ponce de Leon
bccs.

Table 2: Forecast Growth by Rezoning Option (continued)

Change: Difference between 2025 Totals and Baseline(2000) Totals

	Eastern Neighborhoods						
	Mission	Showplace Sq./ Potrero Hill	East SoMa	Central Waterfront	**Subtotal**	**Rest of City**	**Total**
2025 No Project							
Housing Units	420	651	1,581	219	2,871	16,207	19,078
Household Population	2,118	792	3,065	310	6,285	35,965	42,250
PDR Jobs	-985	-1,686	-1,065	360	-3,376	11,146	7,770
Non-PDR Jobs	2,884	5,607	4,238	301	13,030	108,919	121,949
Total Jobs	1,899	3,921	3,173	661	9,654	120,065	129,719
Option A							
Housing Units	782	2,294	2,294	3,645	9,015	28,368	37,383
Household Population	3,328	3,410	3,838	6,610	17,186	62,337	79,523
PDR Jobs	-861	752	-1,222	324	-1,007	11,677	10,671
Non-PDR Jobs	2,253	4,967	3,202	304	10,726	110,605	121,330
Total Jobs	1,391	5,719	1,980	628	9,719	122,282	132,001
Option B							
Housing Units	1,118	2,635	2,508	1,124	7,385	29,123	36,508
Household Population	4,301	4,049	4,199	1,928	14,477	63,004	77,481
PDR Jobs	-1,033	-1,790	-1,480	187	-4,116	8,984	4,868
Non-PDR Jobs	3,087	5,605	4,636	285	13,613	108,020	121,634
Total Jobs	2,053	3,815	3,156	472	9,497	117,004	126,501
Option C							
Housing Units	2,054	3,891	3,083	830	9,858	26,759	36,617
Household Population	7,077	6,859	5,177	1,375	20,488	57,295	77,783
PDR Jobs	-6,469	-1,903	-1,457	360	-9,469	10,185	716
Non-PDR Jobs	11,599	4,930	5,265	212	22,007	102,161	124,168
Total Jobs	5,130	3,027	3,808	572	12,538	112,346	124,884

SOURCE: San Francisco Planning Department, 2005

Mission Projects 2008-Q-4 2017

3418 26th Street	13 units (built)
80 Julian Street	8 units (built)
411 Valencia Street	16 units (built)
490 South Van Ness	87 units
3420 18th Street	16 units (built)
1875 Mission Street	38 units (built)
1501 15th St	40 units (built)
480 Potrero	84 units (built)
2550-58 Mission	114 units (built)
1450 15th Street	23 units (built)
346 Potrero	72 units (built)
1785 15th Street	8 units (built)
1801-63 Mission Street	54 units (entitled)
2600 Harrison Street	20 units (entitled)
1924 Mission Street	12 units (entitled)
600 South Van Ness	27 units (built)
2000-2070 Bryant	194 units (entitled)
2000-2070 Bryant (affordable)	130 units (entitled)
1298 Valencia Street	35 units (entitled)
1198 Valencia Street	52 units (built)
1050 Valencia Street	16 units (built)
1979 Mission Street	331 units
2675 Folsom Street	117 units (entitled)
1900 Mission Street	11 units (entitled)
2750 19th Street	60 units
1515 South Van Ness	157 units (entitled)
2799 24th Street	4 units
2435 16th Street	53 units (entitled)
3357-59 26th Street	7 units
1726-30 Mission Street	40 units (entitled)
2100 Mission Street	29 units (entitled)
3314 Cesar Chavez	52 units
1798 Bryant Street	131 units
2918-24 Mission Street	75 units
793 South Van Ness	73 units (entitled)
953 Treat	8 units (entitled)
3620 Cesar Chavez	28 units (entitled)
344 14th /1463 Stevenson	45 units

1950 Mission Street	157 units (entitled)
1296 Shotwell	96 units (entitled)
899 Valencia	18 units (built)
3500 19th Street	17 units (built)
1880 Mission Street/1600 15th Street	202 units (built)
1721 15th Street	23 units
3230-36 24th street	21 units
198 valencia	24 units (entitled)
235 Valencia Street	50 units (entitled)
1500 15th Street	184 units
3420 18th Street	16 units (built)
2632 Mission Street	16 units
606 Capp Street	20 units (entitled)
2070 Folsom Street	127 units (entitled)
1990 Folsom Street	158 units
Total Built	780 units
Total entitled	1,435 units
Units in Pipeline	1,194 units

GRAND TOTAL **3,409 units**

Preferred project approved in 2008 EIR, 1,696 units
Number studied under EIR project options:

Option A – 762
Option B – 1,118
Option C – 2,054

This information was provided through Planning Department Data, including the Development Pipeline Q-4, 2017 and SF Property Information Map.

Excluded are:

1) Most projects with fewer than 10 units.
2) Projects entering pipeline after 1/1/18
3) Projects built that were not included in current pipeline report.

< 239 Results for **carlos bocanegra**

Fwd: Re: Projects completed or under environmental review

From: carlos <carlos@lrcl.org>
To: Jscottweaver <jscottweaver@aol.com>
Date: Wed, Jan 10, 2018 11:18 am

---

http://sf-planning.org/pipEline-report

-------- Original Message --------
Subject: Re: Projects completed or under environmental review
Date: 2017-09-29 09:21
From: carlos@lrcl.org
To: "Wertheim, Steve (CPC)" <steve.wertheim@sfgov.org>

Hi Steve,

Two weeks is not a problem, I will be sure to start checking the pipeline report around then. Thank you again for looking into this on my behalf!

Yours Truly,

Carlos Bocanegra

On 2017-09-28 16:57, Wertheim, Steve (CPC) wrote:

> Carlos,
>
> I talked with Teresa Ojeda, who manages our data team. She says the
> updated Pipeline Report will be available in mid-October. It is not
> possible to send out info ahead of time, as the effort still to be
> undertaken is to comb through and vet all the data as accurate, and it
> would be better to wait a couple of weeks for data we feel confident
> it. Thanks for your patience, and please just start checking the
> website (http://sf-planning.org/pipEline-report) in a couple of weeks.
>
>
> -Steve
>
> STEVE WERTHEIM
>
> Planner, Citywide Policy & Analysis
>
> Planning Department
>
> City and County of San Francisco
>
> 1650 Mission St. Suite 400
>
> San Francisco, CA 94103
>
> 415.558.6612
>
> 415.558.6409 [Fax]
>
> steve.wertheim@sfgov.org
>
> [1] [2] [3] [4] [5]
>
> _Please note that I am out of the office on Fridays___
>
> FROM: Wertheim, Steve (CPC)
> SENT: Friday, September 22, 2017 2:08 PM
> TO: 'carlos@lrcl.org'
> SUBJECT: RE: Projects completed or under environmental review
>
> Carlos,
>
> I've emailed the head of our data team to see if anyone is working on
> the latest pipeline report. I'll get back to you ASAP.
>
> -Steve
>
> STEVE WERTHEIM
>
> Planner, Citywide Policy & Analysis
>
> Planning Department

> City and County of San Francisco
>
> 1650 Mission St. Suite 400
>
> San Francisco, CA 94103
>
> 415.558.6612
>
> 415.558.6409 [Fax]
>
> steve.wertheim@sfgov.org
>
> [1] [2] [3] [4] [5]
>
> _Please note that I am out of the office on Fridays___
>
> FROM: carlos@lrcl.org [mailto:carlos@lrcl.org]
> SENT: Wednesday, September 20, 2017 3:14 PM
> TO: Wertheim, Steve (CPC)
> SUBJECT: Re: Projects completed or under environmental review
>
> Hi Steve,
>
> Thank you for helping with this matter! The information you gave me
> will be very useful. I'll be sure to familiarize myself with the
> information provided by your website. In the interim, it would be
> very helpful to have an updated report from Planning with info from
> Q2. I'd really appreciate connecting with someone from data team who
> will be able to help me with this request. Thank you again for all
> your help!
>
> Yours Truly,
>
> Carlos Bocanegra
>
> On 2017-09-18 09:00, Wertheim, Steve (CPC) wrote:
>
> Carlos,
>
> That list looks like it was tailor-made (probably for a CEQA appeal
> hearing). But we always have good info that you can work from on our
> website via our Pipeline Report
> (http://sf-planning.org/pipEline-report). On that site you can
> download a spreadsheet with the same data that we have, which you can
> manipulate as you see fit (e.g just pulling out the Mission and
> looking into where projects are in the development process). That way
> you don't need to ask us for special report or wait for us to get back
> to you - you can just do it yourself. That being said, it looks like
> the latest info is from Q1 2017 (probably because the woman who
> developed this report recently quit to work for the Fire Department).
> Tell me if you must have info from Q2 as well and I'll pass you along
> to our data team - though given how strapped they are right now, you
> may not be able to get more info in a timely way.
>
> Hope this helps.
>
> -Steve
>
> STEVE WERTHEIM
> Planner, Citywide Policy & Analysis
> Planning Department
> City and County of San Francisco
> 1650 Mission St. Suite 400
> San Francisco, CA 94103
>
> 415.558.6612
> 415.558.6409 [Fax]
> Steve.Wertheim@sfgov.org
>
> ----------
>
> FROM: carlos@lrcl.org <carlos@lrcl.org>
> SENT: Thursday, September 14, 2017 12:41:24 PM
> TO: Wertheim, Steve (CPC)
> SUBJECT: Re: Projects completed or under environmental review
>
> Hi Steve,
>
> I was told that this may have been a project you were working on in

> your old position. Sorry for not including the attachment, please
> find it here. Thank you for looking into this on my behalf! I really
> appreciate the help. Let me know if you need anything further, or
> have other questions.
>
> Yours Truly,
>
> Carlos Bocanegra
>
> On 2017-09-14 09:53, Wertheim, Steve (CPC) wrote:
>
> Carlos,
>
> Thanks for writing. While I do not (nor ever have) maintained a list
> of the housing pipeline in the Mission (or elsewhere in the City), I
> can try to help figure out who does. Your email referenced an
> attachment but did not include one. If you wouldn't mind including the
> attachment this time I can see what you already have, so I can ask
> around to see if there is anything more recent.
>
> -Steve
>
> STEVE WERTHEIM
> Planner, Citywide Policy & Analysis
> Planning Department
> City and County of San Francisco
> 1650 Mission St. Suite 400
> San Francisco, CA 94103
>
> 415.558.6612
> 415.558.6409 [Fax]
> Steve.Wertheim@sfgov.org
>
> ---
>
> FROM: carlos@lrcl.org <carlos@lrcl.org>
> SENT: Tuesday, September 12, 2017 1:02:17 PM
> TO: Wertheim, Steve (CPC)
> CC: Sucre, Richard (CPC)
> SUBJECT: Re: Projects completed or under environmental review
>
> Hi Steve,
>
> My name is Carlos Bocanegra and I work in collaboration with a group
> known as United to Save the Mission (USM). We work to ensure
> equitable
> development within the Mission. I messaging you on behalf of USM to
> formally request an updating list of the housing pipeline in the
> foreseeable future. I was told that you used to maintain the updated
> version of this list. Would you have a more current version than the
> one attached here? If not, we would like to request that an updated
> list be made. We would also like to receive a copy of this list as
> well.
>
> Thank you for your attention to this matter.
>
> Yours Truly,
> Carlos Bocanegra

Links:
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[1] https://www.facebook.com/sfplanning
[2] http://www.flickr.com/photos/sfplanning
[3] https://twitter.com/sfplanning
[4] http://www.youtube.com/sfplanning
[5] http://signup.sfplanning.org/

CRISIS ON MISSION ST

(Opened, under construction, and proposed in 2017)

- **NEW LUXURY HOUSING**
- **OFFICE CONVERSION**
- **RESTAURANT CONVERSION**
- **BAR CONVERSION**

BERKELEY IGS Research Brief

Housing Production, Filtering and Displacement: Untangling the Relationships

Miriam Zuk
Karen Chapple

EXECUTIVE SUMMARY:

Research Implies the Importance of Increasing Production of Subsidized and Market-Rate Housing

Debate over the relative importance of subsidized and market-rate housing production in alleviating the current housing crisis continues to preoccupy policymakers, developers, and advocates. This research brief adds to the discussion by providing a nuanced analysis of the relationship between housing production, affordability, and displacement in the San Francisco Bay Area, finding that:

- At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.
- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.
- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply.

Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities.

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Housing Production, Filtering, and Displacement: Untangling the Relationships

Introduction

The ongoing crisis of housing affordability in California has deepened the divide between those who believe it can be resolved by expanding the supply of market-rate housing and those who believe that market-rate construction on its own will not meet the needs of low-income households, for whom more subsidized housing needs to be built or stabilized. These arguments over the role of market-rate versus subsidized housing have plagued strong-market cities, which are engaging in political debates at the ballot box (e.g., the "Mission Moratorium," a ballot measure that would ban luxury units in San Francisco's Mission neighborhood) and in city hall (e.g., housing density bonus programs like New York City's inclusionary housing plan) over the role and impact of housing development.

In the February 2016 report "Perspectives on Helping Low-Income Californians Afford Housing" (hereafter "the LAO Report"), the California Legislative Analyst's Office (LAO) used data we posted on our Urban Displacement Project website (www.urbandisplacement.org) to argue that market-rate development would be the most effective investment to prevent low-income households from being displaced from their neighborhoods.[1]

In this research brief we present a more nuanced view to contribute to this debate. We correct for the omission of subsidized housing production from the LAO Report and find that both market-rate and subsidized housing reduce displacement at the regional level, yet subsidized housing has over double the impact of market-rate units. After evaluating the impact of market-rate and subsidized housing built in the 1990s on displacement occurring in the 2000s, to ensure that we are examining before and after relationships, we find that market-rate development has an insignificant effect on displacement. Finally, when looking at the local, neighborhood scale in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions. These findings also provide support for increasing spending on subsidized housing to ensure both neighborhood stability and income diversity into the future.

. . . we found that both market-rate and subsidized housing development can reduce displacement pressures, but subsidized housing is twice as effective as market-rate development at the regional level.

We begin this research brief by describing why the filtering process, the phenomenon in which older market-rate housing becomes more affordable as new units are added to the market, may fall short of producing affordable housing. We next revisit the question of the impact of market-rate development, looking also at the role of subsidized housing development, in mitigating displacement. After an examination of the impact of housing production on displacement over the short- and long-term, we look at why adding to housing supply in a region might not reduce housing market pressures in all neighborhoods. We conclude by suggesting next steps for research.

Filtering Is Not Enough

Using our data, the LAO report concluded that the most important solution to the housing crisis in California's coastal communities is to build more market-rate housing. The report found that new market-rate construction reduced displacement of low-income households across the region. After outlining the challenges and limited funding for subsidized units, the report argued that filtering, or the phenomenon in which older market-rate housing becomes more affordable as new units are added to the market, was the most effective way to exit the affordable-housing crisis. The report neglects the many challenges of using market-rate housing development as the main mechanism for providing housing for low-income households, in particular the timing and quality of the "filtered" housing stock.[2] The filtering process can take generations, meaning that units may not filter at a rate that meets needs at the market's peak, and the property may deteriorate too much to be habitable. Further, in many strong-market cities, changes in housing preferences have increased the desirability of older, architecturally significant property, essentially disrupting the filtering process.

Although our data is not tailored to answer questions about the speed of filtering, other researchers[3] have found that on average across the United States, rental units become occupied by lower-income households at a rate of approximately 2.2% per year. Yet in strong housing markets such as California and New England the rate is much lower and researchers find that filtering rates have an inverse relationship with housing price inflation; in other words, places that have rapidly rising housing prices have slower filtering rates.[4] Using the estimates of Rosenthal (2014) and an annual appreciation rate

of 3.3% over the last 20 years, the pace at which units filter down to lower-income households for the Bay Area's rental market is estimated at roughly 1.5% per year. Yet, Rosenthal finds that rents decline by only 0.3% per year, indicating that units become occupied by lower-income households at a faster rate than rents are falling, which could result in heightened housing cost burden. Furthermore, if we were to assume that developers are building housing for people at the median income, then it would take approximately 15 years before those units filtered down to people at 80% of the median income and closer to 50 years for households earning 50% of the median income.[5] Again, however, this does not mean that such units are actually affordable to the low-income households occupying them.

We examined the relationship between market-rate housing construction, rents, and housing cost burden (Table 1). Initial results indicate a filtering effect for units produced in the 1990s on median rents in 2013. Yet market-rate development in the 2000s is associated with higher rents, which could be expected as areas with higher rents are more lucrative places for developers to build housing. Furthermore, development in both the 1990s and 2000s is positively associated with housing cost burden for low-income households. Thus, while filtering may eventually help lower rents decades later, these units may still not be affordable to low-income households.

Developing Subsidized Units Is Even More Protective

While numerous critiques of the LAO report have circulated,[6] we believe that the omission of subsidized housing production data from the analysis has the greatest potential to skew results.[7] We have reanalyzed the data on housing production, including that of subsidized housing, and show that the path to reducing displacement is more complex than to simply rely on market-rate development and filtering. Following, we present our analysis that replicates the LAO analysis with the addition of subsidized housing data.

To examine the relationship between market-rate housing construction, subsidized housing construction, and displacement of low-income households, we developed an econometric model that estimates the probability of a low-income Bay Area neighborhood experiencing displacement. We employ the same methodology as the LAO Report, using probit regression analysis to evaluate how various factors affect the likelihood of a census tract experiencing displacement between 2000 and 2013 (see the technical appendix for definitions).

Consistent with the LAO Report, we find that new market-rate units built from 2000 to 2013 significantly predict a reduction in the displacement indicator from 2000 to 2013 (Table 2, Model 1).[8] Higher shares of nonwhite population and higher housing density also produced significant reductions in displacement. Higher shares of housing built before 1950, college-educated population in 2000, and low-income population in 2000 increased the likelihood of the census tract experiencing displacement. These results are generally consistent with previous research: existing residents in neighborhoods with historic housing stock and college-educated populations are at higher risk of displacement.[9] We also find, however, that the production of subsidized units has a protective effect, which appears to be greater than the effect of the market-rate units (Model 2). This includes units built with low-income housing tax credits and other federal and state subsidies.[10] We find the effect of subsidized units in reducing the probability of displacement to be more than double the effect of market-rate units. In other words, for every one subsidized unit, we would need to produce two or more market-rate units to have the same reduction in displacement pressure.[11]

What we find largely supports the argument that building more housing, both market-rate and subsidized, will reduce displacement. However, we find that subsidized housing will have a much greater impact on reducing displacement than market-rate housing. We agree that market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population. However, our analysis strongly suggests that subsidized housing production is even more important when it comes to reducing displacement of low-income households.

ABOUT THE AUTHORS

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Table 1. The Impact of Development on Median Rent and Housing Cost Burden for Low-Income Households for the SF Bay Area Census Tracts (linear model)

	Median Rent (2009-2013)	Percent of Low Income Households that are Housing Cost Burdened (2009-2013)
% of housing units built pre-1950 in 2000	-202.52***	-0.04***
% of population nonwhite in 2000	47.28	0.08***
% of adult population with college degree in 2000	445.65***	0.03*
Housing density (pop/square mile) in 2000	2.6E-04	-1.6E-07
% of households with income below 80% of county median in 2000	-1185.37***	-0.05**
Number of new market-rate units built between 1990-2000	-0.05**	2.7E-05***
Number of new market-rate units built between 2000-2013	0.07***	2.6E-05***
Proximity to rail transit station (<1/2 mile) in 2000	60.30***	0.01
Intercept	1827.80***	0.56***
n	1569	1568
R^2	0.51	0.06
***<.01 **<.05 *<.10 significance level		

Table 2. The Impact of Market-Rate and Subsidized Developments on Displacement Bay Area Tracts 2000-2013

	Model 1	Model 2
% of housing units built pre-1950 in 2000	0.612***	0.481***
% of population nonwhite in 2000	-0.956***	-0.943***
% of adult population with college degree in 2000	1.775***	1.824***
Housing density (pop/square mile) in 2000	-1.04E-05***	-1.01E-05***
% of households with income below 80% of county median in 2000	2.447***	3.054***
Number of new market-rate units built between 2000-2013	-0.002***	-0.002***
Number of subsidized units built between 2000-2013	--	-0.005***
Intercept	-1.576***	-1.709***
n	1569	1569
Pseudo R^2	0.1456	0.1693
***<.01 **<.05 *<.10 significance level		

Table 3. The Impact of Market-Rate and Subsidized Developments on Displacement Bay Area Tracts 1990-2000 and 2000-2013

	Model 3	Model 4	Model 5
% of housing units built pre-1950 in 2000	0.614***	0.565***	0.446**
% of population nonwhite in 2000	-1.071***	-1.090***	-0.9555***
% of adult population with college degree in 2000	1.689***	1.700***	1.820***
Housing density (pop/square mile) in 2000	-5.95E-06*	-5.09E-06	-9.73E-06**
% of households with income below 80% of county median in 2000	2.251***	2.474***	3.105***
Number of new market-rate units built between 1990-2000	-3.25E-04**	-2.91E-04**	-6.85E-05
Number of subsidized units built between 1990-2000	--	-0.004***	-0.002*
Number of new market-rate units built between 2000-2013	--	--	-0.002***
Number of subsidized units built between 2000-2013	--	--	-0.005***
Intercept	-1.613***	-1.660***	-1.699***
n	1571	1571	1569
Pseudo R^2	0.108	0.118	0.171

***<.01 **<.05 *<.10 significance level

The Effectiveness of Market-Rate Production in Mitigating Displacement Diminishes over Time

The LAO Report used data that we posted to our website for housing production numbers that were built over the same time period as our data on the change in low-income households. Yet, since both housing production and household change are occurring in a 13-year period from 2000 to 2013, it is unclear which came first: conceivably, the change in households occurred before the development, rather than vice versa, however it is also feasible that developers prefer to build in neighborhoods experiencing a decline in low-income households. This creates the potential for errors in the model. To account for this, we correct the potential error in the LAO Report by adding housing production data that precede changes in low-income households, which we use as the proxy for displacement. In other words, instead of looking at the incidence of displacement in the same decade as housing production, we evaluate the impact of market-rate and subsidized housing built in one decade (e.g., 1990s) on what happens to residents in a subsequent decade (e.g., 2000s).

We find that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013 (Table 3, Model 3), confirming the findings of the LAO Report. Yet, once again, subsidized housing built in the previous decade has more than double the effect of market-rate development in that decade (Model 4). When looking at housing production in both the 1990s and 2000s (Model 5), subsidized housing continues to play a greater role in mitigating displacement in 2010s, while market development in the 1990s becomes insignificant. This suggests that there are factors dictating development in the 1990s that are related to development in the 2000s as well as displacement that are not included in the model, such as housing sales prices or school quality. An alternative interpretation of the disappearance of an effect for market-rate housing built in the 1990s is that market-rate housing in and of itself, or the filtering process, has no effect on displacement. Future research will need to further analyze these relationships as well as other factors that may improve the predictive power of the models.

Regardless of when construction happens relative to displacement—before or concurrently—our analysis shows that subsidized housing has double the impact of market-rate development. Further, the effectiveness of market-rate housing in mitigating displacement seems to diminish as more market-rate housing is built in a subsequent decade. More research would be necessary to understand this phenomenon, but this result suggests that over time, the con-

struction of market-rate housing may have a catalytic effect on a neighborhood, increasing its attractiveness to upper-income residents, rather than a protective effect of filtering.

Housing Production May Not Reduce Displacement Pressure in a Neighborhood

As Rick Jacobus explains,[12] because market mechanisms work differently at different geographic scales, market-rate construction can simultaneously alleviate housing pressures across the region while also exacerbating them at the neighborhood level. At the regional scale, the interaction of supply and demand determines prices; producing more market-rate housing will result in decreased housing prices and reduce displacement pressures. At the local, neighborhood scale, however, new luxury buildings could change the perception of a neighborhood and send signals to the market that such neighborhoods are desirable and safer for wealthier residents, resulting in new demand. Given the unmet demand for real estate in certain neighborhoods, new construction could simply induce more in-moving.[13] By extension, then, one would expect market-rate development to reduce displacement at the regional scale but increase it or have no or a negative impact at the local neighborhood scale.

Here we test this hypothesis. We do this by analyzing our regional data set at the tract level[14] and comparing the results to the block group level for San Francisco,[15] where we have our most accurate data on housing production. What we find largely confirms this regional versus local argument; there is some, albeit limited evidence that at the regional level market-rate housing production is associated with reductions in the probability of displacement (Model 5), but at the block group level in San Francisco it has an insignificant effect (Table 4, Models 6). Comparing the effect of market-rate and subsidized housing at this smaller geography, we find that neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.

To illustrate this point, in Figure 1 we plot on the X-axis construction of new market-rate units in the 1990s and 2000s and on the Y-axis the change in the number of low-income households from 2000 to 2013 for both tracts in the entire region and block groups in San Francisco. Although at the regional level the relationship between market-rate development and change in low-income households appears linear, the same is not true for the block group level, where no clear pattern emerges.

Table 4. The Impact of Market-Rate and Subsidized Developments on Displacement, San Francisco Block Groups, 1990-2000 and 2000-2013

	Model 6
% of housing units built pre-1950 in 2000	1.017***
% of population nonwhite in 2000	-2.306***
% of adult population with college degree in 2000	-0.427
Housing density (pop/square mile) in 2000	-1.0E-05***
% of households with income below 80% of county median in 2000	3.038***
Number of new market-rate units built between 1990-1999	-0.002
Number of subsidized units built between 1990-1999	-0.004
Number of new market-rate units built between 2000-2013	4.2E-04
Number of subsidized units built between 2000-2013	-0.001
Intercept	-0.638
n	578
Pseudo R^2	0.113

***<.01 **<.05 *<.10 significance level

Housing Production and Neighborhood Change in SOMA, SF

To better grasp the complicated relationship between housing development and displacement at the local block group level we selected two case study areas in San Francisco's South of Market Area (SOMA) that experienced high rates of development of both market-rate and subsidized units since the 1990s, but had divergent results when it came to changes in the income profile of their residents. We examined the dynamics of block groups 2 and 3 in Census Tract 176.01. Both witnessed among the highest levels of housing construction in San Francisco for both market-rate and subsidized units, yet from 2000 to 2013 our data show that Block Group 2 gained low-income households and Block Group 3 lost low-income households.

Block Group 2

At the heart of downtown San Francisco, this seven-block area is home to nearly 2,500 residents today, nearly doubling its population since 2000. In the 1990s, 127 market-rate units were added to the area, mostly in mid-sized

Figure 1. Housing Production (1990-2013 and Change in Low-Income Households (2000-2013)

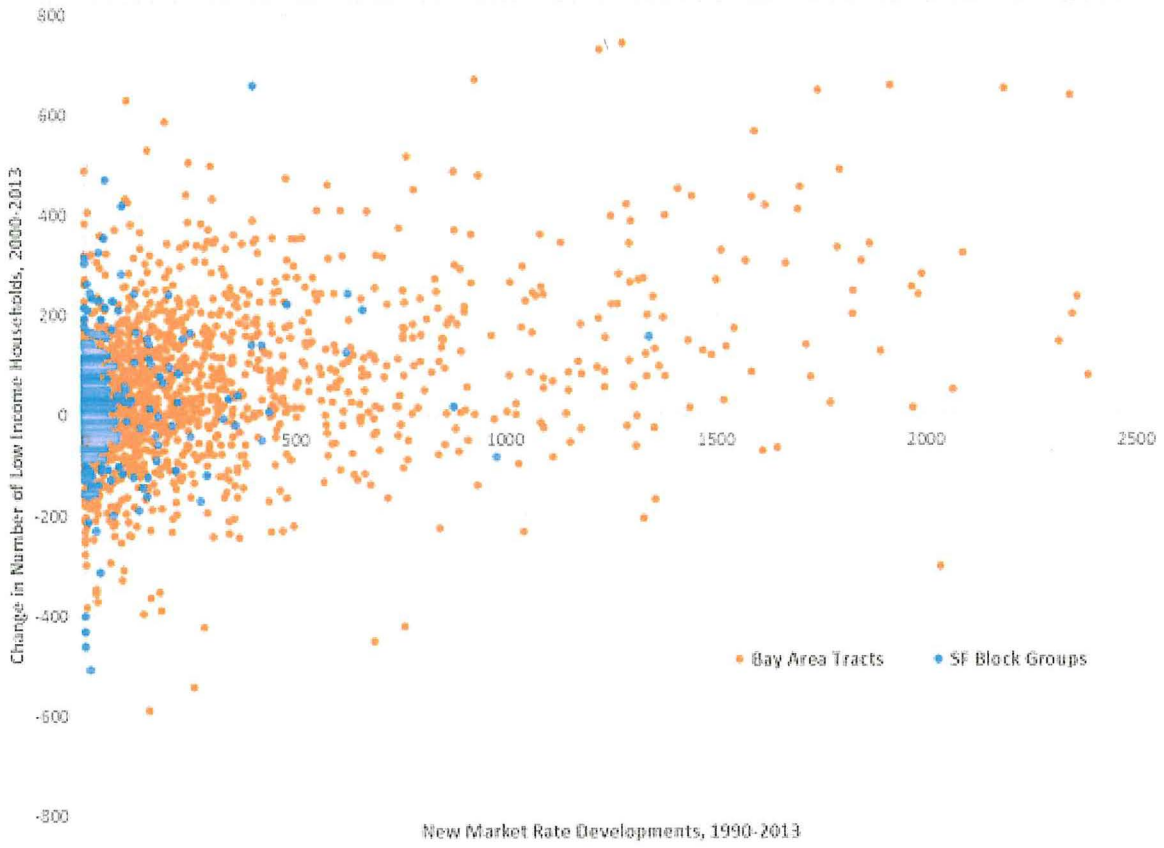
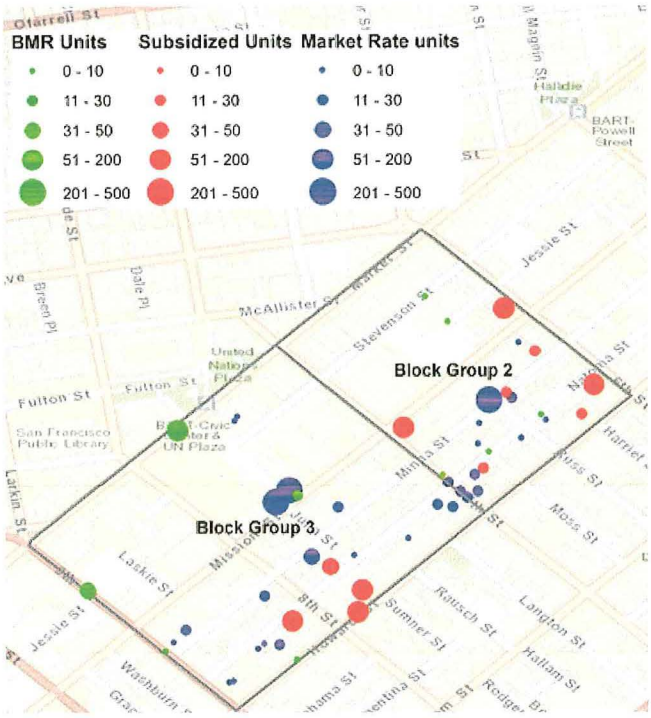


Figure 2. Housing Developments from 1990-2013 in Two Block Groups of the SOMA Neighborhood, SF



buildings of about 30 units. During that same period, 108 subsidized units were added, including 72 units in a single room occupancy (SRO) hotel. Sales prices for condos dipped in the mid-1990s, but climbed back to nearly $400 per square foot by 1999 (in 2010 dollars, see Figure 3).

Development of market-rate units continued into the early 2000s, when the 258-unit SOMA Residences apartments were built at 1045 Mission Street in 2001. Three below-market-rate units were developed as part of the city's inclusionary housing program, but no other subsidized units were added. Sales prices increased in the area in the early 2000s, suffered from the housing crisis in the mid-2000s, but reached back up to prerecession values by 2013.

Yet the area did not witness a significant loss of low-income households during the 13-year period of 2000 to 2013, which may be in part related to the fact that nearly a thousand units in the area are in buildings regulated by rent control (nearly 60% of all rental units), which has remained relatively constant since 2000. Finally, this area is bordered by 6th Street to the east, San Francisco's "skid row," with high rates of crime and concentrated poverty which may be dampening the attractiveness of the neighborhood. When we incorporate crime rates into our model, they significant-

Figure 3. Median Condo Sales Price per Square Foot, 1991-2013 (Source: Dataquick 2014)

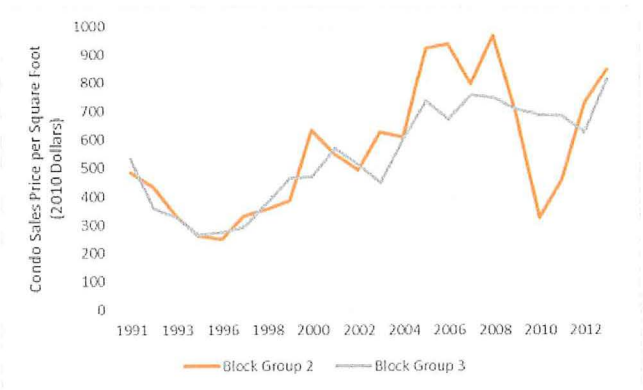


Figure 4. Canon Kip Community House Built in 1994 Houses Disabled Homeless Adults in 104 SRO Units

Figure 5. 440 Units Were Developed at Trinity Place, at 1188 Mission Street, in 2010

ly predict a reduction in displacement probability, even at the block group level, which housing production does not.

Block Group 3

Block Group 3 is an eight-block area centered to the north around the Civic Center BART station and home to over 2,100 people (Figure 2). The area gained 101 market-rate units and 104 subsidized units in the 1990s. This block group was the site of a 104-SRO-unit building for disabled homeless adults in 1994. The 101 market-rate units built in the 1990s were in smaller scale developments of 30 units or less. Development accelerated the following decade with 601 market-rate units and 315 subsidized and below-market units. In 2002, 48 units were developed at 675 Minna followed by 162 affordable units at 1188 Howard. In 2008, 244 luxury condos opened in the SOMA Grand at 1160 Mission and in 2010, following years of negotiation, the Trinity Management group opened 440 high-end furnished apartments at 1188 Mission as part of the Trinity Plaza development. The development was at the center of housing debates as it involved the demolition of 377 rent-controlled units. Ultimately the developer agreed to put 360 of its new 1,900 units under rent control.[16] In 2015, however, the management group was accused of renting out some of those rent-controlled units to tourists.[17] Overall the area lost approximately 40% of its rent-controlled housing stock since 2000 and today a little over half of the rental units are under rent control.

Despite the ongoing investments in subsidized housing in the neighborhood, the new high-end developments have contributed to the ongoing transformation of the neighborhood as characterized by the 2013 Yelp review by a SOMA Grand resident:

> I bought a place here in 2009 and absolutely love it. While the neighborhood might have a bit of grit to it there are so many great restaurants nearby, including the one right in the building. . . . This neighborhood is transforming fast too![18]

This, along with the loss of rent-controlled units, has resulted in a net loss over 150 low-income households (with median incomes between 50% and 80% of San Francisco median income) between 2000 and 2013. It is unclear, however, how much of that loss is due to the direct displacement from the Trinity development or from indirect displacement due to rising rents associated with local development or other factors affecting housing demand.

These two block groups illustrate the complex relationships between housing development and demographic change. While both neighborhoods have witnessed dramatic development in one of the fastest growing parts of San Francisco, and have similarly seen significant growth in housing prices, one may be classified as experiencing displacement of low-income households, while the other does not. The ambiguous effects of development at the local level carry over to affordability as well. In Table 5 we show the linear modeling results of housing development on median rent and housing cost burden for low-income households, finding that subsidized units built in the 2000s are associ-

Table 5. The Impact of Development on Median Rent and Housing Cost Burden for Low-Income Households for SF Block Groups (Linear Model)

	Median Rent (2009-2013)	Percent of Low Income Households that are Housing Cost Burdened (2009-2013)
% of housing units built pre-1950 in 2000	94.615	0.030
% of population nonwhite in 2000	-230.837	0.126
% of adult population with college degree in 2000	692.844**	0.113
Housing density (pop/square mile) in 2000	-5.2E-04	9.5E-08
% of households with income below 80% of county median in 2000	-616.005***	-0.109*
Number of new market-rate units built between 1990-2000	6.0E-01	-3.5E-05
Number of subsidized units built between 1990-2000	1.0E+00	2.6E-05
Number of new market-rate units built between 2000-2013	3.4E-02	1.5E-04*
Number of subsidized units built between 2000-2013	-9.1E-01**	-3.6E-04*
Intercept	1526.485***	0.590***
n	578	563
R^2	0.250	0.020

***<.01 **<.05 *<.10 significance level

ated with a decline in median rent and housing cost burden, whereas market-rate developments are associated with greater housing cost burden. Development of subsidized and market-rate units in the 1990s appears to have no significant impact on affordability in the subsequent decade at the block group level. As discussed above, housing affordability and displacement may be related to other neighborhood and regional factors, such as employment dynamics and neighborhood amenities that were not included in the models. Additional research will be needed with higher-resolution housing data along with other information about neighborhood amenities to better understand the dynamics and impact of housing production at the local scale.

Conclusions

There is no denying the desperate need for housing in California's coastal communities and similar housing markets around the U.S. Yet, while places like the Bay Area are suffering from ballooning housing prices that are affecting people at all income levels, the development of market-rate housing may not be the most effective tool to prevent the displacement of low-income residents from their neighborhoods, nor to increase affordability at the neighborhood scale.

Through our analysis, we found that both market-rate and subsidized housing development can reduce displacement pressures, but subsidized housing is twice as effective as market-rate development at the regional level. It is unclear, however, if subsidized housing production can have a protective effect on the neighborhood even for those not fortunate enough to live in the subsidized units themselves.

By looking at data from the region and drilling down to local case studies, we also see that the housing market dynamics and their impact on displacement operate differently at these different scales. Further research and more detailed data would be needed to better understand the mechanisms via which housing production affects neighborhood affordability and displacement pressures. We know that other neighborhood amenities such as parks, schools, and transit have a significant impact on housing demand and neighborhood change[19] and it will take additional research to better untangle the various processes at the local level.

In overheated markets like San Francisco, addressing the displacement crisis will require aggressive preservation strategies in addition to the development of subsidized and

market-rate housing, as building alone won't protect specific vulnerable neighborhoods and households. This does not mean that we should not continue and even accelerate building. However, to help stabilize existing communities we need to look beyond housing development alone to strategies that protect tenants and help them stay in their homes.

Technical Appendix

Data

We use the same dataset released on our website urbandisplacement.org as used in the LAO report. We add data on the production of subsidized units using data from the California Housing Partnership Corporation that compiled information from federal LIHTC and HUD subsidies, as well as California state subsidies.[20] We supplement this data with information for San Francisco on parcel level housing data and information on units produced under their Below Market-Rate (inclusionary housing) program.

Defining Displacement

For the purposes of comparison, we use the same definition of displacement as the LAO report. They defined a census tract as having experienced displacement if (1) its overall population increased and its population of low-income households decreased, or (2) its overall population decreased and the rate of low-income households declined at a faster rate than the overall population decline. The time period for change in low-income households is 2000 to 2013. We apply the same methodology for San Francisco block groups.

It's important to note the limitations of this data in proxying for displacement, as it is feasible that the change in low-income households is a result not only of people moving out and in, but also income mobility of households moving down and becoming low income or up and becoming higher income. From our analysis of data from the Panel Study on Income Dynamics we estimate that there would have been a net increase in low-income households in most places from 2000 to 2013 likely due to the Great Recession; therefore, our estimates of displacement are likely an underestimate. Ideally we would be able to more accurately proxy for displacement by using a measure of out-migration of low-income households from a tract. Future research is needed accessing mobility datasets to better capture the displacement phenomenon for the Bay Area.

Sensitivity Analysis

In their response to the LAO Report, Alex Karner and Chris Benner argued that the LAO results may be due to lumping together the major cities and low-density suburbs into the same analysis.[21] Although the inclusion of density should account for such differences, there may be additional impacts from centrality of location. When we control for location in the three major cities (San Francisco, Oakland, and San Jose), the effect of market-rate housing remains, but so too does the magnitude of the effect of subsidized housing[22] (Table 6, City Controls Model). In other words, all locations being equal, subsidized housing still has a greater impact.

It has also been suggested that the results may be driven by neighborhood distress during the foreclosure crisis where greater evictions occurred or fewer market rate units were developed. To test this hypothesis, we controlled for foreclosure rates between 2006 and 2013, finding the results to be robust (Table 6, Distressed Tracts Model).

Finally, the categorical indicator developed by the LAO could feasibly be labeling neighborhoods as experiencing displacement that are in fact a result of other issues of decline such as high rates of foreclosures. We originally attempted to control for this by excluding tracts that had experienced overall population decline, however it is feasible that gentrifying neighborhoods that witness a shift from family to smaller households could also experience population decline. For this reason, we deemed the LAO definition of displacement acceptable for the purposes of this analysis. Nevertheless, we also ran a set of tests using a modified indicator that only counted tracts that grew from 2000-2013 as potentially experiencing displacement and also ran linear regression models on the change of low income households. When we did this, the direction and implications of the results remained the same.

Notes

1. Brian Uhler, "Perspectives on Helping Low-Income Californians Afford Housing," LAO Brief (Legislative Analyst's Office, February 9, 2016). Data available at <urbandisplacement.org>.

2. Michael Smith-Heimer, "The Potential for Filtering as Public Policy," *Berkeley Planning Journal* 5, no. 1 (1990): 94–104.

3. Stuart S. Rosenthal, "Are Private Markets and Filtering a Viable Source of Low-Income Housing? Estimates from a 'Repeat Income' Model †," *American Economic Review* 104, no. 2 (February 2014): 687–706, doi:10.1257/aer.104.2.687.

4. For rentals, Rosenthal estimates that filtering rate = -0.0237 + 0.2522 x housing price appreciation.

5. Allowing for annual compounding effects assuming a constant annual filtering rate of 1.5%, the amount a unit would filter down in X years is calculated as (1-0.015) X.

6. See Emily Badger, "How to Make Expensive Cities Affordable for Everyone Again," *Washington Post* (February 19, 2016). Accessed at <https://www.washingtonpost.com/news/wonk/wp/2016/02/19/how-to-make-expensive-cities-affordable-for-everyone-again/>.

7. This is perhaps unsurprising, since we did not publish this data online.

8. Note the coefficients of Model 1 do not match identically those of Figure A1 in the LAO report. The year of the independent variables used for the LAO model were not indicated. We tried

Table 6. Sensitivity Analysis of Regional Displacement Model

	City Controls Model	Distressed Tracts Model
% of housing units built pre-1950 in 2000	0.517**	0.517**
% of population nonwhite in 2000	-0.887***	-0.880***
% of adult population with college degree in 2000	1.840***	1.817***
Housing density (pop/square mile) in 2000	-8.82E-06**	-8.87E-06**
% of households with income below 80% of county median in 2000	3.005***	2.992***
Number of new market-rate units built between 2000-2013	-0.002***	-0.002***
Number of subsidized units built between 2000-2013	-0.005***	-0.005***
San Francisco control	-0.102	-0.104
San Jose control	-0.121	-0.124
Oakland control	-0.067	-0.067
Foreclosure rate, 2006-2013		-0.262
Intercept	-1.715***	-1.697***
n	1569	1569
Pseudo R^2	0.172	0.172
***<.01 **<.05 *<.10 significance level		

both variables for 2000 and 2013, but were unable to replicate the coefficients identically. Nevertheless, the coefficient for market rate housing production is very similar to that produced in the LAO model and the other variables have similar results in scale, directionality, and significance.

9. Lance Freeman, "Displacement or Succession? Residential Mobility in Gentrifying Neighborhoods," *Urban Affairs Review* 40, no. 4 (March 2005): 463–91.

10. We do not analyze units developed with local funding only (e.g., Redevelopment money or through inclusionary zoning) due to lack of availability for the entire region

11. These relationships were robust for several other measures of displacement we tested including the absolute change in low-income households.

12. Rick Jacobus, "Why We Must Build," *Shelterforce*, March 9, 2016, <http://www.shelterforce.org/article/4408/why_we_must_build/>.

13. Karen Chapple and Mitchell Crispell, "Mission Accomplished? Revisiting the Solutions," November 9, 2015, <http://www.urbandisplacement.org/blog/mission-accomplished-revisiting-solutions>.

14. On average in the Bay Area tracts have 1,656 households (min=15, max=6474) and 4,593 people (min 39, max 13,855).

15. On average in SF block groups have 603 households (min-41, max=4,082) and 1,434 people (min=45, max=8,621).

16. Randy Shaw, "Historic Trinity Plaza Deal Finalized," *Beyond Chron*, June 9, 2005.

17. Laura Dudnick, "Trinity Place Developer Accused of Illegally Leasing Apartments," *San Francisco Examiner*, August 6, 2015.

18. "SOMA Grand Residential Condos - SoMa - San Francisco, CA," Yelp, accessed May 2, 2016, <http://www.yelp.com/biz/soma-grand-residential-condos-san-francisco>.

19. Miriam Zuk et al., "Gentrification, Displacement, and the Role of Public Investment: A Literature Review," Working Paper (Federal Reserve Bank of San Francisco, August 24, 2015), <http://www.frbsf.org/community-development/publications/working-papers/2015/august/gentrification-displacement-role-of-public-investment/>.

20. <http://chpc.net/advocacy-research/preservation/preservation-database/>.

21. Cities that produce a lot of market-rate housing and experience high displacement pressures with places in the suburbs and urban fringe where there has been a lot of construction but little displacement pressure.

22. The same is true if we restrict our analysis only to census tracts with above average density. The effect is also consistent when we control for tracts that gentrified in either decade (149 tracts).

West Bay Law
Law Office of J. Scott Weaver

September 12, 2017

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

Re: Case No 2014.0376CUA, 2918 Mission Street

The proposed project is right across the street from the Calle 24 Latino Cultural District, and it is undeniable that, as proposed, it will have a significant impact on the District.

A little less than a year ago, the Calle 24 Latino Cultural District Council appealed this Commission's approval of the proposed project at 1515 South Van Ness Avenue. The Board of Supervisors determined that before considering the environmental impacts of the proposed project, it was necessary for the Planning Department to study the impacts of gentrification on social and economic displacement in the Calle 24 Latino Cultural District. The Department contracted with pro-development consultancy ALH consultants,

ALH hastily prepared its findings, based on cherry-picked data and without regard for many requests from community stakeholders that they look at specific issues that were pertinent to the Cultural District. The conclusion was the predictable it will not cause displacement or have no negative impacts on residents and businesses in the district – a conclusion that defies everything that we are seeing on the ground, including members of the Planning Department. Nevertheless, with little time, we were forced to put together a brief critique of the report, which is attached to this letter for your reference.

Perhaps most exemplary of the error in this report (and there are many pointed out in the attached) was the heavy reliance on a report by Rachel Meltzer, *Gentrification and Small Business, Threat or Opportunity* Pages 72-26 found at https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/ch3.pdf. After reading this report, it appeared to us that ALH in its, haste to reach a "no impact" conclusion, either intentionally, or negligently misread the underlying data in the report. We contacted Ms. Meltzer, and she concurred with us: the underlying data demonstrated that gentrifying communities of color suffer greater business loss than non-gentrifying communities of color. We have the emails to prove it.

The Board of Supervisors never considered the attached nor the testimony that was intended accompany it, because both the 1515 South Van Ness and 2675 Folsom Street matters were settled prior to the hearing.

We believe that because ALH failed to seriously consider displacement impacts associated with gentrification in the Calle 24 Latino Cultural District[1] the analysis required by the Board of Supervisors remains unmet. For that reason, we are again requesting an independent analysis if these impacts

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

- The amount of income that households will be required to have in order to afford the market rents of the proposed project.

- The amount of anticipated disposable income of the households moving into the market rate units at the proposed project.

- The consumer preferences for goods and services of households moving into the market rate units at the proposed project, as compared to those Latino residents in the LCD earning 50% AMI.

- The potential venues where those consumer preferences are likely to be met.

- The short and long term impacts on neighborhood serving Latino businesses that new market rent paying households, with higher disposable incomes, will have on commercial rents in the Latino Cultural District – both from the standpoint of the proposed project and from the standpoint of the cumulative impact of the projects listed above.

- The short and long term impact that rents at the proposed project (and cumulative proposed projects) will have on rents of vacant resident units in the immediate areas.

- The short and long term impact that the proposed project (and cumulative proposed projects) will have on displacement of Latinos and families now living in the Calle 24 Latino Cultural District.

[1] The Calle 24 Latino Cultural District was recently designated a cultural district by the State of California.

- The housing alternatives of residents now living in the Calle 24 Latino Cultural District should they be displaced.

- The short and long term impact that the proposed project (and cumulative proposed projects) will have on the percentage of Latino residents and businesses living and working in the Calle 24 Latino Cultural District.

- Mitigation alternatives that, if employed, would stabilize commercial rents in the Latino Cultural District.

I apologize for once again being compelled to make this request.

Respectfully Submitted,

J. Scott Weaver

JSW:sme

West Bay Law
Law Office of J. Scott Weaver

April 17, 2017

President London Breed and San Francisco Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B Goodlett Pl #244
San Francisco, CA 94102

Re: **Re: Case No. 2014-000601 CUA, 2014-000601ENX– 2675 Folsom Street Appeal of the September 22, 2016 Planning Commission Decisions. Response to Socioeconomic Analysis.**

Dear Supervisor Breed,

This is the second of two submissions made today, April 17, 2017 pertaining to the Appeal of the project at 2675 Folsom Street. This submission pertains to the numerous flaws contained in a Report prepared in conjunction with this project.

The ALH Consultants, at behest of the San Francisco Planning Department, recently completed a report regarding the impact of luxury development on the physical environment of the Calle 24 Latino Cultural District. We have given initial review of the report and see it as a work of advocacy as opposed to an even-handed treatment of the available information.

The ALH Report is Misleading, Flawed, and Ignores Critical Information Regarding the Calle 24 Latino Cultural District.

The ALH Report and the Planning Department's Summary are flawed in several respects, and their conclusions must be viewed with skepticism. While thorough critique will be forthcoming, we wanted to provide some initial observations as this report was prepared in conjunction with the upcoming Appeal of the proposed project at 2675 Folsom Street.

The Report lacks any understanding or appreciation for the unique challenges of the Calle 24 Latino Cultural District, challenges facing its businesses, the trajectory of gentrification and displacement, and its culture and history. Instead, it attempts to superimpose macroeconomic concepts and statistical averaging on a small and unique economic and ethnic ecosystem, and draws conclusions without regard to that uniqueness.

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In fact, the report seems to say that the gentrification will do the opposite of what we have observed in the past, and that accelerated gentrification will no longer have the ravaging impacts that we have witnessed. Market rate development is, by definition, gentrification because it brings large numbers of very high wage earners into poor neighborhoods. In this instance, in a working class, Latino, transit-oriented neighborhood. Right now, over a thousand gentrifiers are slated to move within easy walking distance of the LCD alone, and more than three times that number in the Mission as a whole.

As pointed out in the Report, The Eastern Neighborhoods EIR conceded that displacement would be a "secondary effect" of gentrification[1] yet, without any evidence, the Report suggests that effects such as these are a thing of the past, and that the new wave of even more well-heeled gentrifiers will not cause increased rents in neighboring areas or lead to evictions. The Report appears to predict that discount groceries, panaderias, and other mom and pop businesses will be destinations of choice for these new residents, and that their consumer choices will no longer fuel a demand for high end restaurants or consumer goods.

Unfortunately, our experiences in SOMA, Hayes Valley, the Fillmore and large swaths of Bayview undermine this narrative. As stated earlier, the ALH Report and Planning's summary of it must be viewed with skepticism. The Report seems to suffer from constant switching from regional to hyperlocal environments and selects data suited to prove its thesis.

In their research brief *Housing Production, Filtering and Displacement: Untangling the Relationships*, (May, 2016) Miriam Zuk and Karen Chapple cautioned that markets behave differently at regional and at local levels, that the "filtering" process took much longer than previously thought, and that "more detailed analysis is needed to clarify the complex relationship between development, affordability at a local scale," and that "By looking at data from the region and drilling down to local case studies, we also see that housing market dynamics and their impact on displacement operate differently at these different scales."

More recent studies have confirmed what many of us had already known to be true: that is large scale "market rate" development has a destabilizing impact on gentrifying communities – especially communities of color. This is especially true where there is a significant income differential between the current residents and those coming into the community. In addition, a very recent study out of UC Berkeley has concluded that gentrification of transit rich neighborhoods both causes displacement and leads to greater automobile use.

[1] The PEIR does not seem to have quantified the extent of such gentrification, and, one would hope, did not anticipate the high rate of gentrification and displacement that we have witnessed since 2008.

The ALH Discussion of Commercial Displacement Misreads Available Data and Omits Critical Information with Respect to the Calle 24 Latino Cultural District.

With respect to commercial displacement, the conclusion of ALH and, by implication, the Department and the City Controller, is based, in part, on a misreading of the Meltzer Report[2] on which ALH strongly relied. That report made a general conclusion that market rate development did not lead to business displacement over all. The conclusion of Meltzer, as with many like studies, was based on aggregated data from a variety of communities without regard to their important individual characteristics such as race/ethnicity, income disparities, neighborhood transit richness, and recent changes in zoning.

When we drill down to Meltzer's individual study areas, the conclusion is opposite the generalized one in the report. Meltzer's data found: 1) There was lower business retention (greater business loss) in gentrifying communities of color than in non-gentrifying communities of color, and 2) Business retention was lower in gentrifying communities of color than in gentrifying white communities. In other words, both race and the trajectory of gentrification impact business loss. Throughout its Report, ALH ignores characteristics of the LCD micro environment and mistakenly defaults to generalized conclusions.

ALH also ignored the importance of the role that consumer preference plays with respect to commercial displacement. Meltzer discussed the significance of changes in consumer preferences in influencing commercial displacement – correlating consumer preferences with "population characteristics such as income, educational attainment, and race/ethnicity." If the local consumer base changes, then, on net, the local businesses could suffer. (P. 56) ALH chose to overlook basic differentiating characteristics of Calle 24 businesses including, the nature of their goods and services, demographic features of their customer base (such as race, income and employment status), their current profit margins, the term of business leases, their rent structures, and the potential upside rent potential that a more high-end consumer base could support[3].

Finally, the Report undertakes an analysis of the square footage of available retail space to urge that Latino oriented mom and pop concerns would not be affected by gentrification. By this approach, ALH erroneously treats all commercial space as if it were fungible: (i.e. that a panaderia is the equivalent to a high-end coffee shop with its $6.00 croissants, that a taqueria should be treated the same as a *Flour and Water* type restaurant, or that discount store goods are equal are the same as the $240 gym bags we see on Valencia Street. The failure to make these

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[2] Rachel Meltzer, *Gentrification and Small Businesses, threat or Opportunity*, Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 216, Pages 72-26 found at https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/ch3.pdf

[3] Realtors are now boasting "Valencia Street prices" for Calle 24 commercial rents.

distinctions is illustrative of the Report's failure to examine the unique features of the LCD itself. Such a failure is critical in this instance because the very subject matter of the Report was supposed to be impacts on the Latino Cultural District.

The ALH Discussion Regarding Residential Displacement Ignored the Growing Data Linking Gentrification to Displacement in Certain Types of Neighborhoods.

There is a growing body of evidence linking luxury housing to the displacement of residents and businesses in sensitive neighborhoods such as the Mission. Gentrification is the introduction of the "gentry class" of high-earners into a working-class neighborhood, along with the accompanying neighborhood changes to the composition and character of the community. Currently, households in the LCD earn approximately $40,000 to $50,000 whereas new residents will earn over $140,000 per years. There are three factors that have been identified that link gentrification to displacement. They are: 1) As discussed above, communities of color are more vulnerable to displacement than non-communities of color- especially where there are substantial income differentials between the existing residents and newcomers.***[4] 2) Transit rich districts are more vulnerable to displacement -- especially where there has been a net population loss, and 3) Development friendly zoning changes contribute to displacement in communities of color.

A very recent study lead by Karen Chapple of UC Berkeley[5] (2017) concludes that Transit Oriented Development (exemplified by Mission projects such as 2675 Folsom St) is connected to gentrification and the displacement of low-income households:

> Overall, we find that TOD has a significant impact on the stability of the surrounding neighborhood, leading to increases in housing costs that change the composition of the area, including the loss of low-income households. (Abstract, P v)

Another recent report, Leo Goldberg's 2015 MIT study,[6] analyzed the impact of zoning changes in low income NYC neighborhoods and concluded that rezonings facilitated growth at the expense of low and moderate-income renters and were thereby "associated with residential displacement at the city's core while, at the same time, serving to exclude low-income

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[4] Atkinson, *Rowland Gentrification and displacement in Greater London: an empirical and theoretical analysis.* (1997). PhD thesis, University of Greenwich, P 151

[5] Chappel, *Developing a New Methodology for Analyzing Potential Displacement,* (2017) may be found at. http://www.urbandisplacement.org/sites/default/files/images/arb_tod_report_13-310.pdf

[6] Goldberg, *Game of Zones* may be found at. https://dspace.mit.edu/bitstream/handle/1721.1/98935/921891223-MIT.pdf?sequence=1

households in the periphery. Goldberg stated, "development interests spurred rezonings in commercial and industrial areas as well as gentrifying neighborhoods, induc(ed) a sharp increase in housing costs and residential dislocation." (at P 3)

Goldberg's was consistent with the Meltzer data showing that race/ethnicity matters. The Goldberg report found a substantial increase in white populations in upzoned areas and a decrease in Black and Latino populations in those same areas – even though Latino population throughout the City increased by 10%. (P. 66-67)

Finally, Goldberg weighed in on the "Densification means displacement" debate. Goldberg found that upzoning-induced real estate speculation contributed to higher rents and displacement in poorer communities. As to the viability of supply side solutions in markets such as New York's or San Francisco's, he concluded that overall distortions of those markets foreclosed any meaningful impact of market rate development on rent or displacement relief.

> While filtering is generally theorized to support affordability across class groups, evidence from tight housing markets suggests that for supply to keep pace with demand – without which filtering cannot occur – a politically and technically unrealistic amount of housing would have to be built. (P. 77)

In this reality, rents on vacant San Francisco units will continue to be well out of reach for most San Francisco residents. In communities such as the Mission, where gentrification is already a serious problem, market housing such as that proposed at 2675 Folsom Street will reinforce the realtor narrative of the Mission as an "up and coming" location, with fancy restaurants, little crime, near public transit, and is "the place to be".

The Further Gentrification of the Mission Will Lead to Deteriorating in Air Quality.

Chapple's latest study also investigated the relationship between gentrification and auto use (Vehicle Miles Traveled) near rail stations under various conditions, and found an increase in VMT was likely to occur in transit rich neighborhoods such as the Mission:

- Local Vehicle Miles Traveled are likely to increase in the station area when gentrification is occurring.
- Regional Vehicle Miles Traveled are also likely to increase "if gentrification results in a reduction in the population living near rail and if those rail station areas have good transit service, high density, and other well-known features of supportive Transit Oriented Development."

Between 2000 and 2012, the Mission lost 4.8 percent of its population, while median income increased by 48 percent (gentrification), and households with cars increased from 37 percent to 64 percent.[7] The Mission has already lost 8,000 Latinos over the past 15 years, along with nearly a third of its families and countless family-serving businesses. It has become less dense due to the exodus of families no longer able to afford the rents.

Conclusion.

It is clear that the ALH Report is one-sided, flawed, and has ignored critical information specific to the LCD. Critical corridors such as the LCD and the Mission St corridor need special consideration through policies that encourage development that is not harmful to the community, consideration that was completely lacking in the Report.

The City has begun to take some helpful steps forward in this direction through programs such as MAP 2020, the creation of the Latino Cultural District, on the ground work through offices such as OEWD, and direct and indirect support for neighborhood nonprofits. These are helpful opening steps, however luxury developers are a strong and persistent economic force. The will to address these challenges will only come after we address head on the issue of gentrification's role in causing displacement. The ALH Report, if accepted would set us 180 degrees in the wrong direction.

Respectfully Submitted,

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

JSW:sme

[7] Appellant's Exhibits at Pages 347, 348

FILE NO. 140421 RESOLUTION NO.

[Establishing the Calle 24 ("Veinticuatro") Latino Cultural District in San Francisco]

Resolution establishing the Calle 24 ("Veinticuatro") Latino Cultural District in San Francisco.

WHEREAS, The Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco; and

WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District has deep Latino roots that are embedded within the institutions, businesses, events and experiences of the Latino community living there; and

WHEREAS, Because of numerous historic, social and economic events, the Mission District has become the center of a highly concentrated Latino residential population, as well as a cultural center for Latino businesses; and

WHEREAS, The boundary of the Calle 24 ("Veinticuatro") Latino Cultural District shall be the area bound by Mission Street to the West, Potrero Street to the East, 22nd Street to the North and Cesar Chavez Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. Additionally, the Calle 24 ("Veinticuatro") Latino Cultural District shall include La Raza Park (also known as Potrero del Sol Park), Precita Park and the Mission Cultural Center because of the community and cultural significance associated with these places; and

WHEREAS, Calle 24 ("Veinticuatro") Latino Cultural District's boundary demarcates the area with the greatest concentration of Latino cultural landmarks, businesses, institutions, festivals and festival routes; and

WHEREAS, The Latino population in the Mission, and in the Calle 24 ("Veinticuatro") Latino Cultural District, represents a culturally diverse population with roots from across the Americas; and

WHEREAS, According to 2012 Census data, within the Calle 24 ("Veinticuatro") Latino Cultural District, 49% of the population self-identified as Latino; 38% identified as foreign-born and 16% identified as linguistically isolated; and

WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District plays a significant role in the history of San Francisco; and

WHEREAS, San Francisco has for centuries attracted people seeking refuge from war, upheaval and poverty in their home countries; and

WHEREAS, The immigrant experience remains an integral part of California and San Francisco's history, cultural richness and economic vibrancy; and

WHEREAS, From 1821 to 1848, the Mexican Republic controlled San Francisco and the city was home to the Mexican governorship and many Mexican families; and

WHEREAS, Beginning in 1833, the Mexican government began to secularize mission lands and distributed over 500 land grants to prominent families throughout California – known as "Californios" – in an effort to encourage agricultural development; and

WHEREAS, Mexican land grants, such as Mission Dolores, Rancho Rincon de las Salinas, and Potrero Viejo, include the geographic area that is now home to San Francisco's Mission District and have directly influenced the Calle 24 ("Veinticuatro") Latino Cultural District; and

WHEREAS, The Treaty of Guadalupe Hildalgo, ratified in 1848 ending the Mexican American War, guaranteed Mexicans living in the ceded territory – including what would become the State of California – full political rights, but such rights were often ignored, resulting in the slow dissolution of lands owned by Californios; and

WHEREAS, San Francisco experienced several waves of immigration in the late 1800s, including massive migration from Mexico, Chile and Peru as well as migration from Latin America during the Gold Rush; and

WHEREAS, Puerto Rican migration to San Francisco began in the 1850s and increased in the early 1900s when Puerto Ricans relocated to California by way of Hawaii; and

WHEREAS, San Francisco served as a refuge for Sonorans fleeing violence and upheaval in their home country due to the Mexican Revolution of 1910; and

WHEREAS, Beginning in the 1930s, Mexican and Latin American families began settling in the Mission District, building on the roots that had already been established nearly a century before; and

WHEREAS, After World War II, the Mission District became the primary destination for new arrivals from all regions of Latin America including Central America, Mexico, Venezuela, Colombia, Ecuador, Peru, Brazil, Paraguay, Uruguay, Chile, Argentina, Cuba, Dominican Republic, and Puerto Rico; and

WHEREAS, Throughout the 1970s and 1980s, Central American countries experienced major political conflict and families fleeing from conflict immigrated to San Francisco, greatly contributing to the Latino identity of the Mission District and the Calle 24 ("Veinticuatro") Latino Cultural District; and

WHEREAS, In 1989, in response to the increased immigrant populations, the City and County of San Francisco adopted a Sanctuary Ordinance that prohibits its employees from aiding Immigration and Customs Enforcement (ICE) with immigration investigations or arrests, unless mandated by federal or state law or a warrant; and

WHEREAS, Chicano and Latino activism, arts, commerce, and culture have centered in the Calle 24 ("Veinticuatro") Latino Cultural District since the 1940s; and

WHEREAS, The Mission District and Calle 24 ("Veinticuatro") were central to the Chicano Movement – its art, music, and culture, as well as labor and community organizing to battle the war on poverty; and

WHEREAS, Many of the Latino community-based organizations established within the Calle 24 ("Veinticuatro") Latino Cultural District during 1960s and 1970s were an outgrowth of social justice organizing; and

WHEREAS, Much of what makes the Calle 24 ("Veinticuatro") Latino Cultural District a culturally-rich and recognizable place are the Latino businesses and community-based organizations located along 24th Street; and

WHEREAS, Latino-based organizations were established on 24th Street to serve the needs of the community and promote culture and include: Mission Neighborhood Centers (1959), offering services targeted to Latina girls and young women, including homework assistance, leadership programs and anti-violence education; Mission Education Projects Inc. (1970s), providing educational and support services to youth and their families; Galería de la Raza (1970), nurturing cultural icons Mujeres Muralistas (1972) and Culture Clash (1984), helping to inspire the creation of the Mexican Museum and making a space for Latino artists to create innovative new works, transforming Latino art in San Francisco; Mission Cultural Center for Latino Arts (1977), promoting, preserving and developing Latino cultural arts; Calle 24 SF (formerly the Lower 24th Street Merchants and Neighbors Association) (1999), advocating for neighborhood services, local businesses, arts and culture programs and improved public spaces; Precita Eyes Mural Arts & Visitors Center (1977), offering mural classes, tours, and lectures, as well as painting several murals within the Calle 24 ("Veinticuatro") Latino Cultural District; Mission Economic Cultural Association (1984), producing many of the Latino festivals and parades, including Carnaval, Cinco de Mayo, and 24th Street Festival de Las Americas; Acción Latina (1987), strengthening Latino communities

by promoting and preserving cultural traditions, managing a portfolio of cultural arts, youth programs, and media programs including *El Tecolote* newspaper, which upholds a nearly two-century-long tradition of bilingual Spanish/English journalism in San Francisco; Brava Theater (1996), portraying the realities of women's lives through theater by producing groundbreaking and provocative work by women playwrights, including well-known Chicana lesbian playwright, Cherrie Moraga, and hosting a variety of Latino cultural events; and

WHEREAS, Small and family-owned businesses, including restaurants, *panaderias* (bakeries), jewelry shops and *botánicas* (alternative medicine shops), promote and preserve the Latino culture within the Calle 24 ("Veinticuatro") Latino Cultural District; and

WHEREAS, Longtime Mexican and Salvadoran *panaderias* such as La Victoria (1951), Dominguez (1967), La Reyna (1977), Pan Lido (1981), and La Mexicana (1989) have served up sweet breads to generations of Mission residents and visitors; and

WHEREAS, Restaurants, like The Roosevelt (1922) (formerly Roosevelt Tamale Parlor), Casa Sanchez (1924), and La Palma Market (1953), have sustained Latino culinary traditions, and Café La Boheme (1973), one of the first cafes established in the neighborhood, has served as both a meeting space and cultural venue among Latino activists, writers, poets and artists; and

WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District is visually distinct because of approximately four hundred murals adorning its buildings depicting the Latino experience in San Francisco that have been painted throughout the Mission District by Chicano, Central American, and other local artists who had few, if any, opportunities to exhibit their work in galleries; and

WHEREAS, Balmy Alley has the highest concentration of murals in San Francisco and the mural project there emerged out of the need to provide a safer passage for children from the Bernal Dwellings apartments to "24th Street Place," an arts and education program located

at the intersection of the alley and 24th Street, and run by Mia Gonzalez, Martha Estrella and Ana Montano; and

WHEREAS, The first mural painted in Balmy Alley was carried out in 1972 by the Chicana artist collective, Mujeres Muralistas, and, in 1984, more than 27 muralists added to the collection of outdoor murals in Balmy Alley, focusing on the conflicts in Central America, expressing anger over human rights violations and promoting peace; and

WHEREAS, Within the Calle 24 ("Veinticuatro") Latino Cultural District, additional notable murals include: Michael Rios' "BART" mural (1975), Daniel Galvez's "Carnaval" mural (1983), Precita Eyes' "Bountiful Harvest" (1978) and "Americana Tropical" (2007), Mujeres Muralistas' "Fantasy World for Children" (1975), Isaias Mata's "500 Years of Resistance" (1992), Juana Alicia's "La Llorona's Sacred Waters" (2004), and the Galería de la Raza's Digital Mural Project; and

WHEREAS, The York Mini Park grew from a vacant lot purchased by the City of San Francisco in the 1970s to a park adorned by murals painted by Michael Rios (1974) and Mujeres Muralistas (1975), as well as a mosaic of Quetzalcoatl that winds around the playground created by Collete Crutcher, Mark Roller and Aileen Barr under the direction of Precita Eyes (2006); and

WHEREAS, Annual festivals celebrating Latino culture, including Carnaval, Cinco de Mayo, the Lower 24th Street Festival de Las Americas (formerly the 24th Street Festival), Cesar Chavez Parade and Festival, Día de los Muertos Procession and Altars, and Encuentro del Canto Popular, represent the culture within the Calle 24 ("Veinticuatro") Latino Cultural District; and

WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District nurtured the expansion of the Latino music scene from Latin jazz to Latin rock and pop music and the 24th

Street Festival (later known as Festival de las Americas) showcased musical talents including Santana, Malo and Zapotec; and

WHEREAS, The Calle 24 ("Veinticuatro") Latino Cultural District was witness to the rise of the low-rider culture in the 1970s and, on weekends, Mission Street served as a bumper-to-bumper low-rider parade route; and

WHEREAS, After San Francisco authorities attempted to suppress cruising in the 1970s, the low-riders moved to La Raza Park also known as Potrero del sol Park where the low-rider clubs congregated in order to create a safe space for recreation; and

WHEREAS, Organized youth cleaned up La Raza Park and marched from the corner of 24th Street and Bryant Streets to City Hall with Latin American flags and signs that read "Build Us a Park," and, in response, San Francisco purchased the six-acre site with voter-approved bond funds and created La Raza Park; and

WHEREAS, St. Peter's Church is an anchor of the Calle 24 ("Veinticuatro") Latino Cultural District because of the spiritual services it has provided to the community and its association with Los Siete de la Raza, the Mission Coalition of Organizations, the United Farmworkers Movements, and the Central American Resource Center (CARECEN) of Northern California, among other social justice efforts; and

WHEREAS, The 24th Street BART station plazas have long served as a popular arena for public demonstrations, ranging from those organized by the Mission Coalition of Organizations to those associated with the Central American Solidarity movements in the 1970s and 1980s; and

WHEREAS, The two BART station plazas are popularly known as "Plaza Sandino" after Nicaraguan revolutionary Augusto Cesar Sandino and "Plaza Martí" after Salvadoran leftist leader Farabundo Martí; and

WHEREAS, A prominent feature of the Northeast 24th Street BART plaza is the 1975 mural painted by Michael Rios, which depicts the controversial impact of the 16th and 24th Street BART stations that were constructed in the 1970s by hard working residents who protested the extra sales tax that financed the rapid transit system; and

WHEREAS, Community leaders have long sought to preserve the culture and community of Calle 24 ("Veinticuatro"); and

WHEREAS, In the 1990s, Supervisor Jim Gonzalez introduced a façade improvement program and a Flags of the Americas Program wherein Mission artists created banners for display within the neighborhood to call attention to its Latino heritage; and

WHEREAS, Supervisor Jim Gonzalez established the 24th Street Revitalization Committee and made efforts to establish an Enterprise Zone for the Mission District; and

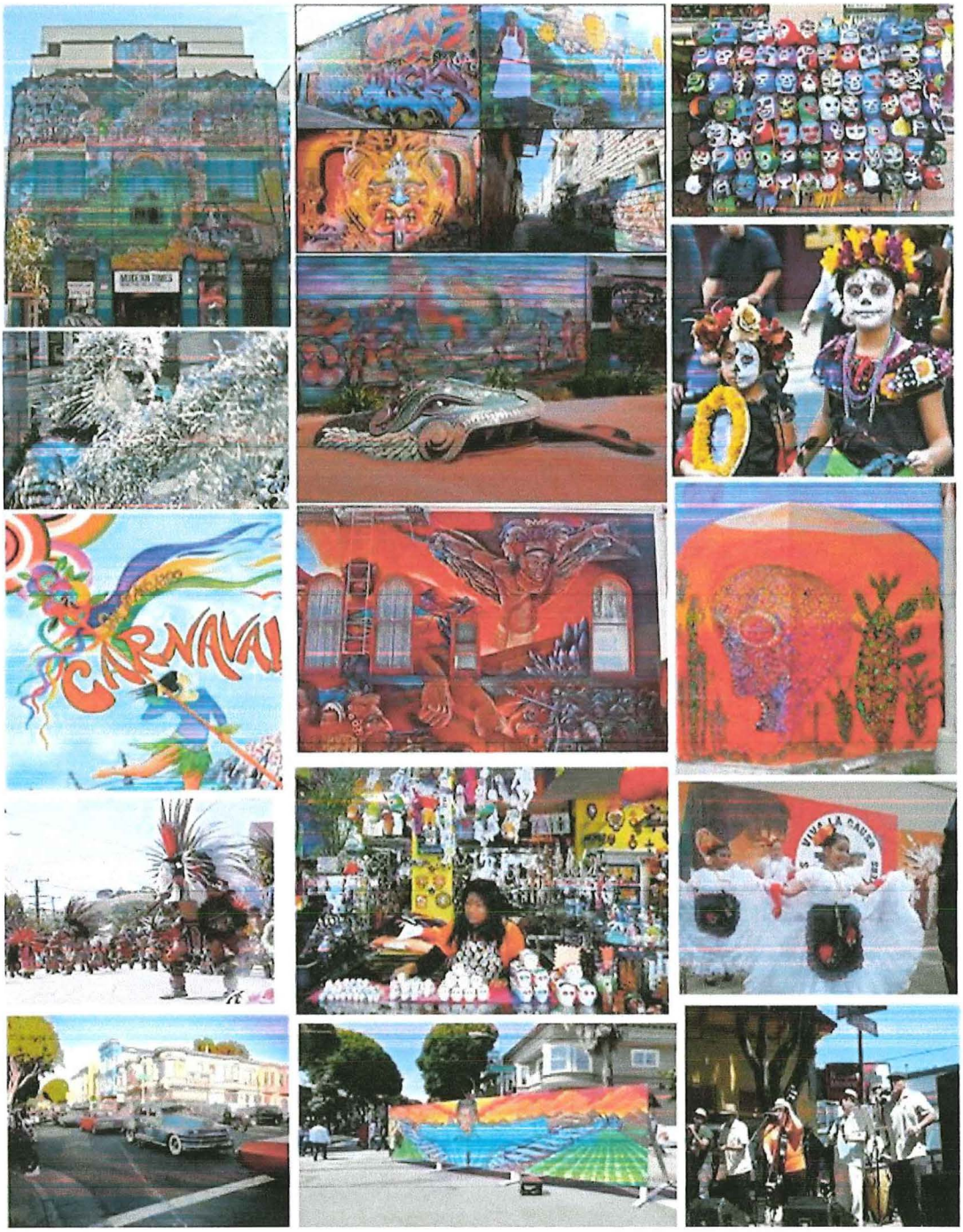
WHEREAS, In 2012, Mayor Edwin Lee's Invest In Neighborhoods Initiative selected Calle 24 ("Veinticuatro") for its economic development program and the establishment of a cultural district; and

WHEREAS, As part of a collaborative effort by Calle 24 San Francisco, the San Francisco Latino Historical Society, San Francisco Heritage, Mayor Edwin Lee and Supervisor David Campos worked together to create the Calle 24 ("Veinticuatro") Latino Cultural District as part of an effort to stabilize the displacement of Latino businesses and residents, preserve Calle 24 as the center of Latino culture and commerce, enhance the unique nature of Calle 24 as a special place for San Francisco's residents and tourists, and ensure that the City of San Francisco and interested stakeholders have an opportunity to work collaboratively on a community planning process, which may result in the Designation of a Special Use District or other amendment to Planning Code; now, therefore, be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco supports the establishment of the Calle 24 ("Veinticuatro") Latino Cultural District as a Latino cultural and commercial district in San Francisco; and, be it

FURTHER RESOLVED, That the Board of Supervisors of the City and County of San Francisco commends the efforts of the Latino community in working toward the creation of the Calle 24 ("Veinticuatro") Latino Cultural District and the contribution it will provide to the cultural visibility, vibrancy and economic opportunity for Latinos in the City and County of San Francisco.

Calle 24 Latino Cultural District
Report on the Community Planning Process



Report prepared by Garo Consulting
For the Calle 24 Latino Cultural District Community Council
December 2014

Calle 24 Latino Cultural District
Report on the Community Planning Process

Report: Garo Consulting
Funding provided by the SF Mayor's Office of Economic and Workforce Development

December 2014

Acknowledgements

The Calle 24 Latino Cultural District Council (Calle 24) wishes to acknowledge and thank neighborhood residents, merchants, artists, community workers and other stakeholders who provided invaluable input and perspectives throughout the planning process. In particular, Calle 24 wishes to thank the following key individuals, organizations and businesses for their contributions to the planning process: The Mayor's Office of Economic and Workforce Development (OEWD); Supervisor David Campos; Mayor Ed Lee; Acción Latina; Brava Theater; Remy De La Peza, Little Tokyo Service Center; Marsha Murrington, Local Initiatives Support Corporation (LISC); Sofia Navarro, The Unity Council; Mayor's Office/San Francisco County staff members Martin Esteban Farfan, Laura Lane, Anne Romero, Diego Sanchez and Aaron Starr; Mission Girls; Mission Cultural Center for Latino Arts; SF Heritage and SF Latino Historical Society; Tio Chilo's Grill; Pig and Pie; Vallarta's; and Cecilia Cassandra Peña-Govea.

Contents

EXECUTIVE SUMMARY

In 2014, with support from Supervisor Campos and advocacy by the community, the Calle 24 Latino Cultural District (LCD) was formed by a Board of Supervisors resolution. The planning process was initiated to get the community's input about how the LCD should be governed and how it should serve the community. Through a competitive process, consultants were hired to facilitate the planning process, engage community stakeholders, and gather input through a number of data collection activities including community meetings, one-on-one interviews, focus groups, and a review of other cultural district plans. The objectives of the planning process were: 1) To gather community input about the Latino Cultural District's purposes, strengths, opportunities, challenges, targeted strategies, and governance; 2) To review best practices employed by other designated cultural districts (e.g., Little Tokyo, Fruitvale, Japantown), and 3) To draft a final report with findings and recommendations.

Mission and Vision Statements

The Calle 24 Community Council adopted the following mission and vision statements as one outcome of the community planning process:

Mission: To preserve, enhance and advocate for Latino cultural continuity, vitality, and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

Vision: The Latino Cultural District will be an economically vibrant community that is inclusive of diverse income households and businesses that together compassionately embrace the unique Latino heritage and cultures of 24th Street and that celebrate Latino cultural events, foods, businesses, activities, art and music.

Calle24 Latino Cultural District Beneficiaries

Beneficiaries of the Latino Cultural District include individuals (e.g., LCD families, including traditional, non-traditional, and extended; artists; working people; residents; immigrants; youth; and elders), organizations (neighborhood businesses, arts and culture organizations, educational institutions, and community service agencies), and San Francisco and the general public.

Calle24 Latino Cultural District Purposes and Goals

The purposes of the LCD are to:

1. Strengthen, preserve and enhance Latino arts & cultural institutions, enterprises and activities
2. Encourage civic engagement and advocate for social justice
3. Encourage economic vitality and economic justice for district families, working people, and immigrants
4. Promote economic sustainability for neighborhood businesses and nonprofits
5. Promote education about Latino cultures

6. Ensure collaboration and coordination with other local arts, community, social service agencies, schools, and businesses

The goals of the LCD are to:

1. Create a safe, clean, and healthy environment for residents, families, artists, and merchants to work, live, and play.
2. Foster an empowered, activist community and pride in our community.
3. Create a beautiful, clearly designated Latino corridor along Calle 24, and preserve the unique beauty and cultures that identify Calle 24 and the Mission
4. Preserve and create stable, genuinely affordable and low-income housing in the District and related infrastructure.
5. Manage and establish guidelines for development and economic change in the District in ways that preserve the District's Latino community and cultures.
6. Foster a sustainable local economy that provides vital goods and services to the District and supports living Latino cultures.

Key Strategies and Program Areas

Through community input gathered during the planning process, the following key strategies and program activities were developed:

Key Strategies

- Create an organizational entity – a 501(c)(3) – to manage the LCD
- Create and leverage Special Use District designations
- Implement a Cultural Benefits District campaign and assessment
- Develop a community-wide communications infrastructure and promotion of the District through traditional and social media
- Collaborate with, connect, and support existing arts and cultures and other nonprofit service organizations in implementing the Latino Cultural District's mission, rather than replacing or competing with them
- Serve as a safety net for the District's traditional cultural-critical community events, such as Carnaval, Día de los Muertos, and the Cesar E. Chavez Holiday Celebration
- Generate sufficient resources to support creation and sustainability of the Latino Cultural District programs and activities
- Pursue social and economic justice fervently, and conduct its work with the Si Se Puede spirit of determination, collective strength, and compassion

Community input also helped define four program areas: land use and housing; economic vitality; cultural assets and arts; and quality of life, with related activities that are further discussed in the report. Finally, the community provided extensive input on the governance structure for the LCD, including the organizational structure, committee structure, member eligibility, and board size, composition, and conditions. The following report shares the results of the planning process.

1. INTRODUCTION

In May 2014, under the leadership of Supervisor Campos, the San Francisco Board of Supervisors approved a resolution (SF Heritage, 2014) to designate 24TH Street a Latino Cultural District (LCD). This unanimous vote was the result of a collaborative effort between Calle 24 SF, a neighborhood coalition of residents, merchants, non-profits in the area, the San Francisco Latino Historical Society, San Francisco Heritage, and the Offices of Mayor Ed Lee and Supervisor David Campos. A cultural district is a region and community linked together by similar cultural or heritage resources, and offering a visitor experiences that showcase those resources. The San Francisco Board of Supervisors resolution eloquently describes the rationale for the designation of this historic neighborhood as a Latino Cultural District:

> *Whereas, the Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco; and*
>
> *Whereas, the Calle 24 ("Veinticuatro") Latino Cultural District has deep Latino roots that are embedded within the institutions, events and experiences of the Latino community living there; and*
>
> *Whereas, because of numerous historic, social and economic events, the Mission District has become the center of highly concentrated Latino residential population, as well as a cultural center of Latino businesses... (page 1, SF Heritage)*

With the adoption of the Board of Supervisor's resolution, the City and County recognized the significance of 24th Street to the City's history and culture, while also acknowledging a number of significant factors impacting the Mission District and, in particular, the 24th Street area. Calle 24 ("Veinticuatro") is a demographically diverse area, rich in Latino cultural heritage and assets (SF Office of Economic and Workforce Development, SF Planning Department, & LISC, 2014). As noted in the Lower 24th Street Neighborhood Profile, Calle 24 features over 200 small businesses (a majority of which are retail) and a high level of pedestrian traffic. Since 2006, sales tax revenue in the area has grown faster in this area than in the city overall, and the neighborhood is rich in community-based arts, cultural, and social service organizations. Approximately 23,000 people live in the neighborhood, with significant percentages of White, Latino, and other or mixed race individuals. (SF Office of Economic and Workforce Development, SF Planning Department, & LISC, 2014). A strong sense of community and history, many cultural events, the area's walkability, its low vacancy rate, and destination as a Latino cultural center are among the area's strengths. However, challenges include the increasing commercial rents, the lack of opportunities for youth, a fear of the "Mission" culture disappearing, an increase in gang violence and crime in general, the deterioration of sidewalks and storefronts, and a lack of lighting and nighttime activity. The pursuit of community-driven strategies to preserve the local history and culture and the development of partnerships between old and new businesses

and the various commercial and non-profit entities in the area were cited as important opportunities to seize.

As a backdrop to Calle 24 organizing the community to preserve the history and culture of the 24th Street corridor was the very recent history of the dot-com boom and the departure of 50,000 from the Bay Area because of the lack of affordable housing (Zito, 2000); approximately 10% of the Latino population left San Francisco in the early 2000s, making San Francisco one of the only U.S. cities to lose Latino/a residents (Census, 2000; Census, 2005). In her project collecting oral histories from Mission district residents about the neighborhood's gentrification, Dr. Mirabal found that many saw the loss of Latino residents, businesses, and culture not only as examples of gentrification but also as acts of cultural exclusion and erasure (Mirabal, 2009). As the technology sector began to boom again and the neighborhood began to quickly change, Calle 24 advocated for the successful designation of Calle 24 as a Latino Cultural District (LCD) to preserve and further develop the area's rich cultural heritage (see Appendix D for news articles describing the recent community transformation and advocacy for the LCD). This report describes the development of a plan for governance and implementation of the LCD.

To develop a plan for the Calle 24 Latino Cultural District, San Francisco's Mayor's Office of Economic and Workforce Development provided funding to Calle 24 SF. Calle 24 SF selected the Garo Group as consultants to facilitate a process of involving the community in the development of a plan for the Calle 24 Latino Cultural District (see Appendix B for a description and map of the LCD). This project was guided by a collaborative, participatory and inclusive approach to engage the community in articulating a vision and plan for the LCD. The planning process, coordinated and guided by the Calle 24 Planning Committee[1], began in July, 2014. The methods used in the planning process included the following: 10 in-depth interviews, four focus groups, one study session with experts in the field, 4 community meetings, and 1 Council retreat. The planning committee met regularly throughout the planning process to utilize community input to inform each step of the planning process. The figure below depicts the steps in the 6-month planning process.

Figure 1: Overview of the Community Planning Process

[1] The Calle 24 Planning Committee includes Erick Argüello, Georgiana Hernández, Anastacia Powers-Cuellar, and Miles Pickering.

Key Stakeholder Outreach and Recruitment for Interviews and Focus Groups

The Calle 24 Planning Committee collaboratively brainstormed a list of key stakeholders (including residents, merchants, artists, non-profit service and arts organizations, etc.) to interview. Interviewees were contacted by phone or by email, and a date and time was agreed upon for them to be interviewed. All but three of the interviews were conducted by phone. Interviews were not audio recorded, but detailed notes were taken by the interviewer and edited immediately after the interview. The planning committee also felt it was important to have focus groups with each of the following stakeholder groups: residents, merchants, youth, and non-profit arts organizations. Recruitment for the focus groups was done through convenience and snowball sampling approaches. Members of the planning committee, who are also well-known and trusted community leaders, identified people from their social networks and these people invited others within their networks. For the youth focus group, two youth who were involved in the planning process contacted friends and neighbors living in the corridor. In addition, youth organizations such as Mission Girls were invited to participate. Erick Argüello of the planning committee, known to most local merchants, personally invited each merchant to attend. Stacie Powers Cuellar of the planning committee provided a list of all the artists and arts organizations in the corridor, and an email invitation was sent to all. Some of these artists invited others to attend. (See Appendix E for a full list of interviewees and focus group attendees.)

The Planning Team developed questions (see Appendix F for the interview and focus group guides) to explore the neighborhood's strengths and assets, challenges, as well as further understand critical opportunities for the LCD. Each of the group discussions was facilitated by members of the consulting team with a long history of experience in community development, community mediation and facilitation, and participatory research. Each group discussion had at least two members of the consulting team present, with 1-2 co-facilitators and a note taker. Notes from the interviews, focus groups, and community meetings were edited and analyzed using standard qualitative procedures. Themes were identified using individual and group responses to questions regarding cultural assets of the area, desired changes, vision for the LCD, and recommendations. Data collection related to vision of the LCD and challenges to be addressed was concluded when no new themes emerged, and the inventory of cultural resources in the Calle 24 corridor appeared to be complete.

The planning process was also informed by a review of other cultural district plans as well as a study session with experts from the Fruitvale and Little Tokyo Cultural Districts (see Appendix G for notes from the study session). Some of the plans reviewed included Creative Place making, Taos Arts and Cultural District Plan and Sustaining San Francisco's Living History Strategies for Conserving Cultural Heritage Assets (see Appendix C).

Three community meetings (open to the general public) and one Calle 24 Council retreat were also critical to the planning process (see Appendix I and J for community meeting agendas and notes and Appendix K for notes from the Council Retreat). These community meetings were designed to gather input from the broader community to inform the planning process and to share findings from the planning process. Outreach for the community meetings was done using Facebook, email, word-of-mouth, and handing out and posting flyers in the neighborhood. A Calle 24 Council retreat was held toward the end of the planning process in order to finalize decisions regarding governance and program activities as outlined in this report.

3. KEY FINDINGS

This section outlines the major findings from the interviews, focus groups, review of cultural district plans, study session and community meetings. Findings are organized according to strengths, challenges and opportunities for the Latino Cultural District. The themes identified here are those that emerged most often during the data gathering phase, and do not necessarily reflect the views of Calle 24.

Strengths

Throughout the planning process, a number of strengths of the Latino Cultural District emerged in two broad categories: **cultural assets and arts and community identity.** The community stakeholders who participated in discussions, interviews, and the community meetings identified a vast array of cultural assets and arts (see appendices K and L for a complete inventory of the cultural assets and art that emerged throughout the planning process). These included the iconic murals and other art, cultural events such as Carnaval and Día de Los Muertos, arts organizations such as Galería de la Raza and Precita Eyes, service non-profits, parks, businesses including incredible restaurants, churches. The other major theme that emerged in stakeholder discussions of the neighborhood strengths was the **community identity** or the spirit of Calle 24, including both tangible and intangible characteristics such as the demographic diversity, the strong community connections, the commitment to social justice, and the neighborhood's walkability, tree canopy and landscaping. A more detailed listing of tangible and intangible cultural assets is below.

Cultural Assets and Art

- Murals and art
- Cultural events
- Artists and arts organizations
- Latino business enclave
- Established community based organizations
- Thriving faith community
- Culinary destinations

Community Identity

- Long-term presence of families and historic or legacy businesses
- Commitment to social justice
- Strong community connections
- Local leadership
- Unique neighborhood character
- Strong sense of community, place and history
- Demographic diversity
- Strong core shopper base

- Cultural events
- Tourism
- Business ownership
- Character
- Walkability

Challenges

There were a few key challenges that emerged from the data gathering during the planning process. These challenges revolved around five key themes: the lack of affordable housing, rapid community transformation, tensions in the community, quality of life, and sustainability of the LCD. There were major concerns among all stakeholders about the **lack of affordable housing** and about the gentrification and recent eviction and displacement of long-time residents. A related theme was the rapid **community transformation** underway, with some saying they wanted to prevent another "Valencia" (referring to the way Valencia lost much of its Latino culture in the 1990s and 2000s). **Community relations**, often discussed as tensions between newcomers and old-timers, was another key challenge that emerged in many interviews, focus groups, and community meetings. Many mentioned that there often appears to be a division between the predominantly Latino, long-time residents, and the newer, predominantly White, residents. One person mentioned feeling an increased police presence to address the fear of "brown boys". The cultural differences between old and new can be challenging, and many of those who have lived in the neighborhood for years struggle with how to integrate newcomers and "*convince them that Brava, Galería de la Raza, Acción Latina and the fish market are all important*". Challenges affecting residents' **quality of life** also emerged frequently; these included things such as gang violence, liquor stores, broken sidewalks, lack of public spaces, lack of police presence, etc. Finally, a few of the often-mentioned challenges revolved around the implementation and **sustainability of the LCD**. The limited resources (lack of funding and staff) to develop and maintain a governance structure and implement all the desired activities of the LCD were discussed by many. These themes are elaborated below.

Lack of Affordable Housing

- Evictions and displacements
- Inadequate rent control
- Rapid gentrification
- Housing/building code violations

Community Transformation

- Rapid transformation of neighborhood without a plan ("not another Valencia")

- Loss of historical businesses, residents and services
- Unaffordable commercial rents (difficult for long time tenants to pay)
- Increase in health code and building code violations
- Fear of "Mission" culture disappearing
- Loss of historical establishments

Community Relations

- Tension between the old and the new (lack of integration)
- Partnership challenges with City/County
- Lack of opportunities for youth
- Frictions with new residents and businesses

Quality of Life

- Lack of public spaces and seating
- Lack of signage, dilapidated structures, dirty gates drawn during day
- Gang violence and fear of gangs limiting activity
- Insufficient police vigilance (beat cops rarely seen)
- Too many liquor stores
- Dirty, broken sidewalks; public spaces, trees overgrown
- Poor lighting, dark at night, increased perception of unsafe
- Homeless populations

Sustainability

- Limited resources to sustain the LCD
- Building a sustainable governance model
- Lack of resources to hire full time LCD Coordinator

Opportunities

Throughout the data gathering process, many opportunities for the LCD emerged. These are organized according to five key areas: 1) land use design and housing; 2) economic vitality; 3) cultural assets and arts; 4) quality of life; and 5) governance. In the area of **land use design and housing**, recommendations had to do with land use and other policies to help preserve and further develop cultural assets, the preservation and development of affordable housing, and strategies to promote property ownership, particularly for Latino residents and businesses. **Economic vitality** revolved around opportunities and strategies to promote the economic viability and growth of businesses and organizations, particularly those with historic and cultural significance in the District. Stakeholders discussed many opportunities related to the preservation and promotion of **cultural assets and arts**. **Quality of life** opportunities included things that focused on improving the physical appearance and accessibility of the District, particularly things that promote the Latino Cultural District (e.g., way finding, visual

cues, etc.). Finally, a key opportunity that emerged throughout the planning process and ultimately became a priority in community discussions was the development of a **governance** structure to oversee and manage the Latino Cultural District. The opportunities in each of these key areas are listed in more detail below.

1) Land use design and housing

- Work with Building and Planning Developments to create new land use policies to support cultural assets. Integrate SF Heritage frameworks and language for designation and support of Cultural Heritage Assets.
- Explore Special Use District, Business Improvement District, and Community Benefit District creation. Connect with community-based efforts that have successfully adopted these tax increment measures: Castro Community Benefit District and Fruitvale Business Improvement District.
- Pursue community-driven strategies to preserve local history and culture. Continue partnerships with SF Heritage and universities to capture history and preserve it for future generations.
- Protect existing parking.
- Regulate rents for housing and cultural spaces and explore models that preserve historical residents and merchants.
- Programs to provide financial and legal assistance to residents, businesses and organizations/tenants' rights. Enforce HUD Fair Housing laws.
- Advocate for the development of affordable housing (for example, through early identification of sites that may be available for development and small sites development where existing units can be converted to affordable housing).
- Advocate for rent regulation for tenants, businesses, and non-profits. Engage diverse neighborhood stakeholders (residents, businesses, and non-profits) in affordable housing movement.
- Advocate for a moratorium on Ellis evictions.
- Educate community about local, state, federal housing laws and housing assistance programs (e.g., DALP).
- Identify funding sources and strategies to develop and purchase properties (e.g., affordable housing trust fund controlled by Mayor's Office on Housing; foundations; technology industry; land trust models, utilizing cooperative development strategies such as tenants' collective to purchase properties; eminent domain, interim controls (for businesses).
- Seek help from the city and others to help legacy institutions such as the Mission Cultural Center and Galería de la Raza purchase their buildings.
- Promote Latino ownership of businesses.
- Create artist-centered housing (artist-in-residence; work/live space; community service with art work, NPS structure) as well as housing.
- Identify strategies to decrease ability of speculators/developers to come in and sweep up real estate as soon as it becomes available (right of first refusal for locals, long-term residents).

- Develop innovative land use in line with LCD (some possibilities include pedestrian only spaces or zones on certain days/develop walkability; development of open space like a zocalo / picnic areas with grills).

2) Economic Vitality

- Create electronic tools to assist businesses and promote arts.
- Promote branding: logos and plaques to identify CHAs, signage to designate the LCD area, aesthetic, cultural demarcations unique to the LCD, and the development of consistent marketing of cultural activities.
- Increase business engagement: increase the engagement of local businesses in the development of the LCD, improve communication between businesses, schedule meetings at times that are convenient to local businesses, ensure that businesses have reasons to participate and are motivated to participate, and create a community through common activities and interests.
- Promote preservation: ensuring the survival and viability of tangible CHAs, developing protocols for the designation of CHAs, developing strategies to stabilize residential and commercial rents and leases, developing warning system to alert businesses and non-profits about expiring leases, and continuing façade improvement following LCD standards and design. A key priority under preservation is to conduct a SWOT analysis to determine strengths, weaknesses, opportunities and threats facing historic and legacy businesses.
- Increase capacity building: create technical assistance initiatives to help businesses improve their capacity through marketing, social media, market segmentation, strategic planning, and financial management. Strategies to strengthen the capacity of local businesses include: providing assistance to help businesses survive and expand, tailoring assistance to needs of businesses (e.g., individual, traditional, virtual), creating business incubators and accelerators, forming information technology team to support legacy businesses, providing businesses with demographic and market data to help them develop better goods and services, and creating directories and other databases with information that could be of value to local businesses.
- Articulate a legislative agenda: explore and promote designation of parts or the entire LCD as a Business Improvement District (BID), Special Use District or Community Benefit District. Two other ideas include the creation of community debit cards for legacy businesses as well as the creation of community banks or credit unions.
- Identify opportunities to leverage Mission Promise investments to support the Mission's neighborhood.
- Create loan programs targeting historical business and renters.
- Develop partnership opportunities between longtime businesses and new businesses, and between businesses and arts organizations.

3) Cultural Assets and Arts

- Organize advocacy efforts to identify available resources, preservation priorities, and facilities for arts programming.
- Use technology to promote LCD (e.g., create electronic calendar of cultural events that can also be printed and distributed).
- Educate new residents on CHAs (develop social connections; provide opportunities for new residents to volunteer and get involved; integrate an educational component in cultural events; create welcome packet and neighborhood newsletter; bulletin boards at CHAs.
- Learn about models that balance beautification and preservation.
- Regulate rents for housing (to help artists stay in the area) and cultural spaces/facilities.
- Leverage potential of LCD to preserve local businesses & non-profits and protect residents from displacement.
- Recognize San Francisco and LCD as a safe haven for immigrant artists.
- Invite tourism to the LCD, but avoid the commercialization/"Disneyland" effect (develop self-guided tours educating people about cultural history of area, Mayan kiosks, "This is 24th Street" events to reinforce identity and educate new residents, classes).
- Programs to provide financial and legal assistance to residents, businesses, and organizations/tenants' rights.
- Promote architectural features that emphasize the Latin American "feel" (e.g., arches at 24th/Potrero & 24th/Mission, *papel picado*, murals, Mayan kiosks.
- Create arts spaces (i.e. Gum Wall and other spaces for youth) as well as community spaces for dialogue regarding gentrification, hate tagging, historical values, traditions, discrimination in businesses, etc.

4) Quality of Life

- Capital improvements; prune trees, fix broken sidewalks, add pedestrian lighting, landscaping.
- Define off-hour truck loading times to reduce day-time parking problems.
- Promote free shuttle and pedestrian traffic (walkability) for the LCD.
- Facilitate access to LCD from Valencia to 24th Street.
- Create visual, tangible elements (e.g., flags, maps, way finders).
- Storefront façade improvement (e.g., murals on every façade along 24th Street, window art, for example utilizing art created by local artists or schoolchildren; colors, flowers, lights; "Welcome" signs in Spanish/English).
- Prevent chain and high-end restaurants from coming into neighborhood.
- Conduct awareness campaign about health and building codes.

5) Governance

- Create strong governance structure to manage LCD.
- Implement and execute LCD branding.

4. VISION, MISSION, PURPOSES & GOALS

The planning process engaged key stakeholders in defining and articulating a vision, mission, purpose statement, targeted beneficiaries, and goals that could guide the implementation of the Calle 24 Latino Cultural District. These strategic planning elements are outlined below.

Mission and Vision Statements

The mission statement developed through the planning process is: To preserve, enhance and advocate for Latino cultural continuity, vitality, and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

The vision statement developed is: The Latino Cultural District will be an economically vibrant community that is inclusive of diverse income households and businesses that together compassionately embrace the unique Latino heritage and cultures of 24th Street and that celebrate Latino cultural events, foods, businesses, activities, art and music.

Beneficiaries of the Latino Cultural District include individuals (e.g., LCD families, including traditional, non-traditional, and extended; artists; working people; residents; immigrants; youth; and elders), organizations (neighborhood businesses, arts and culture organizations, educational institutions, and community service agencies), and San Francisco and the general public.

Purposes and Goals

The purposes of the LCD are to:

- Strengthen, preserve and enhance Latino arts & cultural institutions, enterprises and activities
- Encourage civic engagement and advocate for social justice
- Encourage economic vitality and economic justice for district families, working people, and immigrants
- Promote economic sustainability for neighborhood businesses and nonprofits
- Promote education about Latino cultures
- Ensure collaboration and coordination with other local arts, community, social service agencies, schools, and businesses

The goals of the LCD are to:

1. Create a safe, clean, and healthy environment for residents, families, artists, and merchants to work, live, and play.
2. Foster an empowered, activist community and pride in our community.

3. Create a beautiful, clearly designated Latino corridor along Calle 24, and preserve the unique beauty and cultures that identify Calle 24 and the Mission
4. Preserve and create stable, genuinely affordable and low-income housing in the District and related infrastructure.
5. Manage and establish guidelines for development and economic change in the District in ways that preserve the District's Latino community and cultures.
6. Foster a sustainable local economy that provides vital goods and services to the District and supports living Latino cultures.

5. PROPOSED PROGRAMS AND STRATEGIES

Findings from the data gathering activities conducted throughout the planning process led to the development of the following key strategies for the LCD to prioritize. In addition, these four program areas (and related activities) will be the focus of the LCD: 1) land use design and housing; 2) economic vitality; 3) cultural assets and arts; 4) quality of life.

Program area 1: Land Use Design

The LCD wishes to utilize land use design as a tool to promote housing and commercial stability of historical assets and demographic diversity. The planning process identified a long list of potential actions within this priority and the recommended next step should be to establish a process to analyze the feasibility of various options.

Program area 2: Economic Vitality

The LCD recognizes the importance of sustaining the business vitality of the District by first acknowledging the challenges affecting the stability of historical businesses. The LCD wants to clearly delineate the differences in priorities of new and historical businesses.

Program area 3: Preservation, Revitalization and Restoration of Cultural Assets

The LCD wishes to recognize, promote and preserve cultural assets unique to the Latino Cultural District. The planning process created an inventory of close to 60 cultural assets. One crucial next step to operationalize this priority is the creation of protocols to clearly identify what constitutes a Cultural Historical Assets (CHAs). San Francisco Heritage suggests the use of this terminology to describe "the practices, representations, expressions, knowledge, skill- as well as the instruments, objects, artifacts and cultural spaces associated therewith- that communities, groups, and in some cases, individuals recognize as part of their cultural heritage. This intangible heritage, transmitted from generation to generation, is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provides them with a sense of identify and continuity, thus promoting respect for cultural diversity and human creativity."

Program area 4: Quality of Life

Calle 24 recognizes that preserving positive quality of life indicators is as important as affecting negative quality of life indicators. LCD will foster further dialogue to spell out strategies for preserving and improving quality of life.

Key Strategies

1. Create an organizational entity – a 501(c)(3) – to manage the activities of the Latino Cultural District
2. Create and leverage Special Use District designation

3. Implement a Cultural Benefits District campaign and assessment
4. Develop a community-wide communications infrastructure and promote the District through traditional and social media
5. Collaborate with, connect, and support existing arts and cultures and other nonprofit service organizations in implementing the Latino Cultural District's mission, rather than replacing or competing with them
6. Serve as a safety net for the District's traditional cultural-critical community events, such as Carnaval, Día de los Muertos, and the Cesar E. Chavez Holiday Celebration
7. Generate sufficient resources to support creation and sustainability of the Latino Cultural District programs and activities
8. Pursue social and economic justice fervently, and conduct its work with the Si Se Puede spirit of determination, collective strength, and compassion

Program Activities

1) Land Use Design and Housing

- Design Special Use District campaign
- Advocate for genuinely affordable and low-income housing in the District and related infrastructure, including promoting education about financial literacy, home ownership, and tenants' rights
- Advocate for certificates of preference that would allow long-time residents who have been forced out of the District by waves of gentrification to return to new housing opportunities in the District
- Advocate for height limits and design guidelines
- Engage in activism and advocacy to ensure that new development is responsive to and reflective of the Latino Cultural District

2) Economic Vitality

- Provide technical and lease assistance to small businesses
- Create culturally relevant business attraction and retention strategies
- Provide district event support
- Implement neighborhood enhancements (such as arches, tiles, banderas, and/or plaques that identify the District, much as Chinatown's arches and architecture distinguish it from surrounding neighborhoods)
- Help preserve local businesses and attract new ones

3) Cultural Assets and Arts

- Participate in and support traditional culture-critical community events, such as Carnaval, Día de Los Muertos, and the Chavez Holiday Celebration

- Identify and preserve cultural assets
- Create corridor monuments, arts projects, a walk of fame, light pole signs, and the like
- Foster collaboration among the arts organizations

4) Quality of Life

- Ensure the safety of the neighborhood
- Abate graffiti
- Develop a neighborhood-based communications infrastructure, and promote the District through traditional and social media
- Preserve street parking, public transit, and walking options
- Preserve open space, light, air, (trees, vegetation?)

6. ORGANIZATIONAL STRUCTURE & GOVERNANCE

Structure

The LCD will be managed by a nonprofit organization 510(c)(3), the Calle 24 Council, which will be incorporated as a membership organization.

The follow committee structure of the 501(c)(3) is recommended.

Executive Committee: An executive committee will be comprised of officers of the Calle 24 Council.

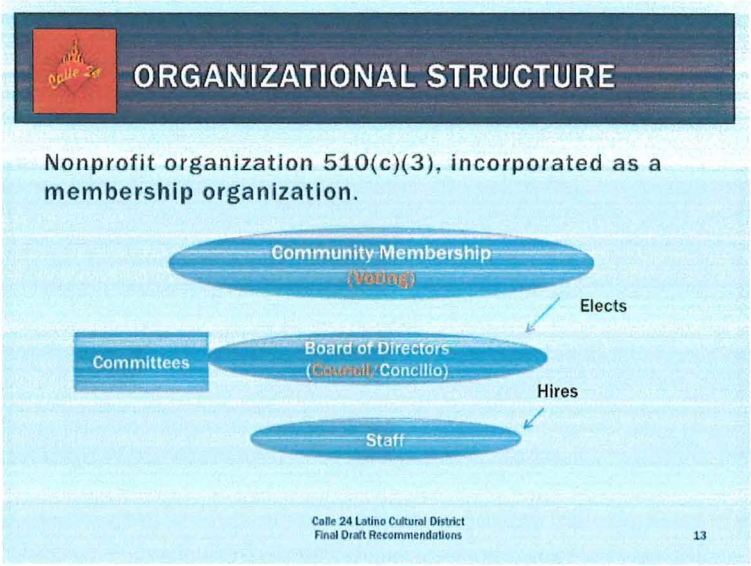


Figure 2: Calle 24 Organizational Structure

Advisory Committees: Advisory committees will be comprised of at least one board member and other members. All committees will recruit youth in order to cultivate new generations of leaders. Suggested advisory committees include:

- Land Use Design and Housing
- Cultural Assets and Arts
- Quality of Life and Neighborhood Enhancements
- Economic Vitality
- Nominating Committee

Governance

One must meet one or more of the following qualifications to become a member of the Council:

- Live and/or work in the Mission for ten or more years; or
- Born and raised in the Mission; or
- History of activism in support of the Latino Cultural District's mission; and
- Have served reliably on one of the organization's committees for at least one year.

Membership Eligibility

There will be no charge for membership on the Council. To be eligible for membership, one must:

- Participate on one of the committees and/or volunteer for one of the endorsed events (e.g., Cesar Chavez Festival; Carnaval) or with one of the neighborhood nonprofits)
- Support the mission and vision of the organization
- Reflect Calle 24 constituencies
- Adhere to a code of good conduct and nonprofit best practices

Board Size/Composition

The Board should be comprised of no fewer than 9 individuals, with a maximum number to be determined. The Board composition should include:

- A majority of Latino/as (% to be determined)
- Long-term residents: 15 (?) or more years (% to be determined)
- At least one youth (ages 24 or under)
- Representation from all the constituencies the Latino Cultural District is designed to benefit

7. CONCLUSION

The resolution that San Francisco's Board of Supervisors unanimously passed in May 2014 to designate the 24th Street corridor as the Latino Cultural District offers community residents and other stakeholders a unique opportunity to preserve and advance the rich legacy of Latino culture within the neighborhood. As stated in the resolution, "[…] the Calle 24 Latino Cultural District memorializes a place whose richness of culture, history and entrepreneurship is unrivaled in San Francisco..." The community planning process undertaken by the Calle 24 Council during the last six months of 2014 sought to solicit and distill a wide range of ideas about the strategies and actions the Council should pursue to achieve its mission to preserve, enhance and advocate for Latino cultural continuity, vitality and community in San Francisco's touchstone Latino Cultural District and the greater Mission community.

The findings from the community planning process reflect a clear consensus on the goals for the LCD, including the desire to create a safe, clean and healthy environment for residents, families, artists and merchants to work, live and play; the desire to create stable and affordable housing for working-class families; the desire to manage and establish guidelines for economic development and land use that preserve the District's Latino community and cultures; the desire to foster a sustainable local economy that provides vital goods and services; and the desire to create a beautiful, clearly designated Latino corridor along Calle 24 that exemplifies the cultural and artistic richness of San Francisco's Latino communities.

Key to achieving these goals will be the creation of an organizational infrastructure that can support the strategies adopted by the Council. Over the next few years, the Council will incorporate as a charitable, nonprofit organization and begin to pursue and leverage Special Use District designation, followed by neighborhood organizing to launch a Cultural Benefits District campaign and assessment that could potentially offer the district a source of long-term financial support. The Council will work to implement community programs that focus on land use design and housing, economic vitality, cultural assets and arts, and quality of life issues.

The community planning process undertaken by the Calle 24 Council represents just the first step in a journey that neighborhood residents and merchants, with support from city officials, are taking to preserve the authenticity and legacy of Latino culture along the 24th Street corridor. The Council looks forward to implementing the strategies outlined in the report. The vigor of our stride, given the fast pace of gentrification, will be key to the success of this endeavor.

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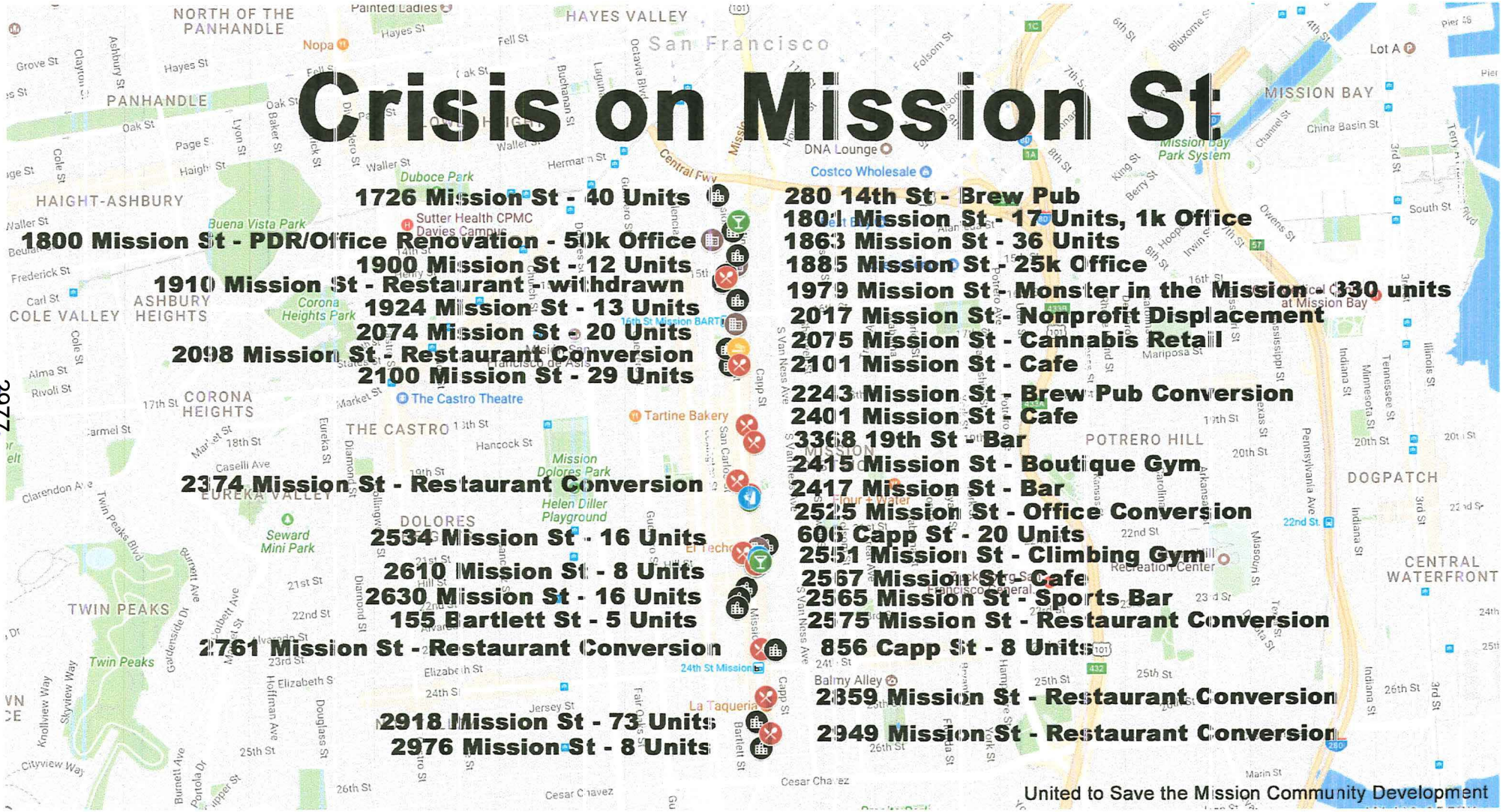
Appendix A - Calle 24 Council Members

Crisis on Mission St



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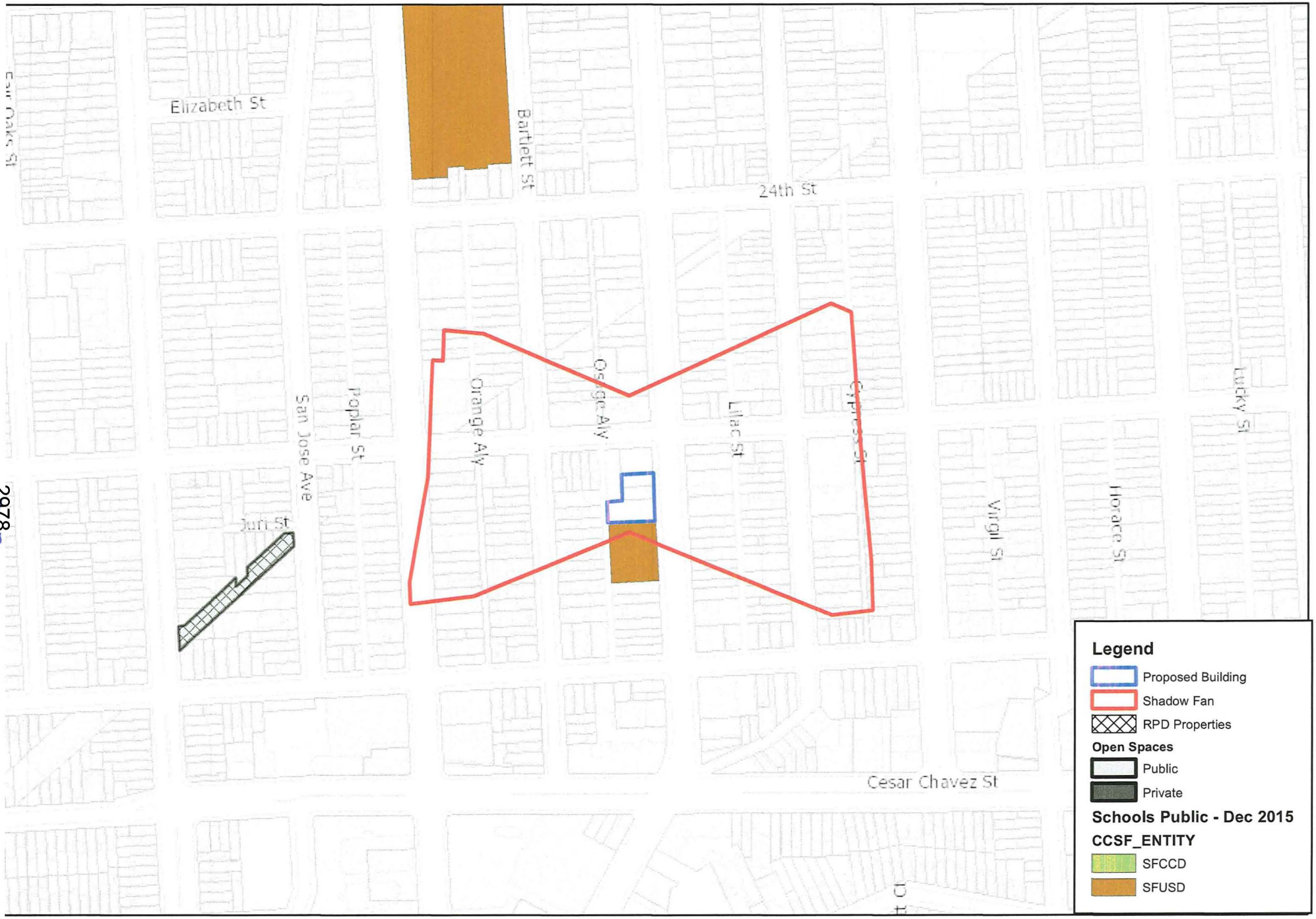

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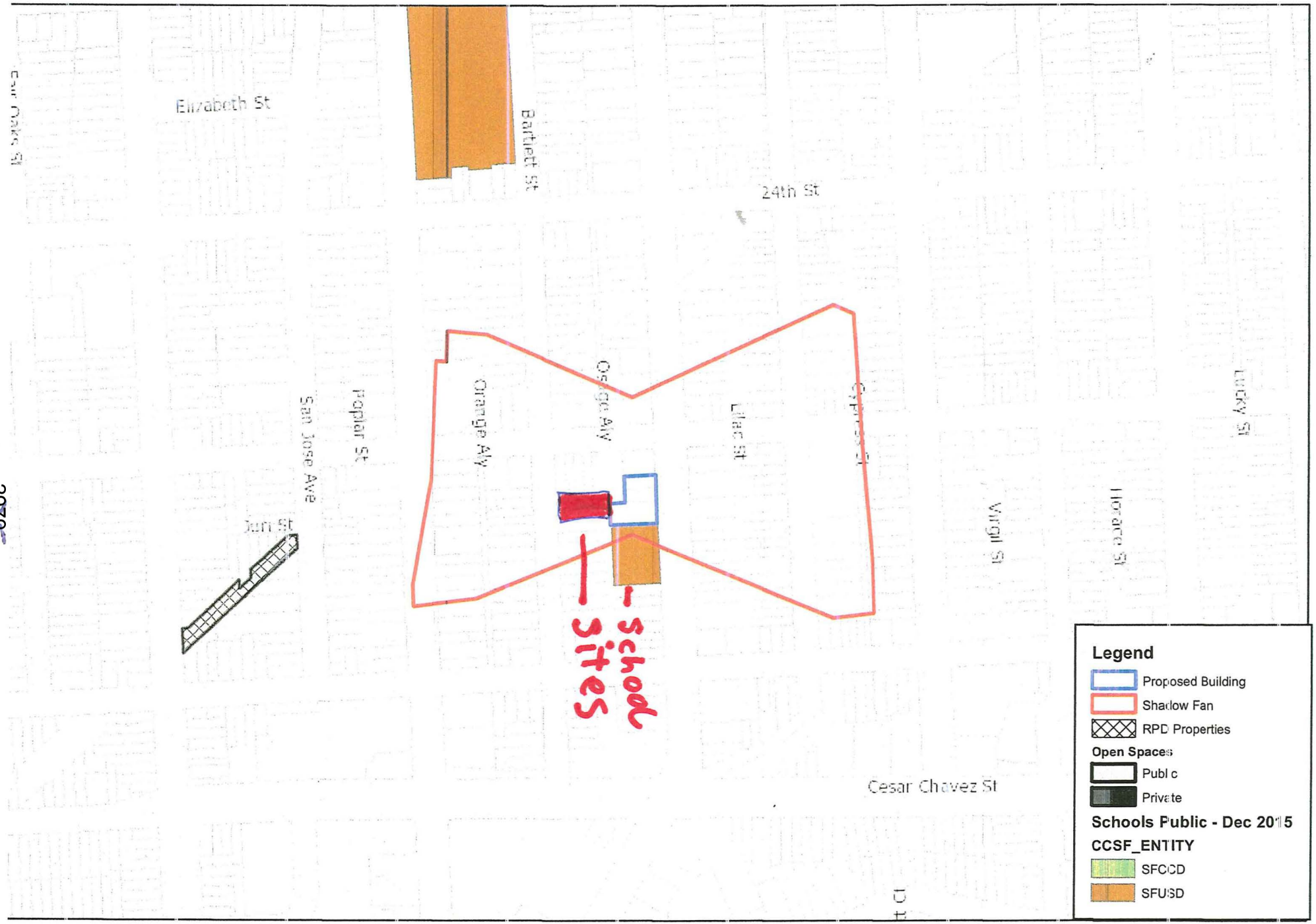
e: 2918-2924 Mission Street Preliminary Shadow Fan

nments: Penthouse height to 94 feet

ated: 10 August, 2017



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gouldevans

SOUTHEAST 3D VIEW

DENSITY BONUS SCHEME

2983 C-78

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NORTHWEST 3D VIEW

DENSITY BONUS SCHEME

2984 C-79

JPPT

REVIEW ARTICLE

A Review on Vitamin D Deficiency Treatment in Pediatric Patients

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Vitamin D is essential for calcium absorption and for maintaining bone health in the pediatric population. Vitamin D deficiency may develop from nutritional deficiencies, malabsorption, enzyme-inducing medications, and many other etiologies. It may present as hypocalcemia before bone demineralization at periods of increased growth velocity (infancy and adolescence) because the increased calcium demand of the body cannot be met. In children, inadequate concentrations of vitamin D may cause rickets and/or symptomatic hypocalcemia, such as seizures or tetany. In this review, we will discuss the pharmacology behind vitamin D supplementation, laboratory assessments of vitamin D status, current literature concerning vitamin D supplementation, and various supplementation options for the treatment of vitamin D deficiency in the pediatric population.

INDEX TERMS cholecalciferol, ergocalciferol, pediatric, vitamin D deficiency

J Pediatr Pharmacol Ther 2013;18(4):277–291

INTRODUCTION

Vitamin D plays an essential role in maintaining bone health through regulating calcium concentrations in the body. The development of vitamin D deficiency is associated with deteriorating bone health and in severe cases, hypocalcemia, rickets, and osteomalacia in children and adults.[1] Those at greatest risk of vitamin D deficiency include patients with chronic illnesses (e.g., chronic kidney disease [CKD], cystic fibrosis [CF], asthma, and sickle cell disease), dark-pigmented skin, poor nutrition, and infants who are exclusively breastfed.[2,3] The primary source of vitamin D is sunlight exposure, which has been limited or blocked extensively for many children over the past 20 years due to the association of skin cancer and ultraviolet rays. Chronic use of certain medications (e.g., glucocorticoids, cytochrome P450 3A4 inducers, anticonvulsants, and antiretroviral agents) has also been associated with compromised vitamin D concentrations. Given the high rate of bone development early in life, adequate serum concentrations of vitamin D are crucial for the developing child. There has also been a piquing interest in vitamin D in pediatric patients due to the recent epidemiologic reports suggesting that vitamin D may protect against autoimmune disease and play a role in innate immunity.[2]

VITAMIN D DEFICIENCY

The serum concentration that constitutes vitamin D deficiency is controversial and not well supported by clinical trials, especially in the pediatric population. Deficiency is generally measured by the calcidiol concentration because of its long half-life of 2 to 3 weeks, relatively robust circulating concentration, and resilience to fluctuations in PTH concentrations.[4] Table 1 summarizes normal and abnormal serum vitamin D concentrations as classified by the American Academy of Pediatrics (AAP).[1,2,5,6] The AAP and the Institute of Medicine (IOM) both define vitamin D insufficiency as calcidiol (25-OH-D) concentrations < 20 ng/mL in the pediatric population.[1,7] In contrast, the Endocrine Society and the National Kidney Foundation Kidney Disease Outcomes Quality Initiative (KDOQI) guidelines both classify insufficiency as calcidiol concentrations < 30 ng/mL. The Endo-

Table 1. Vitamin D Status Based on Calcidiol Concentrations[1,7-9]

Vitamin D Status	Calcidiol (ng/mL)			
	AAP 2008, IOM	Endocrine Society	KDOQI	Adult – NEJM 2007
Severe deficiency	< 5	—	< 5	—
Mild to moderate deficiency	5-15	< 20	5-15	< 20
Insufficiency	16-20	21-30	16-30	20-30
Sufficiency	21-100	31-60	> 30	31-60
Excess	101-149	—	—	—
Intoxication	> 150	—	—	> 150

AAP, American Academy of Pediatrics; IOM, Institute of Medicine; KDOQI, Kidney Disease Outcomes Quality Initiative; NEJM, New England Journal of Medicine

crine Society defines deficiency as < 20 ng/mL, and KDOQI defines deficiency as < 15 ng/mL.[8,9] The definitions in these last 2 groups are more consistent with the classification system used in adults based on evidence of compromised bone health and elevations in parathyroid hormone (PTH) at calcidiol concentrations up to 32 ng/mL (80 nmol/L) (Table 1).[2,10]

In a vitamin D deficient patient, the intestinal absorption of calcium and phosphorus is decreased. The parathyroid gland recognizes the low serum calcium concentrations and releases PTH to increase the serum calcium back into an adequate range. PTH increases the calcium reabsorption in the kidneys and the excretion of phosphorus, therefore decreasing the risk of complication from an elevated calcium phosphate product (e.g., kidney stones). While this reduction is protecting the body, it is also decreasing bone mineralization at the same time. Over weeks to months, osteomalacia, stunted growth, and rickets may develop.[1] Studies have shown that over half of infants, children, and adolescents may be inadequately supplemented.[11,12] In 2008, the AAP published a review article with recommended target vitamin D concentrations for healthy infants, children, and adolescents (Table 1).[1,9,13]

In efforts to achieve and maintain the target vitamin concentrations, the AAP recommends all infants, children, and adolescents should receive a minimum daily intake of 400 international units of vitamin D to prevent rickets and to maintain vitamin D concentrations at > 20 ng/mL (50 nmol/L).[1] Term infants should be supplemented with 400 to 800 units daily to account for the insufficient transfer of maternal vitamin D stores and ensure calcidiol concentrations of > 20 ng/mL (50 nmol/L).[1] Preterm infants are more likely to be vitamin D deficient since their transplacental transfer from the mother was a shorter duration, hospitalization leading to a negligible amount of UV-mediated vitamin D formation, and possibly lower vitamin D stores due to a lower fat mass.[14] To address this population, the AAP published an expert opinion report in 2013 on the calcium and vitamin D requirements of enterally fed preterm infants.[14] Although there are no clinical outcome studies in this population, the AAP recommends 200 to 400 units per day of vitamin D supplementation in very low birth weight infants (<1500 g) and 400 units per day of vitamin D supplementation in infants weighing > 1500 g.[14] It is reasonable to consider increasing this dose to 1000 units per day in > 1500 g infants, as this is the established upper tolerable intake for healthy full-term infants. The calcidiol concentration goal in the preterm population remains the same as full-term infants (>20 ng/mL).[14] In 2010, the IOM issued guidelines that increased the recommended dietary allowance of vitamin D to 600 units daily for healthy children 1 to 18 years of age, which has been echoed by the Endocrine Society.[7,9]

PHARMACOLOGY

Our bodies obtain vitamin D in 2 different ways. The primary source of vitamin D_3 (cholecalciferol) comes from direct synthesis in our skin (>90%). Upon exposure to ultraviolet radiation, 7-dehydrocholesterol in our epidermal cells synthesizes vitamin D_3. The remainder of our need is typically obtained from dietary sources in either form, vitamin D_3 or vitamin D_2 (ergocalciferol). Both forms undergo hydroxylation in the liver to create the storage form of vitamin D, 25-hydroxy vitamin D (25[OH]-D, calcidiol, or calcifediol). Furthermore, in the kidneys, hydroxylation of calcidiol synthesizes the active

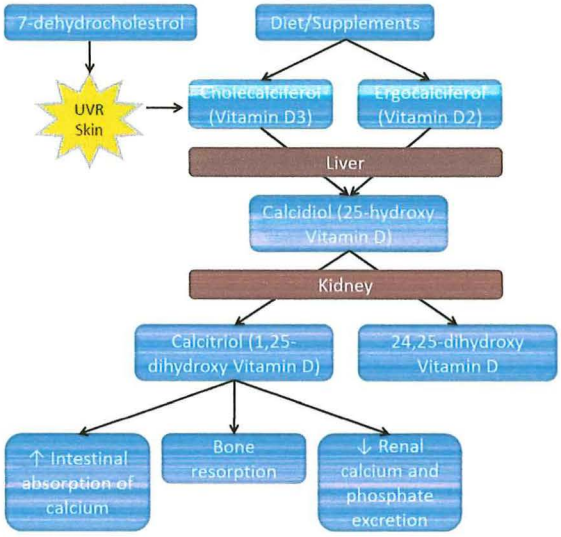

Figure. Vitamin D metabolism.[87]

metabolite, 1,25-dihydroxyvitamin D (1,25[OH]-D) (calcitriol). This pathway is visually depicted in Figure. Calcitriol is responsible for increasing calcium absorption, bone resorption, and decreasing renal calcium and phosphate excretion to maintain bone health.[15] The synthesis of calcitriol is mediated by PTH, serum phosphate concentration, and growth hormone, and may occur in non-renal sites, such as alveolar macrophages and osteoblasts.[2,16] Additionally, vitamin D has extraskeletal responsibilities, with vitamin D receptors in the small intestine, colon, osteoblasts, activated T and B lymphocytes, beta islet cells, and major organs (brain, heart, skin, gonads, prostate, breast, and mononuclear cells).[2,16] The immunologic effects of vitamin D have stimulated great interest, but studies in these areas are currently limited in pediatric patients.

MEDICATION INDUCED VITAMIN D DEFICIENCY

Metabolism of dietary vitamin D to calcidiol occurs in the liver through the cytochrome P450 enzyme system. Certain classes of medications act on this enzyme system to increase the metabolism of vitamin D and therefore reduce the body's systemic exposure to active vitamin D concentrations. Some anti-epileptic drugs (AEDs) are inducers of the cytochrome P450 system (phenytoin, carbamazepine, oxcarbazepine, phenobarbital, and primidone). Aside from the detrimental bone effects of vitamin D deficiency, rapid decreases in calcium may precipitate a seizure, further complicating the clinical picture (e.g., etiology of seizures). Valproic acid, though it is an inhibitor of the enzyme system, increases bone turnover through increasing osteoclast activity and therefore tilting the balance of bone formation and bone resorption.[17,18]

Recommendations have been made for all patients on an AED to receive a preventative dose of vitamin D 400 to 2000 units per day.[17] Patient characteristics such as baseline calcidiol concentration, polypharmacy, and sun exposure should help guide vitamin D therapy as well. Patients diagnosed with AED-induced osteoporosis may need larger doses of vitamin D replacement therapy to correct biochemical abnormalities (PTH, calcium, and phosphorus).[18] Calcidiol concentrations should be monitored (prior to or at the start of AED initiation) and then yearly thereafter. If diagnosed with vitamin D deficiency, initiating therapy with the standard dosing recommendation for children with vitamin D deficiency is acceptable; however, the doses may need to be increased according to the calcidiol concentrations, which should be measured monthly during treatment. Doses of 5000 to 15,000 units per day have been used for AED-induced osteomalacia.[17]

Rates of vitamin D insufficiency are high in pediatric patients with human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome due to the disease itself and the life-saving highly active antiretroviral therapy (HAART). Rutstein and colleagues[19] compared the rates of vitamin D deficiency/insufficiency in children and young adults with HIV to a healthy group. Vitamin D deficiency/insufficiency was present in 36% and 89% of those with HIV (84% on HAART therapy) compared to 15% and 84% of the comparison group, respectively. Protease inhibitors inhibit the cytochrome P450 enzyme system and decrease the production of active vitamin D (calcitriol). Nucleoside reverse transcriptase inhibitors have also been linked to vitamin D deficiency through increased lactate concentrations and not due to cytochrome P450 inhibition. Due to the presence of multiple risk factors for osteoporosis and the high prevalence of deficiency, all patients on HAART should be screened annually for vitamin D deficiency and encouraged to maintain sufficient calcium and vitamin D intake.[20]

Other drug classes that may affect the absorp-

Table 2. Vitamin D Content of Foods[88]

Food	Vitamin D Content, IU
Atlantic herring (raw)	1628/100 g
Butter	35/100 g
Canned pink salmon with bones in oil	624/100 g
Canned tuna/sardines/salmon/mackerel in oil	224–332/100 g
Cereal fortified	40/serving
Codfish (raw)	44/100 g
Cod liver oil	175/g; 1360/tablespoon
Cooked salmon/mackerel	345–360/100 g
Cow's milk	3–40/L
Dried shitake mushrooms (non-radiated)	1660/100 g
Egg yolk	20–25 per yolk
Fresh shitake mushrooms	100/100 g
Fortified milk/infant formulas*	400/L
Fortified orange juice/soy milk/rice milk	400/L
Margarine, fortified	60/tablespoon
Parmesan cheese	28/100 g
Shrimp	152/100 g
Swiss cheese	44/100 g
Yogurt (normal, low fat, or non-fat)	89/100 g

IU, international unit
**Infants consuming ≥ 1 L of formula daily do not require additional supplementation*

tion, metabolism, or activation of vitamin D include corticosteroids, azole antifungals, and cytochrome P450 3A4 inducers. Although there is no formal recommendation for monitoring, annual monitoring of calcidiol concentrations may be warranted in pediatrics receiving these medications.[21]

SOURCES OF VITAMIN D

UV Radiation and Cutaneous Cholecalciferol Synthesis

Cutaneous synthesis of vitamin D is a significant source of vitamin D replenishment. The amount of vitamin D synthesized by our skin depends on a number of factors: the age of the individual, the amount of skin exposed, the duration of exposure, geographic-related factors (i.e., latitude, season, time of day, shade, and air pollution), sun block use, and the skin pigment of the individual.[1,2] Holick[2] estimates exposure of the body in a bathing suit to 1 minimal erythemal dose (MED or the dose of radiation that causes a slight pinkness to the skin 24 hours after exposure) equals about 20,000 units. Thus, exposure of arms and legs to 0.5 MED approximates ingesting 3000 units of vitamin D_3. Studies have shown that children, especially infants, may require less sun exposure than adults to produce adequate vitamin D concentrations because of greater surface area to volume ratio and enhanced ability to produce vitamin D than older people.[22] A study in 1985 found that 30 minutes of sun exposure for infants in diapers or 2 hours for fully clothed infants without a hat maintained weekly calcidiol concentrations of 11 ng/mL (27.5 nmol/L).[23] The AAP recommends that children younger than 6 months be kept out of direct sunlight to reduce the risks of skin cancer.[24] Currently, there are no recommendations available to validate the appropriate duration of sun exposure in the pediatric population, and the variability of vitamin D synthesis between individuals would make such a recommendation difficult. The lack of data and the risks associated with prolonged sun exposure suggest food and supplementation as the preferred mode of repleting vitamin D stores.

Dietary Sources of Vitamin D

There are many natural food sources of vitamin D_2 and vitamin D_3, including oily fish (e.g., salmon, mackerel), cod liver oil, organ meats, and egg yolks (Table 2). However, these products are not particularly kid-friendly and routine adequate intake may be difficult. In the United States (US), there are fortified food options, including infant

Table 3. Available Formulations of Vitamin D[89]

Dosage Form	Strength	Trade Names
Vitamin D2 (ergocalciferol)		
Oral solution	8000-IU/mL (may contain propylene glycol)	Calcidiol, Calciferol, Drisdol,
Capsule	50,000-IU	Drisdol
Tablet	400-IU	Various
Vitamin D3 (cholecalciferol)		
Oral drops	400-, 1000-, 2000-IU/drop	Baby D drops, D drops
Oral solution	400-IU/mL	D-Vi-Sol, Just D
Capsule	400-, 1000-, 2000-, 5000-, 25,000-IU	Dialyvite, Decara (25,000-IU)
Tablet	400-, 1000-, 2000-, 5000-IU	Thera-D
Chewable tablet	400-, 1000-, 2000-, 5000-IU	Various
Dispersible tablet	2000-IU	Various
1,25-Dihydroxy Vitamin D (calcitriol)*		
Oral solution	1-mcg/mL	Rocaltrol
Capsule	0.25-, 0.5-mcg	Rocaltrol
Solution for injection	1-mcg/mL (may contain EDTA)	Calcijex

EDTA, ethylenediaminetetraacetic acid; IU, international unit
**1 mg = 40,000 IU of vitamin D activity*

formula, milk, and orange juice, to help meet needs. Also, all infant formulas sold in the US contain at least 400 units/L of vitamin D.[25]

Vitamin D in Breast Milk

Breast milk contains very little vitamin D, an average of 22 units/L (range 15 to 50 units/L) in a vitamin D-sufficient mother.[26] Recent studies suggest that maternal intake of higher than recommended doses of vitamin D (4000 to 6400 units daily) may achieve vitamin D concentrations in breast milk to provide sufficient vitamin D supplementation for breastfeeding infants. However, this approach is not recommended.[27,28] Due to the low vitamin D concentrations found in breast milk, the newest recommendation for exclusively breastfed infants is to provide a supplement of 400 units per day (increased from 200 units per day).[1]

Vitamin D Formulations

Vitamin D is available commercially as ergocalciferol, cholecalciferol, and calcitriol. Ergocalciferol and cholecalciferol, once thought to be equipotent, may increase vitamin D stores to varying degrees. Recent evidence suggests that cholecalciferol increases calcidiol concentrations two- to threefold more than ergocalciferol.[29,30] The formulations available in the US are summarized in Table 3 and the vitamin D content of commonly used pediatric multivitamins in Table 4. Despite the evidence suggesting the pharmacodynamic differences between cholecalciferol and ergocalciferol, most guidelines do not have a preference between the 2 products.[1,7,9] However, the KDOQI and Cystic Fibrosis Foundation (CFF) guidelines prefer vitamin D_2 due to safety data in animals.[8,31,32] There are no direct comparisons of the 2 formulations and in general, calcitriol does not have a role in repleting vitamin D stores.

VITAMIN D SUPPLEMENTATION IN CHRONIC DISEASE

Vitamin D Deficiency Rickets

Severe vitamin D deficiency can lead to symptomatic hypocalcemia, which can result in seizures, osteomalacia, or rickets. Rickets involves bone demineralization that occurs in areas adjacent to the growth plate.[1] The exact prevalence of rickets is unknown. However, case reports and case series of documented rickets suggest this problem still exists today.[1] Rickets may be caused by reasons other than nutritional vitamin D deficiency (e.g., calcium and phosphorus deficiency, inherited forms of hypophosphatemic rickets, and vitamin D receptor mutations); however, these etiologies will not be discussed in this review.

Dosing

For the treatment of vitamin D deficiency rickets, the AAP recommends an initial 2- to 3-month regimen of "high-dose" vitamin D

Table 4. Vitamin D, Calcium, and Phosphorous Content of Common Multivitamins[90]

	Vitamin D2 or D3 (IU)	Calcium (mg)	Phosphorous (mg)
Infant multivitamin drops (per mL)*			
AquADEKs†	400	—	—
D-Vi-Sol	400	—	—
Enfamil Poly-Vi-Sol	400	—	—
SourceCF	500	—	—
Tri-Vi-Sol	400	—	—
Vitamax†‡	400	—	—
Multivitamin Tablet (per tablet)			
ADEK (chewable)	400	—	—
AquADEKs (soft gel)	800	—	—
Centrum	400	200	20
Centrum Kids Complete	400	100	100
Flintstones Complete	400	108	50
Flintstones Sour Gummies	100	—	—
Phlexy-Vits (7-g packet)	400	1000	775
Source CF (chewable, soft gel)	1000	—	—
Vitamax (chewable)	400	—	—

IU, international unit
**Standard dose = 1 mL*
†Recommended for use in infant with fat malabsorption (e.g., cystic fibrosis, liver disease)
‡Sold exclusively via Cystic Fibrosis Services Pharmacy

therapy of 1000 units daily in neonates, 1000 to 5000 units daily in infants 1 to 12 months old, and 5000 units daily in patients over 12 months old.[1] These recommendations are summarized in Table 5. Although radiologic evidence of healing occurs within 2 to 4 weeks of treatment, large dose treatment (of either vitamin D_3 or D_2) should be continued for 2 to 3 months.[1] After sufficient calcidiol concentrations are achieved, a maintenance dose of 400 units of vitamin D daily is recommended in all age groups.[1] Larger maintenance doses (800 units per day) may be considered in the following at-risk populations: premature infants, dark-skinned infants and children, children who reside in areas of limited sun exposure (>37.5° latitude), obese patients (due to fat sequestration of vitamin D), and those on medications known to compromise vitamin D concentrations discussed in this review.[1,9,33]

In patients where daily compliance is a concern, an alternative dosing strategy can be utilized for the treatment of vitamin D deficiency, known as "stoss therapy," from the German word *stossen*, meaning "to push." For patients over 1 month of age, 100,000 to 600,000 units of vitamin D can be given orally as a single dose, followed by maintenance doses.[34,35] When instituting this approach, liquid formulations (e.g., Drisdol) should be avoided to prevent potential propylene glycol toxicity.[35] Calcitriol is also not preferred for stoss therapy as it has a short half-life and does not build up vitamin D body stores. Strategies to safely institute stoss therapy include crushing 25,000 units or 50,000 units tablets or softening 50,000 units gel capsules in water and blending in foods, such as applesauce.[35] Stoss therapy has been successfully implemented using intramuscular formulations as well; however, this option will not be explored since this product is no longer available in the US.

Evidence

Evidence in infants, children, and adolescents are sparse concerning what dose corrects vitamin D deficiency rickets. Current recommendations have been made based on expert opinion.[1,22] There is, however, published evidence on the safety and efficacy of stoss therapy in children with clinical and biochemical evidence of vitamin D deficiency.[34-37] Shah et al[35] administered 300,000 or 600,000 units of vitamin D_2 orally (100,000 units every 2 weeks) to 42 patients with vitamin D deficiency rickets between 5 and 109 months of age. At 14 days postadministration, radiographic evaluations confirmed the efficacy of this regimen. However, routine use of stoss therapy has

Table 5. Vitamin D Dosing for Prevention and Treatment of Nutritional Vitamin D Deficiency in Children[1]

	Vitamin D Supplementation (Cholecalciferol)
Prevention	400 IU/day
Treatment	< 1 month: 1000 IU/day orally for × 2-3 months
	1–12 months: 1000–5000 IU/day orally for × 2-3 months
	> 12 months: 5000 IU/day orally for × 2-3 months

IU, international unit

overwhelming risk of hypercalcemia; 34% of infants who received 600,000 units of vitamin D every 3 to 5 months during the first one and a half years of life reported hypercalcemia.[38] A study involving Turkish children and adolescents 12 to 17 years old showed intake of < 100 units of vitamin D was inadequate, resulting in calcidiol concentrations < 11 ng/mL.[39] The 2003 AAP guideline recommendations were based on the premise that 200 units daily of vitamin D would achieve calcidiol concentrations > 11 ng/mL to prevent rickets. Since then, more studies have shown rickets can manifest in patients with calcidiol concentrations up to 20 ng/mL.[40,41] In the past, doses of cod liver oil equal to 400 units of vitamin D daily achieved calcidiol concentrations > 20 ng/mL without concerning adverse effects.[42,43] Based on this evidence, most guidelines recommend at least 400 units of vitamin D daily.[1,7,9] Clinical trials are still needed to exactly determine the dose of vitamin D to achieve optimal calcidiol concentrations as well as the calcidiol concentration required to prevent bone demineralization and rickets in the pediatric population.

Vitamin D Deficiency in CKD

Epidemiologic studies suggest that patients with CKD are at an increased risk for vitamin D deficiency due to reduced sun exposure, lower intake of foods rich in vitamin D, and increased melanin content of the skin observed in this population.[8,44,45] In a cohort of children with CKD from 2005 to 2006, the prevalence of vitamin D deficiency was 39% (n=88) with the mean 25(OH) D concentration of 21.8 ng/mL.[46] Additionally, these patients exhibit physiologic challenges that increase risks for deficiency, including decreased endogenous production, decreased intestinal absorption, decreased enzyme activity to form functional vitamin D in the kidneys, and in those with proteinuria, increased urinary loss of calcidiol, and vitamin D-binding protein.[32,47-50] In patients with CKD, vitamin D supplementation appears to have benefit in preventing or reducing hyperparathyroidism that occurs as a part of renal osteodystrophy to repair bone and mineral disturbances.[32] The recommendations we will explore concerning vitamin D supplementation in pediatric patients with CKD were developed based on data observed in the adult population. However, since the publication of the KDOQI guidelines, more information is available in the literature about vitamin D deficiency in pediatric patients with CKD.

Dosing

Table 6 summarizes the recommendations in the pediatric KDOQI guidelines for patients with vitamin D insufficiency or deficiency.[8] Patients with calcidiol concentrations > 30 ng/mL are indicated for larger initial doses of vitamin D than those with adequate calcidiol concentrations. Of note, the guidelines prefer vitamin D_2 as the supplement of choice over vitamin D_3 due to safety data in animals.[8,31,51] However, vitamin D_3 is noted as an acceptable alternative. Calcidiol concentrations should be measured at 3 months of therapy, to assess the need for further treatment, and annually, once concentrations are adequate.[8] Additionally, serum corrected calcium concentrations and phosphorous concentrations should be assessed at 1 month and every 3 months.[8] If total serum corrected calcium exceeds 10.2 mg/dL or if serum phosphate exceeds the upper limit for age and calcidiol concentrations are normal, vitamin D may be discontinued. Otherwise, once calcidiol concentrations are deemed adequate, maintenance doses of vitamin D_2 (400 units daily) should be resumed.[7,8] For non-compliant patients, vitamin D can be administered as a single oral dose of 50,000 units monthly.[35,52]

Evidence

The prevalence of vitamin D insufficiency or deficiency in the pediatric population with CKD varies in recent literature from 39% to 77%.[46,53] Risk factors for more advanced deficiency include advanced CKD, non-Caucasian ethnicity,

Table 6. Recommendations for Vitamin D Supplementation in Children with CKD Stages 2 to 4[8]

Vitamin D Status*	Calcidiol (ng/mL)	Vitamin D2 Dose
Severe deficiency	< 5	Initial dose: 8000 IU/day orally or 50,000 IU/week orally × 4 weeks; then 4000 IU/day orally or 50,000 IU twice monthly orally × 2 months
Mild deficiency	5 to 15	4000 IU/day orally or 50,000 IU every other week orally × 3 months
Insufficiency	16 to 30	2000 IU/day orally or 50,000 IU every 4 weeks orally × 3 months

IU, international unit
**Hold vitamin D if calcium ≥ 10.2 mg/dL or if phosphorus exceeds the upper limit for age and calcidiol is normal. If phosphorus exceeds the upper limit for age and calcidiol is < 30 ng/mL, initiate oral phosphate binder therapy*

overweight or obesity, and lack of sun exposure.[46,53] In a retrospective, single center study of 57 children (mean age 11 years) with CKD (stages 2 through 4), vitamin D_2 was used for 12 weeks at doses recommended in the KDOQI guidelines to successfully replete vitamin D stores.[54] Of note in this study, PTH concentrations decreased from 122 to 80 ng/mL after treatment. In a study involving adults with CKD, administration of vitamin D_2 increased calcidiol concentrations from 17 to 27 ng/mL ($p<0.05$) and decreased PTH concentrations from 231 to 192 pg/mL ($p<0.05$) after 6 months.[55] In Zisman et al,[56] 52 adult patients with CKD (stage 3 or 4), vitamin D deficiency, and hyperparathyroidism observed normalization of calcidiol concentrations ($p<0.05$) and decrease in PTH concentrations from 13.1% to 2.0% (non-significant p-value) with vitamin D_2 supplementation. A prospective trial in pediatric patients with moderate CKD showed increased mean growth velocity into the normal range after 1 year of vitamin D therapy, which continued in the subsequent 2 years of treatment.[57]

Calcitriol

In vitamin D deficiency, calcitriol is not recommended as initial therapy or for routine use because of its short half-life and inability to increase vitamin D stores. Doses are limited because of its rapid onset and risk of hypercalcemia. However, calcitriol has utility in children with CKD stages 2 to 5 for the treatment of secondary hyperparathyroidism.[58] Additionally, it can be used as an adjunct to calcium supplementation for patients with severe vitamin D deficiency with severe symptomatic hypocalcemia, including seizure and tetany.[58] As kidney function continues to decline, the enzyme activity of 1-alpha hydroxylase decreases and therefore, calcitriol preparations may be needed rather than vitamin D_2 or D_3 preparations.

Vitamin D Deficiency in CF

With the increase in life expectancy from 2 to 36 years in the last 40 years, bone disease has transpired as a common complication in patients with CF with low bone mineral density observed in 50% to 75% of patients.[59] There are a myriad of contributory risk factors including malnutrition, vitamin D deficiency due to malabsorption from pancreatic insufficiency, inadequate absorption of calcium, physical inactivity, altered sex hormone production, chronic lung infection with elevated level of bone-active cytokines, and glucocorticoid use in this population. Maintaining optimal vitamin D stores in this population is especially important because severe bone disease may exclude these individuals from being qualified for lung transplantation. Guidelines from the CFF's Consensus Conference on Bone Health recommend that vitamin D_2 supplementation be given to maintain calcidiol concentrations ≥ 30 ng/mL.[59] However, a more recent study published in 2011 suggests that 35 ng/mL is the more appropriate cut off, where PTH is < 50 pg/mL and bone resorption and fracture risk is decreased.[60]

Dosing

In CF patients with insufficient calcidiol concentrations, doses up to 50,000 units of vitamin D_2 daily for several months may be necessary for initial treatment.[61] For maintenance therapy, the CFF guidelines recommend at least 400 units and 800 units of vitamin D_2 daily for infants and patients over 1 year of age, respectively.[62] However, as supported by the literature, these doses have been found not to sustain calcidiol concentrations in this population and therefore, doses should be titrated to obtain calcidiol concentrations > 30 to 35 ng/mL. Dosing recommendations for children younger than 5 years old are vitamin D_2 12,000 units biweekly, and 50,000 units weekly or biweekly of vitamin D_2 for those 5 years and older.[59]

Very high dosing strategies such as 700,000 units of vitamin D_2 over 14 days have been safely administered to a pediatric CF population with successful adequate calcidiol concentration.[63] If high dose vitamin D_2 is inadequate, more polar vitamin D analogs, calcitriol, or phototherapy may be reasonable alternatives.[59] Of note, the treatment doses are recommended in addition to the daily recommended maintenance therapy these patients are receiving.[62]

Evidence

Given that the majority (60%) of the 60,000 patients with CF in North America and Europe are under the age of 18, studies concerning vitamin D status in patients with CF often involve pediatric patients.[59] In a retrospective chart review of 147 concentrations from 97 pediatric individuals with calcidiol concentrations < 30 ng/mL, 50,000 units of vitamin D_2 daily for 28 days resulted in approximately half achieving concentrations > 30 ng/mL.[61] This initial regimen was more successful than vitamin D 250,000 units 1, 2, or 3 times a week for 8 weeks in pediatric patients.[64] Long-term follow-up (6 to 18 months posttreatment) in 39 patients showed 48% of those who achieved sufficient calcidiol concentrations became insufficient on maintenance doses of 400 to 800 units of vitamin D_2.[61] In a 2011 trial of adult patients with CF, patients with calcidiol concentrations < 30 ng/mL were given 50,000 units of vitamin D_2 daily for 30 days followed by maintenance doses of vitamin D_3 800 to 1000 units daily. After 30 days of treatment, serum calcidiol increased from 15.1 to 48.7 ng/mL ($p<0.05$) without any concerning side effects. However, adequate concentrations were not sustained on maintenance doses. The mean serum calcidiol dropped to 18.9 ng/mL ($p<0.05$), and 50% of treated patients became vitamin D insufficient within 1 year.[60] In a study of 20 adolescent and adult patients with CF, administration of 800 units daily of vitamin D was inadequate for 40% of patients after 4 to 10 weeks of therapy.[65] In another study of exclusively adult CF patients, administration of vitamin D_3 (>400 units daily) increased calcidiol concentrations in 92% of patients; however, normalized calcidiol concentrations were achieved in only 17% of patients and no assessment on the most appropriate dose was made.[66] In a study conducted by Kelly et al,[67] 95% of adult CF patients required 1800 units of vitamin D_2 daily to achieve calcidiol concentrations above 25 ng/mL. Although supplementation with calcitriol does not replete vitamin D stores, it may be an option for CF patients unresponsive to vitamin D_2 and D_3 to manage consequences of vitamin D deficiency. Brown et al[68] reported that calcitriol (0.5 mcg daily for 14 days) increased the fractional absorption of calcium ($p<0.05$) and lowered PTH ($p<0.03$) in 10 adults with CF.

Vitamin D Deficiency in Sickle Cell Disease

Pain crisis is a hallmark of sickle cell disease. The symptoms of pain crisis are thought to be somewhat similar to the symptoms that one would experience with vitamin D deficiency. For example, in both conditions, pain is characterized by an aching and dull pain. The location of the pain can be limited to the extremities and lower spine. It can be exacerbated by increased activities and exertion.[2,69-71] Because of these similarities, studies have looked at the prevalence of vitamin D deficiency in the sickle cell population. In fact, in 1 recent study that was performed in Madrid, Spain, 56% of children with sickle cell had concentrations of vitamin D < 20 ng/mL and 18% of them had concentrations < 11 ng/mL.[72] The ranges of prevalence from other studies, however, were as high as 65% to 100%.[73-75] Supplement of vitamin D may help alleviate the pain experienced by patients with sickle cell disease and improve their overall bone health.

Evidence

Evidence of vitamin D supplementation in children and adolescents with sickle cell disease are limited. In 1 case report, a 16-year-old female with homozygous SS disease presented with chronic pain involving many parts of her body, which included the lower extremities, left shoulder, and neck.[76] Her pain was not alleviated by ibuprofen, pregabalin, amitriptyline, or various opioids (totaled about 40 mg equivalents of morphine daily). A detailed metabolic workup was performed, and she was found to have a vitamin D concentration of < 7.9 ng/mL. Because of this finding, she was started on cholecalciferol 50,000 units orally twice a week for 8 weeks. At the end of this course of therapy, her vitamin D concentration had jumped up to 47 ng/mL and was switched to cholecalciferol 50,000 units once weekly. By week 14, her concentration was at 30 ng/mL, and she had complete alleviation of all

her pain symptoms and her bone mass density increased by 11% in 2 years.

Because of the success found in the previous case report, the same investigator performed a randomized, double blind pilot study in 2012, in which subjects (n=46; 13.2 ± 3.1 years) with sickle cell disease were given either high dose cholecalciferol (40,000 to 100,000 units weekly) or placebo for 6 weeks.[77] Approximately 53% and 83% of the subjects were initially found to have vitamin D insufficiency and deficiency, respectively. The treatment group was found to have fewer pain days per week, higher quality-of-life scores, and higher serum 25-hydroxyvitamin D concentrations. The authors suggested that a larger study with longer duration will need to be performed to validate this result. In fact, at the hospital where one of the authors of this review article works, he also had successes in using cholecalciferol 50,000 units orally twice a week in 2 pediatric patients with sickle cell disease, and their pain scores were greatly reduced.

Even with theses success stories, numerous questions still remain about the use of vitamin D supplementation in sickle cell disease, such as 1) what is the optimal dose of cholecalciferol, 2) what is the duration of therapy, 3) what are the long-term side effects of such a large dose therapy in the pediatric population, 4) does it work for all forms of sickle cell disease, and 5) will this therapy work for patients without vitamin D deficiency?

Vitamin D Deficiency in Asthma

Asthma is a common diagnosis found in the pediatric population. Scientists hypothesize that the increased prevalence of asthma may be in part due to the rise of vitamin D deficiency in the pediatric population.[78] Maternal intake of vitamin D during pregnancy may also play a role in the children's risk of having wheezing symptoms.[79] In fact, some studies have described an association between vitamin D deficiency and asthma, while one has not.[80-82] We will look at the evidence on the association between vitamin D deficiency and asthma and the need of vitamin D supplementation in patients with this clinical condition.

Evidence

Limited data exist on vitamin D concentrations in children with asthma. A case control study was performed at a pediatric allergy and immunology clinic in Qatar.[81] The aim of the study was to describe the association between asthma and vitamin D in children and to look at the difference in vitamin D concentrations in asthmatic children (7.0 ± 3.8 years) and control (8.4 ± 3.6 years). In this study, vitamin D deficiency was found to be more prevalent in asthmatics than controls. The mean value of vitamin D was 17.5 ± 11 ng/mL in the group with asthma and 20.8 ± 10.0 ng/mL in the controlled group. Elevated serum immunoglobulin E was observed in patients with lower vitamin D concentrations.[13]

In another cross-sectional study, serum 25-hydroxyvitamin D3 concentrations were compared between the group with asthma (n=50) and the healthy group (n=50).[80] The age of the subjects ranged from 6 to 18 years. The results of this study showed that vitamin D concentrations had direct correlations with both the forced expiratory volume/forced vital capacity (FEV1/FVC) ratio and the predicted FEV1 (p=0.024 and p=0.026, respectively), meaning that the less the vitamin D concentrations, the more significantly increased odds of the subjects' asthmatic state. However, the state of vitamin D deficiency was not associated with the duration of disease, number of hospitalization, and the eosinophil counts.[80]

On the other hand, one retrospective, case-control study did not find an association between asthma severity and serum 25-hydroxyvitamin D concentrations.[82] In this study, 263 subjects with asthma were compared to 284 normal subjects (ages: 2 to 19 years). Their asthma symptoms were assessed and serum vitamin D concentrations were obtained. No significant difference in vitamin D concentrations was found between the asthmatic group and the controlled group, and the severity of asthma symptoms was not correlated with the vitamin D concentrations.[82]

Oral or intravenous corticosteroids are often used as a regimen for patients with asthma exacerbation. If the patients' asthma is not well-controlled, they may potentially be exposed to repeated courses of corticosteroids. Long-term or repeated course of corticosteroids is known to cause vitamin D deficiency.[83] One may wonder is the decrease in serum vitamin D concentrations in children with asthma due to the disease itself or the use of corticosteroids. To answer part of this question, a retrospective review was performed in 100 asthmatic children looking at the patients' characteristics and their vitamin D concentrations.[84] This study showed that the total ste-

roid dose, the use of oral steroids, and the use of inhaled steroids were associated with an inverse correlation with their vitamin D concentrations (p=0.001, p=0.02, and p=0.0475, respectively).[17] There may be a never ending cycle in which poor control of asthma will lead to the use of inhaled and oral corticosteroid, which in turn may cause a reduction in vitamin D concentrations, which in turn may worsen the patients' asthmatic state.

The next question that one would ask is: does vitamin D supplementation improve the clinical course of asthma? The addition of vitamin D supplementation was evaluated in a study of subjects with steroid-resistant asthma.[85] After exposing a small amount of vitamin D (5×10^{-7} M) to cultures of CD4+ regulatory T cells, the secretion of IL-10 was greatly increased in this steroid-resistant group and was comparable to the concentrations seen in the controlled group. Similarly, in an experimental model of asthmatic patients, the addition of vitamin D helped decrease the dose of dexamethasone by 10-fold.[86] The authors of this study postulated that vitamin D supplementation may increase the anti-inflammatory property of corticosteroid in asthmatic patients by enhancing the glucocorticoid-induced mitogen-activated protein kinase phosphatase-1 expression.[86]

Before starting every asthmatic patient on vitamin D supplementation, larger studies need to be performed to evaluate the efficacy of this regimen in improving the clinical course of asthma and reducing the need of steroid use in asthmatic patients. Also, studies need to look at the optimal dose and duration of use for this clinical condition.

CONCLUSION

Vitamin D insufficiency is a common problem in pediatrics, especially those who have chronic illness, and who are malnourished, limited geographically to the amount of sun exposure, as well as those with darker skin, and on chronic medications. The accelerated rate of bone development during a child's life suggests that adequate concentrations of vitamin D are an important issue in this population. Although more research is needed concerning the goals of vitamin D therapy and dosing in this population, there are helpful evidence-based guidelines to direct therapy for rickets, CKD, and CF. More research is needed to evaluate the efficacy of vitamin D supplementations for pediatric patients with asthma and sickle cell disease. In patients with growth delays or reasons to suspect deficiency, calcidiol concentrations should be evaluated to assess the need for supplementation.

DISCLOSURE The authors declare no conflicts or financial interest in any product or service mentioned in the manuscript, including grants, equipment, medications, employment, gifts, and honoraria.

ABBREVIATIONS AAP, American Academy of Pediatrics; AEDs, anti-epileptic drugs; CF, cystic fibrosis; CFF, Cystic Fibrosis Foundation; CKD, chronic kidney disease; HAART, highly active antiretroviral therapy; HIV, human immunodeficiency virus; IOM, Institute of Medicine; IU, international units; KDOQI, Kidney Disease Outcomes Quality Initiative; NEJM, New England Journal of Medicine; PTH, parathyroid hormone; US, United States

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Benefits of Sunlight
A Bright Spot for Human Health

Each day, Apollo's fiery chariot makes its way across the sky, bringing life-giving light to the planet. For the ancient Greeks and Romans, Apollo was the god of medicine and healing as well as of sun and light—but Apollo could bring sickness as well as cure. Today's scientists have come to a similarly dichotomous recognition that exposure to the ultraviolet radiation (UVR) in sunlight has both beneficial and deleterious effects on human health.

Most public health messages of the past century have focused on the hazards of too much sun exposure. UVA radiation (95–97% of the UVR that reaches Earth's surface) penetrates deeply into the skin, where it can contribute to skin cancer indirectly via generation of DNA-damaging molecules such as hydroxyl and oxygen radicals. Sunburn is caused by too much UVB radiation; this form also leads to direct DNA damage and promotes various skin cancers. Both forms can damage collagen fibers, destroy vitamin A in skin, accelerate aging of the skin, and increase the risk of skin cancers. Excessive sun exposure can also cause cataracts and diseases aggravated by UVR-induced immunosuppression such as reactivation of some latent viruses.

Plainview/iStockphoto

However, excessive UVR exposure accounts for only 0.1% of the total global burden of disease in disability-adjusted life years (DALYs), according to the 2006 World Health Organization (WHO) report *The Global Burden of Disease Due to Ultraviolet Radiation.* DALYs measure how much a person's expectancy of healthy life is reduced by premature death or disability caused by disease. Coauthor Robyn Lucas, an epidemiologist at the National Centre for Epidemiology and Population Health in Canberra, Australia, explains that many diseases linked to excessive UVR exposure tend to be relatively benign—apart from malignant melanoma—and occur in older age groups, due mainly to the long lag between exposure and manifestation, the requirement of cumulative

exposures, or both. Therefore, when measuring by DALYs, these diseases incur a relatively low disease burden despite their high prevalence.

In contrast, the same WHO report noted that a markedly larger annual disease burden of 3.3 billion DALYs worldwide might result from very low levels of UVR exposure. This burden subsumes major disorders of the musculoskeletal system and possibly an increased risk of various autoimmune diseases and life-threatening cancers.

The best-known benefit of sunlight is its ability to boost the body's vitamin D supply; most cases of vitamin D deficiency are due to lack of outdoor sun exposure. At least 1,000 different genes governing virtually every tissue in the body are now thought to be regulated by 1,25-dihydroxyvitamin D_3 (1,25[OH]D), the active form of the vitamin, including several involved in calcium metabolism and neuromuscular and immune system functioning.

Although most of the health-promoting benefits of sun exposure are thought to occur through vitamin D photosynthesis, there may be other health benefits that have gone largely overlooked in the debate over how much sun is needed for good health [see "Other Sun-Dependent Pathways," p. A165]. As for what constitutes "excessive" UVR exposure, there is no one-size-fits-all answer, says Lucas: "'Excessive' really means inappropriately high for your skin type under a particular level of ambient UVR."

Vitamin D Production

Unlike other essential vitamins, which must be obtained from food, vitamin D can be synthesized in the skin through a photosynthetic reaction triggered by exposure to UVB radiation. The efficiency of production depends on the number of UVB photons that penetrate the skin, a process that can be curtailed by clothing, excess body fat, sunscreen, and the skin pigment melanin. For most white people, a half-hour in the summer sun in a bathing suit can initiate the release of 50,000 IU (1.25 mg) vitamin D into the circulation within 24 hours of exposure; this same amount of exposure yields 20,000–30,000 IU in tanned individuals and 8,000–10,000 IU in dark-skinned people.

The initial photosynthesis produces vitamin D_3, most of which undergoes additional transformations, starting with the production of 25-hydroxyvitamin D (25[OH]D), the major form of vitamin D circulating in the bloodstream and the form that is routinely measured to determine a person's vitamin D status. Although various cell types within the skin can carry out this transformation locally, the conversion takes place primarily in the liver. Another set of transformations occurs in the kidney and other tissues, forming 1,25(OH)D. This form of the vitamin is actually a hormone, chemically akin to the steroid hormones.

1,25(OH)D accumulates in cell nuclei of the intestine, where it enhances calcium and phosphorus absorption, controlling the flow of calcium into and out of bones to regulate bone-calcium metabolism. Michael Holick, a medical professor and director of the Bone Health Care Clinic at Boston University Medical Center, says, "The primary physiologic function of vitamin D is to maintain serum calcium and phosphorous levels within the normal physiologic range to support most metabolic functions, neuromuscular transmission, and bone mineralization."

Without sufficient vitamin D, bones will not form properly. In children, this causes rickets, a disease characterized by growth retardation and various skeletal deformities, including the hallmark bowed legs. More recently, there has been a growing appreciation for vitamin D's impact on bone health in adults. In August 2007, the Agency for Health Care Policy and Research published *Effectiveness and Safety of Vitamin D in Relation to Bone Health*, a systematic review of 167 studies that found "fair evidence" of an association between circulating 25(OH)D concentrations and either increased bone-mineral density or reduced falls in older people (a result of strengthened muscles as well as strengthened bones). "Low vitamin D levels will precipitate and exacerbate osteoporosis in both men and women and cause the painful bone disease osteomalacia," says Holick.

Evolution of the Great Solar Debate

In the 2002 book *Bone Loss and Osteoporosis in Past Populations: An Anthropological Perspective*, Reinhold Vieth, a nutrition professor at the University of Toronto, writes that early primates probably acquired their relatively high vitamin D requirements from frequent grooming and ingestion of oils rich in vitamin D precursors that were secreted by their skin onto their fur. The first humans evolved in equatorial Africa, where the direct angle of sunlight delivers very strong UVR most of the year. The gradual loss of protective fur may have created evolutionary pressure to develop deeply pigmented skin to avoid photodegradation of micronutrients and protect sweat glands from UVR-induced injury.

In the July 2000 issue of the *Journal of Human Evolution*, California Academy of Sciences anthropologists Nina Jablonski and George Chaplin wrote that because dark skin requires about five to six times more solar exposure than pale skin for equivalent vitamin D photosynthesis, and because the intensity of UVB radiation declines with increasing latitude, one could surmise that skin lightening was an evolutionary adaptation that allowed for optimal survival in low-UVR climes, assuming a traditional diet and outdoor lifestyle. Cooler temperatures in these higher latitudes resulted in the need for more clothing and shelter, further reducing UVR exposure. With shorter winter days and insufficient solar radiation in the UVB wavelengths needed to stimulate vitamin D synthesis, dietary sources such as fatty fish became increasingly important.

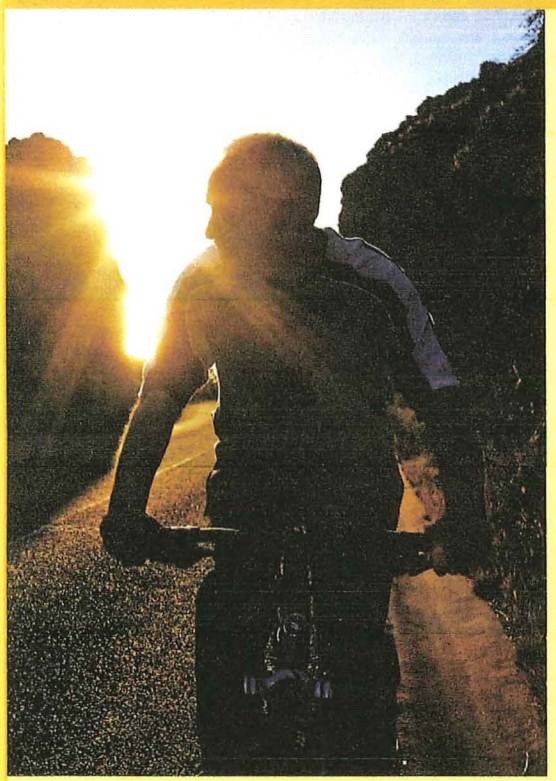
Over time, clothing became the norm in higher latitudes and then eventually a social attribute in many societies. By the 1600s, peoples in these regions covered their whole body, even in summertime. Many children who lived in the crowded and polluted industrialized cities of northern Europe developed rickets. By the late 1800s, approximately 90% of all children living in industrialized Europe and North America had some manifestations of the disease, according to estimates based on autopsy studies of the day cited by Holick in the August 2006 *Journal of Clinical Investigation* and the October 2007 *American Journal of Public Health*.

Doctors throughout Europe and North America began promoting whole-body sunbathing to help prevent rickets. It was also recognized that wintertime sunlight in the temperate zone was too feeble to prevent rickets. For this reason, many children were exposed to UVR from a mercury or carbon arc lamp for one hour three times a week, which proved to be an effective preventive measure and treatment.

Around the time the solar solution to rickets gained widespread traction in medical circles, another historic scourge, tuberculosis (TB), was also found to respond to solar intervention. TB patients of all ages were sent to rest in sunny locales and generally returned in good health. Dermatology professor Barbara A. Gilchrest of Boston University School of Medicine says that, whereas sun exposure was shown to improve cutaneous TB, sanatorium patients with pulmonary TB likely responded as much or more to rest and good nutrition than to UVR. Nevertheless, a meta-analysis published in the February 2008 *International Journal of Epidemiology* found that high vitamin D levels reduce the risk of active TB (i.e., TB showing clinical symptoms) by 32%.

Almost overnight, as awareness of the sun's power against rickets and TB spread, attitudes toward sun exposure underwent a radical shift. The suntan became valued in the Western world as a new status symbol that signified both health and wealth, as

Serotonin, Melatonin, and Daylight



As diurnal creatures, we humans are programmed to be outdoors while the sun is shining and home in bed at night. This is why melatonin is produced during the dark hours and stops upon optic exposure to daylight. This pineal hormone is a key pacesetter for many of the body's circadian rhythms. It also plays an important role in countering infection, inflammation, cancer, and autoimmunity, according to a review in the May 2006 issue of *Current Opinion in Investigational Drugs*. Finally, melatonin suppresses UVR-induced skin damage, according to research in the July 2005 issue of *Endocrine*.

When people are exposed to sunlight or very bright artificial light in the morning, their nocturnal melatonin production occurs sooner, and they enter into sleep more easily at night. Melatonin production also shows a seasonal variation relative to the availability of light, with the hormone produced for a longer period in the winter than in the summer. The melatonin rhythm phase advancement caused by exposure to bright morning light has been effective against insomnia, premenstrual syndrome, and seasonal affective disorder (SAD).

The melatonin precursor, serotonin, is also affected by exposure to daylight. Normally produced during the day, serotonin is only converted to melatonin in darkness. Whereas high melatonin levels correspond to long nights and short days, high serotonin levels in the presence of melatonin reflect short nights and long days (i.e., longer UVR exposure). Moderately high serotonin levels result in more positive moods and a calm yet focused mental outlook. Indeed, SAD has been linked with low serotonin levels during the day as well as with a phase delay in nighttime melatonin production. It was recently found that mammalian skin can produce serotonin and transform it into melatonin, and that many types of skin cells express receptors for both serotonin and melatonin.

With our modern-day penchant for indoor activity and staying up well past dusk, nocturnal melatonin production is typically far from robust. "The light we get from being outside on a summer day can be a thousand times brighter than we're ever likely to experience indoors," says melatonin researcher Russel J. Reiter of the University of Texas Health Science Center. "For this reason, it's important that people who work indoors get outside periodically, and moreover that we all try to sleep in total darkness. This can have a major impact on melatonin rhythms and can result in improvements in mood, energy, and sleep quality."

For people in jobs in which sunlight exposure is limited, full-spectrum lighting may be helpful. Sunglasses may further limit the eyes' access to full sunlight, thereby altering melatonin rhythms. Going shades-free in the daylight, even for just 10–15 minutes, could confer significant health benefits.

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only the affluent could afford to vacation by the sea and play outdoor sports. Phototherapy quickly emerged as a popular medical treatment not only for TB, but also for rheumatic disorders, diabetes, gout, chronic ulcers, and wounds. The "healthy tan" was in, and "sickly-looking" pale skin was out.

Cancer: Cause, Protection, or Both?

The first reports of an association between sun exposure and skin cancer began to surface in dermatology publications in the late nineteenth century. Nevertheless, it was not until the 1930s that the U.S. Public Health Service began issuing warnings about sun-related health risks. People were cautioned to avoid the midday summer sun, cover their heads in direct sunlight, and gradually increase the time of sun exposure from an initial 5–10 minutes per day to minimize the risk of sunburn.

In the decades that followed, the skin cancer hazards of excessive sun exposure would be extensively studied and mapped. Today, the three main forms of skin cancer—melanoma, basal cell carcinoma, and squamous cell carcinoma—are largely attributed to excessive UVR exposure. Skin cancers became the most common form of cancer worldwide, especially among groups such as white residents of Australia and New Zealand.

When atmospheric scientists first called attention to possible chemical destruction of the stratospheric ozone layer in the early 1970s, one predicted consequence of the increased UVB radiation was a rise in skin cancer rates, especially in Australia, New Zealand, South Africa, and Latin America. To counter this threat, the WHO, the United Nations Environment Programme, the World Meteorological Organization, the International Agency for Research on Cancer, and the International Commission on Non-Ionizing Radiation Protection established INTERSUN, the Global UV Project, with the express goal of reducing the burden of UVR-related disease.

INTERSUN activities have included the development of an internationally recognized UV Index to help frame sun protection messages related to the daily intensity of UVR. [For more information on these activities, see "WHO Ultraviolet Radiation Website," p. A157 this issue.]

Australia was among the first countries to spearhead large-scale sun protection programs, with the Slip-Slop-Slap initiative (short for "slip on a shirt, slop on some sunscreen, and slap on a hat") introduced in the early 1980s. "This program and the subsequent SunSmart campaign have been highly effective in informing Australians of the risks and providing clear, practical instructions as to how to avoid excessive UVR exposure," says Lucas. As a result of increased use of hats, sunscreen, and shade, the incidence of malignant melanoma has begun to plateau in Australia, New Zealand, Canada, and Northern Europe among some age groups. However, because other UVR-induced skin cancers typically take longer than melanoma to develop, their incidence rates continue to rise in most developed countries. Lucas says a gradual improvement in these rates is to be expected as well.

Whereas skin cancer is associated with too much UVR exposure, other cancers could result from too little. Living at higher latitudes increases the risk of dying from Hodgkin lymphoma, as well as breast, ovarian, colon, pancreatic, prostate, and other cancers, as compared with living at lower latitudes. A randomized clinical trial by Joan Lappe, a medical professor at Creighton University, and colleagues, published in the June 2007 issue of the *American Journal of Clinical Nutrition*, confirmed that taking 2–4 times the daily dietary reference intake of 200–600 IU vitamin D_3 and calcium resulted in a 50–77% reduction in expected incidence rates of all cancers combined over a four-year period in postmenopausal women living in Nebraska.

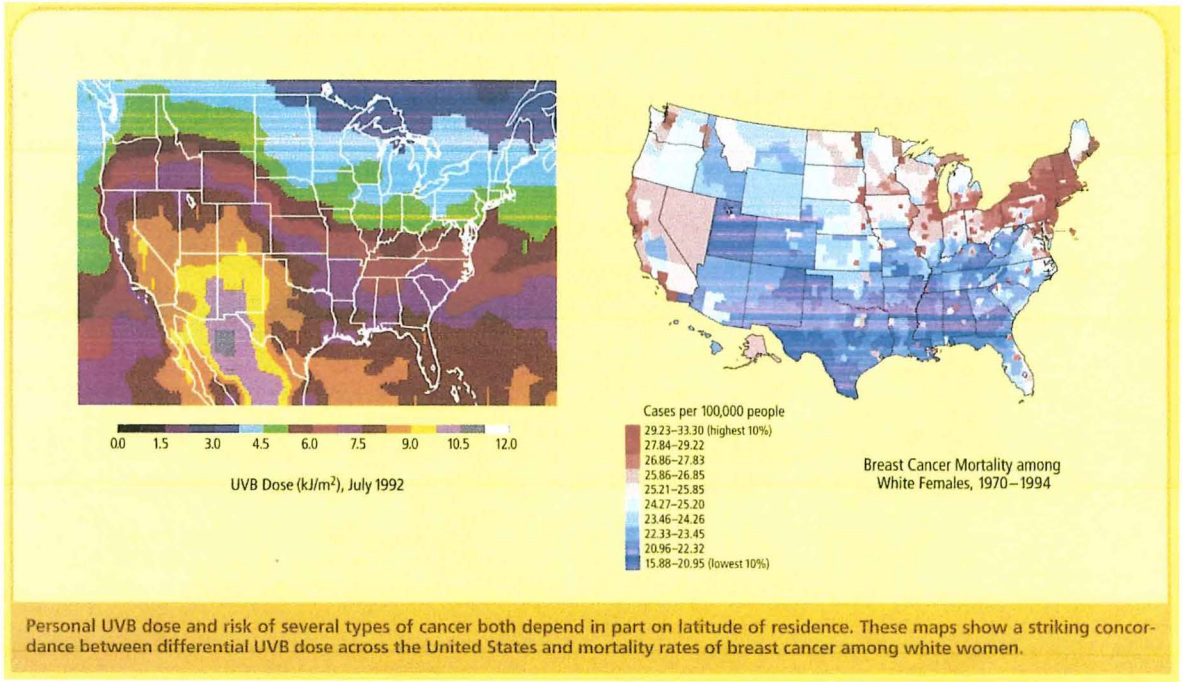
Moreover, although excessive sun exposure is an established risk factor for cutaneous malignant melanoma, continued high sun exposure was linked with increased survival rates in patients with early-stage melanoma in a study reported by Marianne Berwick, an epidemiology professor at the University of New Mexico, in the February 2005 *Journal of the National Cancer Institute*. Holick also points out that most melanomas occur on the least sun-exposed areas of the body, and occupational exposure to sunlight actually reduced melanoma risk in a study reported in the June 2003 *Journal of Investigative Dermatology*.

Other Health Links

Various studies have linked low 25(OH)D levels to diseases other than cancer, raising the possibility that vitamin D insufficiency is contributing to many major illnesses. For example, there is substantial though not definitive evidence that high levels of vitamin D either from diet or from UVR exposure may decrease the risk of developing multiple sclerosis (MS). Populations at higher latitudes have a higher incidence and prevalence of MS; a review in the December 2002 issue of *Toxicology* by epidemiology professor Anne-Louise Ponsonby and colleagues from The Australian National University revealed that living at a latitude above 37° increased the risk of developing MS throughout life by greater than 100%.

Still to be resolved, however, is the question of what levels of vitamin D are optimal for preventing the disease—and whether the statistical associations reflect different gene pools rather than different levels of 25(OH)D. (Interestingly, Holick reported in the August 1988 issue of *The Journal of Clinical Endocrinology & Metabolism* that no previtamin D_3 formed when human skin was exposed to sunlight on cloudless days in Boston, at 42.2°N, from November through February or in Edmonton, at 52°N, from October through March.)

"Scientific evidence on specific effects of vitamin D in preventing MS or slowing its progression is not sufficient," says Alberto Ascherio, a nutritional epidemiologist at the Harvard School of Public Health. "Nevertheless, considering the safety of vitamin D even in high doses, there is no clear contraindication, and because vitamin D deficiency is very prevalent, especially among MS patients, taking vitamin D supplements and getting moderate sun exposure is more likely to be beneficial than not."



Personal UVB dose and risk of several types of cancer both depend in part on latitude of residence. These maps show a striking concordance between differential UVB dose across the United States and mortality rates of breast cancer among white women.

Left to right: NASA; National Cancer Institute

As with MS, there appears to be a latitudinal gradient for type 1 diabetes, with a higher incidence at higher latitudes. A Swedish epidemiologic study published in the December 2006 issue of *Diabetologia* found that sufficient vitamin D status in early life was associated with a lower risk of developing type 1 diabetes. Nonobese mice of a strain predisposed to develop type 1 diabetes showed an 80% reduced risk of developing the disease when they received a daily dietary dose of 1,25(OH)D, according to research published in the June 1994 issue of the same journal. And a Finnish study published 3 November 2001 in *The Lancet* showed that children who received 2,000 IU vitamin D per day from 1 year of age on had an 80% decreased risk of developing type 1 diabetes later in life, whereas children who were vitamin D deficient had a fourfold increased risk. Researchers are now seeking to understand how much UVR/vitamin D is needed to lower the risk of diabetes and whether this is a factor only in high-risk groups.

There is also a connection with metabolic syndrome, a cluster of conditions that increases one's risk for type 2 diabetes and cardiovascular disease. A study in the September 2006 issue of *Progress in Biophysics and Molecular Biology* demonstrated that in young and elderly adults, serum 25(OH)D was inversely correlated with blood glucose concentrations and insulin resistance. Some studies have demonstrated high prevalence of low vitamin D levels in people with type 2 diabetes, although it is not clear whether this is a cause of the disease or an effect of another causative factor—for example, lower levels of physical activity (in this case, outdoor activity in particular).

People living at higher latitudes throughout the world are at higher risk of hypertension, and patients with cardiovascular disease are often found to be deficient in vitamin D, according to research by Harvard Medical School professor Thomas J. Wang and colleagues in the 29 January 2008 issue of *Circulation*. "Although the exact mechanisms are poorly understood, it is known that 1,25(OH)D is among the most potent hormones for down-regulating the blood pressure hormone renin in the kidneys," says Holick. "Moreover, there is an inflammatory component to atherosclerosis, and vascular smooth muscle cells have a vitamin D receptor and relax in the presence of 1,25(OH)D, suggesting a multitude of mechanisms by which vitamin D may be cardioprotective."

To determine the potential link betwen sun exposure and the protective effect in preventing hypertension, Rolfdieter Krause of the Free University of Berlin Department of Natural Medicine and colleagues exposed a group of hypertensive adults to a tanning bed that emitted full-spectrum UVR similar to summer sunlight. Another group of hypertensive adults was exposed to a tanning bed that emitted UVA-only radiation similar to winter sunlight. After three months, those who used the full-spectrum tanning bed had an average 180% increase in their 25(OH)D levels and an average 6 mm Hg decrease in their systolic and diastolic blood pressures, bringing them into the normal range. In constrast, the group that used the UVA-only tanning bed showed no change in either 25(OH)D or blood pressure. These results were published in the 29 August 1998 issue of *The Lancet*. According to Krause, who currently heads the Heliotherapy Research Group at the Medical

Other Sun-Dependent Pathways

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The sun may be best known for boosting production of vitamin D, but there are many other UVR-mediated effects independent of this pathway.

Direct immune suppression. Exposure to both UVA and UVB radiation can have direct immunosuppressive effects through upregulation of cytokines (TNF-α and IL-10) and increased activity of T regulatory cells that remove self-reactive T cells. These mechanisms may help prevent autoimmune diseases.

Alpha melanocyte-stimulating hormone (α-MSH). Upon exposure to sunshine, melanocytes and keratinocytes in the skin release α-MSH, which has been implicated in immunologic tolerance and suppression of contact hypersensitivity. α-MSH also helps limit oxidative DNA damage resulting from UVR and increases gene repair, thus reducing melanoma risk, as reported 15 May 2005 in *Cancer Research*.

Calcitonin gene-related peptide (CGRP). Released in response to both UVA and UVB exposure, this potent neuropeptide modulates a number of cytokines and is linked with impaired induction of immunity and the development of immunologic tolerance. According to a report in the September 2007 issue of *Photochemistry and Photobiology*, mast cells (which mediate hypersensitivity reactions) play a critical role in CGRP-mediated immune suppression. This could help explain sunlight's efficacy in treating skin disorders such as psoriasis.

Neuropeptide substance P. Along with CGRP, this neuropeptide is released from sensory nerve fibers in the skin following UVR exposure. This results in increased lymphocyte proliferation and chemotaxis (chemically mediated movement) but may also produce local immune suppression.

Endorphins. UVR increases blood levels of natural opiates called endorphins. Melanocytes in human skin express a fully functioning endorphin receptor system, according to the June 2003 *Journal of Investigative Dermatology*, and a study published 24 November 2005 in *Molecular and Cellular Endocrinology* suggests that the cutaneous pigmentary system is an important stress-response element of the skin.

University of Berlin, a serum 25(OH)D level of at least 40 ng/mL should be adequate to protect against hypertension and other forms of cardiovascular disease (as well as cancers of the prostate and colon).

William Grant, who directs the Sunlight, Nutrition, and Health Research Center, a research and education organization based in San Francisco, suspects that sun exposure and higher 25(OH)D levels may confer protection against other illnesses such as rheumatoid arthritis (RA), asthma, and infectious diseases. "Vitamin D induces cathelicidin, a polypeptide that effectively combats both bacterial and viral infections," Grant says. "This mechanism explains much of the seasonality of such viral infections as influenza, bronchitis, and gastroenteritis, and bacterial infections such as tuberculosis and septicemia." For example, RA is more severe in winter, when 25(OH)D levels tend to be lower, and is also more prevalent in the higher latitudes. In addition, 25(OH)D levels are inversely associated with the clinical status of RA patients, and greater intake of vitamin D has been linked with lower RA risk, as reported in January 2004 in *Arthritis & Rheumatism.*

Some reports, including an article in the October–December 2007 issue of *Acta Medica Indonesiana,* indicate that sufficient 1,25(OH)D inhibits induction of disease in RA, collagen-induced arthritis, Lyme arthritis, autoimmune encephalomyelitis, thyroiditis, inflammatory bowel disease, and systemic lupus erythematosus. Nonetheless, interventional data are lacking for most autoimmune disorders and infectious diseases, with the exception of TB.

How Much Is Enough?

Gilchrest points out a problem with the literature: "Everyone recommends something different, depending on the studies with which they are most aligned. One study reports an increased risk of prostate cancer for men with 25(OH)D levels above 90 ng/mL, for example." In the June 2007 Lappe article, she notes, subjects in the control "high-risk" unsupplemented group had 25(OH)D levels of 71 nmol/L and the supplemented group had levels of 96 nmol/L.

Nevertheless, given the epidemiologic backdrop described above, there are now calls to rethink sun exposure policy or to promote vitamin D supplementation in higher-risk populations. Such groups include pregnant or breastfeeding women (these states draw upon a mother's own reserves of vitamin D), the elderly, and those who must avoid the sun. Additionally, solely breastfed infants whose mothers were vitamin D deficient during pregnancy have smaller reserves of the nutrient and are at greater risk of developing rickets. Even in the sun-rich environment of the Middle East, insufficient vitamin D is a severe problem among breastfed infants of women who wear a *burqa* (a traditional garment that covers the body from head to foot), as reported in the February 2003 *Journal of Pediatrics.*

Several recent reports indicate an increase in rickets particularly among breastfed black infants, though white babies also are increasingly at risk. A study in the February 2007 *Journal of Nutrition* concluded that black and white pregnant women and neonates in the northern United States are at high risk of vitamin D insufficiency, even when mothers take prenatal vitamins (which typically provide 100–400 IU vitamin D_3). Studies by Bruce Hollis, director of pediatric nutritional sciences at the Medical University of South Carolina, and colleagues suggest that a maternal vitamin D_3 intake of 4,000 IU per day is safe and sufficient to ensure adequate vitamin D status for both mother and nursing infant.

These days, most experts define vitamin D deficiency as a serum 25(OH)D level of less than 20 ng/mL. Holick and others assert that levels of 29 ng/mL or lower can be considered to indicate a relative insufficiency of vitamin D. Using this scale and considering various epidemiologic studies, an estimated 1 billion people worldwide have vitamin D deficiency or insufficiency, says Holick, who adds, "According to several studies, some forty to one hundred percent of the U.S. and European elderly men and women still living in the community [that is, not in nursing homes] are vitamin D deficient." Holick asserts that a large number of infants, children, adolescents, and postmenopausal women also are vitamin D insufficient. "These individuals have no apparent skeletal or calcium metabolism abnormalities but may be at much higher risk of developing various diseases," Holick says.

In the context of inadequate sunlight or vitamin D insufficiency, some scientists worry that the emphasis on preventing skin cancers tends to obscure the much larger mortality burden posed by more life-threatening cancers such as lung, colon, and breast cancers. Many studies have shown that cancer-related death rates decline as one moves toward the lower latitudes (between 37°N and 37°S), and that the levels of ambient UVR in different municipalities correlate inversely with cancer death rates there. "As you head from north to south, you may find perhaps two or three extra deaths [per hundred thousand people] from skin cancer," says Vieth. "At the same time, though, you'll find thirty or forty fewer deaths for the other major cancers. So when you estimate the number of deaths likely to be attributable to UV light or vitamin D, it does is not appear to be the best policy to advise people to simply keep out of the sun just to prevent skin cancer."

To maximize protection against cancer, Grant recommends raising 25(OH)D levels to between 40 and 60 ng/mL. Research such as that described in Holick's August 2006 *Journal of Clinical Investigation* article indicates that simply keeping the serum level above 20 ng/mL could reduce the risk of cancer by as much as 30–50%.

Cedric F. Garland, a medical professor at the University of California, San Diego, says that maintaining a serum level of 55–60 ng/mL may reduce the breast cancer rate in temperate regions by half, and that incidence of many other cancers would be similarly reduced as well. He calls this "the single most important action that could be taken by society to reduce the incidence of cancer in North America and Europe, beyond not smoking." Moreover, these levels could be readily achieved by consuming no more than 2,000 IU/day of vitamin D_3 at a cost of less than $20 per year and, unless there are contraindications to sunlight exposure, spending a few minutes outdoors (3–15 minutes for whites and 15–30 minutes for blacks) when the sun is highest in the sky, with 40% of the skin area exposed.

Holick, Vieth, and many other experts now make a similar daily recommendation: 4,000 IU vitamin D_3 without sun exposure or 2,000 IU plus 12–15 minutes of midday sun. They say this level is quite safe except for sun-sensitive individuals or those taking medications that increase photosensitivity.

Gilchrest says some sunlight enters the skin even through a high-SPF sunscreen, so people can maximize their dermal vitamin D production by spending additional time outdoors while wearing protection. "Without the sunscreen, this same individual would be incurring substantially more damage to her skin but not further increasing her vitamin D level," she says.

Creating a Balanced Message

A growing number of scientists are concerned that efforts to protect the public from excessive UVR exposure may be eclipsing recent research demonstrating the diverse health-promoting benefits of UVR exposure. Some argue that the health benefits of UVB radiation seem to outweigh the adverse effects, and that the risks can be minimized by carefully managing UVR exposure (e.g., by avoiding sunburn), as well as by increasing one's intake of dietary antioxidants and limiting dietary fat and caloric intake. Antioxidants including polyphenols, apigenin, curcumin, proanthocyanidins, resveratrol, and silymarin have shown promise in laboratory studies in protecting

against UVR-induced skin cancer, perhaps through antimutagenic or immune-modulating mechanisms.

Central to the emerging debate is the issue of how to best construct public health messages that highlight the pros and cons of sun exposure in a balanced way. Such messages must necessarily take into account variations in skin pigmentation between groups and these groups' differing susceptibilities to the dangers and benefits of sun exposure. Moreover, says Patricia Alpert, a nursing professor at the University of Las Vegas, age matters. "The elderly [have a] declining capacity to make vitamin D," she says. "Many elderly, especially those living in nursing homes, are vitamin D deficient, [even] those living in areas considered to have adequate sunshine."

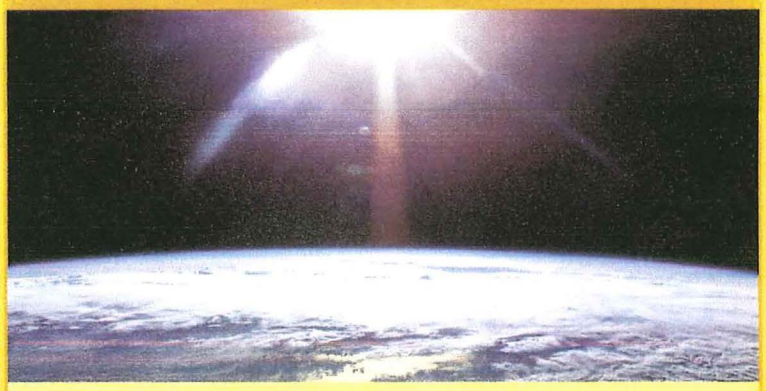
Many experts are now recommending a middle-ground approach that focuses on modest sun exposures. Gilchrest says the American Academy of Dermatology and most dermatologists currently suggest sun protection in combination with vitamin D supplementation as a means of minimizing the risk of both skin cancer and internal cancers. Furthermore, brief, repeated exposures are more efficient at producing vitamin D. "Longer sun exposures cause further sun damage to skin and increase the risk of photo-aging and skin cancer, but do not increase vitamin D production," she explains.

Lucas adds that people should use sun protection when the UV Index is more than 3. As part of Australia's SunSmart program, "UV Alerts" are announced in newspapers throughout the country whenever the index is forecast to be 3 or higher. "Perhaps," she says, "this practice should be extended to other nations as well." U.S. residents can obtain UV Index forecasts through the EPA's SunWise website (http://epa.gov/sunwise/uvindex.html).

In the near future, vitamin D and health guidelines regarding sun exposure may need to be revised. But many factors not directly linked to sun protection will also need to be taken into account. "Current observations of widespread vitamin D insufficiency should not be attributed only to sun protection strategies," says Lucas. "Over the same period there is a trend to an increasingly indoor lifestyle, associated with technological advances such as television, computers, and video games." She says sun-safe messages remain important—possibly more so than ever before—to protect against the potentially risky high-dose intermittent sun exposure that people who stay indoors may be most likely to incur.

M. Nathaniel Mead

Research Challenges



NASA

Growing evidence of the beneficial effects of UVR exposure has challenged the sun-protection paradigm that has prevailed for decades. Before a sun-exposure policy change occurs, however, we need to know if there is enough evidence to infer a protective effect of sun exposure against various diseases.

Only through well-designed randomized clinical trials can cause-and-effect relationships be established. However, most sunlight-related epidemiologic research to date has relied on observational data that are subject to considerable bias and confounding. Findings from observational studies are far less rigorous and reliable than those of interventional studies. But interventional studies would need to be very large and carried out over several decades (since most UVR-mediated diseases occur later in life). Moreover, it is not at all clear when, over a lifetime, sun exposure/vitamin D is most important. So for now scientists must rely on the results of well-conducted observational analytic studies.

In sunlight-related research, there are two main exposures of interest: vitamin D status, which is measured by the serum 25(OH)D level; and personal UVR dose, which involves three fundamental factors: ambient UVR (a function of latitude, altitude, atmospheric ozone levels, pollution, and time of year), amount of skin exposed (a function of behavioral, cultural, and clothing practices), and skin pigmentation (with dark skin receiving a smaller effective dose to underlying structures than light skin).

When measuring sun exposure at the individual level, many scientists have relied on latitude or ambient UVR of residence. But these measures are fraught with uncertainties. "While ambient UVR varies, . . . so too do a variety of other possible etiological factors, including diet, exposure to infectious agents, temperature, and possibly even physical activity levels," says Robyn Lucas, an epidemiologist at Australia's National Centre for Epidemiology and Population Health. "Additionally, under any level of ambient UVR, the personal UV dose may vary greatly. In short, there is no real specificity for ambient UVR."

Researchers also assess history of time in the sun at various ages, history of sunburns, dietary and supplemental vitamin D intake, and other proxy measures. Nonetheless, says Lucas, "there are drawbacks to inferring that a relationship with any proxy for the exposure of interest is a relationship with personal UV dose or vitamin D status." On the bright side, she adds, our ability to accurately gauge an individual's UV dose history has been enhanced with the use of silicone rubber casts of the back of subjects' hands. The fine lines recorded by the cast provide an objective measure of cumulative sun damage.

For Debate

Sunshine is good medicine. The health benefits of ultraviolet-B induced vitamin D production

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Summary

Most public health statements regarding exposure to solar ultraviolet radiation (UVR) recommend avoiding it, especially at midday, and using sunscreen. Excess UVR is a primary risk factor for skin cancers, premature photoageing and the development of cataracts. In addition, some people are especially sensitive to UVR, sometimes due to concomitant illness or drug therapy.

However, if applied uncritically, these guidelines may actually cause more harm than good. Humans derive most of their serum 25-hydroxycholecalciferol ($25(OH)D_3$) from solar UVB radiation (280–315 nm). Serum $25(OH)D_3$ metabolite levels are often inadequate for optimal health in many populations, especially those with darker skin pigmentation, those living at high latitudes, those living largely indoors and in urban areas, and during winter in all but the sunniest climates. In the absence of adequate solar UVB exposure or artificial UVB, vitamin D can be obtained from dietary sources or supplements.

There is compelling evidence that low vitamin D levels lead to increased risk of developing rickets, osteoporosis and osteomaloma, 16 cancers (including cancers of breast, ovary, prostate and non-Hodgkin's lymphoma), and other chronic diseases such as psoriasis, diabetes mellitus, hypertension, heart disease, myopathy, multiple sclerosis, schizophrenia, hyperparathyroidism and susceptibility to tuberculosis.

The health benefits of UVB seem to outweigh the adverse effects. The risks can be minimized by avoiding sunburn, excess UVR exposure and by attention to dietary factors, such as antioxidants and limiting energy and fat consumption. It is anticipated that increasing attention will be paid to the benefits of UVB radiation and vitamin D and that health guidelines will be revised in the near future.

Keywords: cancer, hypertension, melanoma, multiple sclerosis, psoriasis, sunbeds, ultraviolet radiation, vitamin D

Introduction

Solar ultraviolet radiation (UVR) has well-known roles in the aetiology of basal cell carcinoma (BCC) and squamous cell carcinoma (SCC),[1] immune system suppression,[2,3] premature ageing of the skin,[4–6] and cataract formation.[7] However, the beneficial effects for human health are less well recognized. The observation of lighter human skin pigmentation with increasing latitude provides the clue that sunlight is beneficial. The current hypothesis on the evolution of skin pigmentation in ancestral peoples is that the amount of melanin in the skin as a function of latitude is a careful balance between opposing

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Accepted for publication 30 June 2004

requirements of the skin. On the one hand, the skin must be dark enough to reduce the risk of melanoma and other skin cancers and prevent the destruction of folic acid. On the other hand, the skin must be light enough to permit the photoinitiation of vitamin D production.[8] Vitamin D is generated in humans by the action of UVB radiation on subcutaneous 7-dehydrocholesterol (7-DHC) into pre-vitamin D_3, after which it undergoes thermal conversion to 25-hydroxycholecalciferol ($25(OH)D_3$).[9] If there were not such trade-offs between different functions of the skin, all humans would be likely to have similar pigmentation. Such evolutionary pressures on skin pigmentation were exerted at a time when human populations spent substantial parts of the day outdoors. At present, the proportion of the workforce with outdoor jobs is relatively small, and UVR exposure is often obtained from recreation, which tends to involve shorter exposures.

This paper outlines what is known about the health benefits of UVB radiation and put them into perspective with the health risks of UVR exposure.

Vitamin D reduces the risk of certain diseases

The recognition that there are important health benefits from solar UVB radiation through production of vitamin D has been slow in coming. It was not realized until the 1920s that rickets was a disease related to insufficient vitamin D.[10] In the 1960s UVB was found to play a role in heart disease,[11] and it was shown to be involved in osteoporosis and other musculoskeletal diseases.[12,13] In the 1980s, it was found to reduce the risk of colon cancer,[14] and to reduce blood pressure.[15] In the 1990s it was found to reduce the risk of multiple sclerosis[16] and the risk of being born with schizophrenia.[17]

Insufficient vitamin D is a significant health risk in the US and Northern Europe. This fact was underscored by the recent vitamin D conference held by the US National Institutes of Health.[18] The impetus for the conference came from recent reports of rickets among breast-fed babies born to African–American mothers in the state of North Carolina.[19] The goal of the conference was to help develop a research plan for improved guidelines for vitamin D. Some of the material presented here was developed for a manuscript relating to the topic of estimating the economic burden in the US due to insufficient vitamin D (Grant, submitted).

A list of diseases for which vitamin D is a risk-reduction factor and representative papers indicating some of the stronger evidence is presented in Table 1, whereas Table 2 indicates which types of evidence are satisfied for each disease (Grant and Holick, submitted). The list includes many diseases that are not ordinarily linked to vitamin D, such as diabetes mellitus, heart disease, hypertension, myopathy, psoriasis, and schizophrenia. There have been many good reviews published recently on the role of vitamin D in reducing the risk of disease.[36–43]

Table 1 Summary of some of the stronger and/or most recent evidence indicating that UVB and/or vitamin D reduce the risk of various diseases.

Disease	Evidence	Reference
Cancer	Geographical variation with respect to solar UVB	20
	Serum $25(OH)D_3$ preceding colon cancer	21,22
Diabetes mellitus	Hypovitaminosis D	23
	Correlation with vitamin D receptors	23
Heart disease	Correlation with vitamin D receptors	24
	Inverse correlations of $25(OH)D_3$ with congestive heart failure	25
Hyperparathyroidism	Reduction in parathyroid hormone with UVB, vitamin D	26
Hypertension	Geographical and racial variations in blood pressure	27
Infectious disease susceptibility	Vitamin D and susceptibility to tuberculosis	28
Multiple sclerosis	Geographical variation	29
	Seasonal variation	30
	Risk from low childhood UVB	31
Myopathy	Inverse correlations of $25(OH)D_3$ with body sway and muscle strength	32
	Association with hypovitaminosis D	33
Osteoporosis	Urban/rural difference in hip fracture rates	34
	Hip fracture prevention through calcium vitamin D supplements	35
Psoriasis	Treatment with UVB	36
Rickets	Treatment with vitamin D	10
Schizophrenia	Variation of risk with respect to sunshine during pregnancy	17

Table 2 Summary of evidence that vitamin D reduces the risk of specific diseases.

Disease	Latitude or geography	Solar exposure	Vitamin D receptors	Mechanisms	Serum 25(OH)D	Vitamin D analogues	Clinical studies	Animal or laboratory studies	Vitamin D intake
Colon cancer	+	+	+	+	+	+	+	+	+
Breast cancer	+	+	+	+	+	+			
Ovarian cancer	+	+	+			+			
Prostate cancer	+	+		+	+	+		+	
Pancreatic cancer			+			+		+	
Other cancers	+	+		+				+	
Multiple sclerosis	+	+	+	+	+		+	+	+
Hypertension	+	+	+	+	+	+	+	+	+
Psoriasis		+	+	+	+	+	+	+	+
Diabetes mellitus Type 1	+	+	+	+				+	+
Hyperparathyroid-secondary		+	+	+	+	+	+		
Myopathy, muscle weakness		+	+	+	+		+		
Heart disease		+	+	+	+	+	+	+	
Schizophrenia	+		+	+	+		+	+	
Renal disease end stage				+	+		+	+	
Rheumatoid arthritis			+		+	+			+
Hyperparathyroid-primary	+	+					+		
Tuberculosis			+	+	+				
Graves' disease			+		+				
Diabetes mellitus Type 2			+						+
Periodontal disease		+							

Cancer

As early as 1936 there were reports in the literature that solar radiation was inversely related to cancer mortality rates.[44–47] However, it was not until a publication by the brothers Cedric and Frank Garland in 1980 that recent interest in the protective role of solar UVB radiation against cancer was initiated. Using the ecological approach, the Garlands established a link between colon cancer mortality rates in the US and solar UVB radiation and the production of vitamin D.[14] (In ecological studies, populations are treated as entities within geographical confines; measures of disease outcome and possible influencing factors are found for the populations in the various geographical units, and statistical correlations are determined.) Additional ecological studies also found inverse correlations between solar UVB radiation and breast cancer,[48] ovarian cancer,[49] prostate cancer,[50] and non-Hodgkin's lymphoma.[51,52]

These ecological studies provided the primary impetus for further studies on the role of solar UVB radiation and vitamin D in reducing the risk of cancer. A number of case-control and cohort studies were subsequently conducted on breast, colon, ovarian and prostate cancer. Sunlight associated with residence and/or occupation and serum vitamin D levels were found to be associated with 20–50% reductions in breast cancer incidence rates between the highest and lowest quartiles or quintiles.[53,54] Similar results were obtained for studies on the risk of colon cancer, colon adenomas, and ovarian cancer.[55–60]

Colorectal cancer and vitamin D

A cursory review of the literature regarding the relation between colorectal cancer and vitamin D suggests that there is a general inconsistency in the findings: ecological studies always find that UVB and vitamin D are significant risk-reduction factors, whereas case-control and cohort studies generally find that dietary vitamin D is not a significant risk-reduction factor, pre-diagnostic 25(OH)D_3 is sometimes a significant risk-reduction factor, and total ingested vitamin D is generally a significant risk-reduction factor. A critical review of these papers concluded that dietary sources of vitamin D are, by themselves, insufficient to provide sufficient protection against colorectal cancer; additional sources such as supplements or natural or artificial UVB are required.[61]

Geographical variation of cancer mortality rates in the US: UVB and other factors

In the first comprehensive ecological study of cancer mortality rates with respect to UVB radiation in the US,[20]

UVB radiation for July 1992 was obtained using the Total Ozone Mapping Spectrometer.[62] These data were digitized to correspond to the approximately 500 state economic areas of the US that comprise the mid-level geographical division for cancer mortality data in the *Atlas of Cancer Mortality in the United States.*[63] Cancer mortality rates for all states except six rapid-growth states were used in regression analyses with the UVB data. Solar UVB radiation was confirmed as a risk-reduction factor for 12 cancers, including bladder, endometrial, gastric, oesophageal, pancreatic, and renal cancer.[20]

Critics of that study pointed out that other factors that might also explain the geographical differences in cancer mortality rates in the US, and that all contiguous states should have been included. Accordingly, the ecological study was extended using additional covariates with the cancer mortality data averaged by state, for all contiguous states plus the District of Columbia (Grant, submitted). The fraction of the population living rurally[64] was included as an additional index of solar UVB radiation, since rural life is associated with more time spent in the sun.[65] Lung cancer mortality rates were used to account for the long-term adverse health effects of smoking, since smoking accounts for 87% of lung cancer mortality rates in the US[66] Data on the proportion of the population who were of Hispanic heritage[64] were used to help take into account the cancers with high mortality rates in states with large Mexican and Latin American populations.[67] Alcohol consumption for 1980[68] was also included. Finally, a measure of socio-economic status, the fraction of people living below the poverty level,[69] was included.

The new ecological study links UVB to a total of 16 types of cancer, primarily those of the digestive and reproductive systems (Grant, submitted). Six types of cancer (breast, colon, endometrial, oesophageal, ovarian, and non-Hodgkin's lymphoma) were inversely correlated to solar UVB radiation and rural residence in combination. Another 10 types of cancer (bladder, gallbladder, gastric, pancreatic, prostate, rectal, renal, testicular, vulvar, and Hodgkin's lymphoma) were inversely correlated with UVB but not with urban residence. Ten types of cancer were significantly correlated with smoking, six types with alcohol, and seven types with Hispanic heritage. Poverty status was inversely correlated with seven types of cancer. For African–Americans, UVB was inversely correlated with breast, colon, and rectal cancer, whereas smoking was correlated with bladder, breast, colorectal, oral, and pancreatic cancer. Since the results for alcohol, Hispanic heritage, and smoking for white Americans agree well with the literature, they provide a high level of confidence in the approach and its results for UVB radiation.

The number of premature cancer deaths prevented annually by vitamin D or ultraviolet exposure from 1970 to 1994, based on this multivariate analysis, was estimated to be 20 000–25 000, which agrees closely with the estimate of premature deaths due to insufficient solar UVB radiation, 16 000–23 000.[20] However, the number of premature cancer deaths due to living in an urban residence, determined by plotting the mortality rate vs. the regression rate twice, once as calculated, and once with the fraction of urbanization set equal to zero, was about 25 000, bringing the total number of premature deaths to 45 000–50 000 per year. This number is about five times the number that die annually from melanoma and other skin cancers annually in the US, approximately 9800.[69]

Mechanisms of vitamin D for cancer prevention

Vitamin D may reduce the risk of cancer by mechanisms such as inducing cell differentiation, increasing cancer cell apoptosis, reducing metastasis and proliferation, and reducing angiogenesis.[70–74] In addition, vitamin D down-regulates parathyroid hormone (PTH),[75,76] which has been linked to cancer cell growth.[75] The role of vitamin D in reducing the risk of cancer is so compelling that a considerable effort is being expended to find vitamin D analogues that have the effectiveness of vitamin D in fighting cancer without the problems of disregulating calcium metabolism.[77] A recent MEDLINE search identified approximately 1000 papers reporting on vitamin D or its metabolites and cancer as major subjects of the reports.

Many organs have been shown to convert the inactive form of vitamin D, $25(OH)D_3$, to the active, cancer-reducing form, $1,25(OH)_2D_3$. This ability has been shown for the prostate[78] and for the brain, colon, lymph nodes, pancreas, placenta, and skin.[79]

Prostate cancer

Luscombe *et al.*[80] recently examined the association between UV exposure and prostate cancer risk using a case-control approach in Northern European Caucasians (210 prostate cancer cases and 155 patients with benign prostatic hypertrophy BPH). Exposure was assessed using a validated questionnaire. Chronic exposure was assessed by: (i) daily sun exposure (weekdays and weekends, considered separately and combined) in three age categories (20–39, 40–59 and over 60 years old) (ii) proportion of working life spent outdoors and (iii) history of residence abroad in a hot country for over 6 months. Acute exposure was assessed by: (i) childhood sunburn (erythema for more than 48 h or blistering) recorded as yes/no and number of recalled sunburn events (ii) history of foreign

holidays with average weeks abroad/year (iii) sunbathing calculated as never, rare, occasional, or frequent (scored as 1, 2, 3 and 4, respectively) in the three age categories above. Factors related to response to UV including skin type, hair, and eye colour were also recorded.

The cancer cases had less cumulative exposure than the BPH patients ($P = 0.006$). In particular, subjects with the lowest 25% of exposure (below 1639 days or 1.9 h/day) were at greatest risk of the cancer. Thus, compared with the upper three quartiles, patients with the lowest 25% of exposure had a 2.5-fold increased risk of prostate cancer ($P = 0.001$). There were no significant associations with outdoor work or history of living abroad. For acute exposure, a positive history of childhood sunburn was protective ($P < 0.0001$) and increasing numbers of childhood sunburn events increased this effect (OR = 0.64 per event, $P < 0.001$). Other factors associated with acute UV exposure (cumulative sunbathing score, history of regular holidays), were also significantly associated with cancer risk. There was no demonstrable effect from the use of sunscreens. Susceptibility was not associated with hair colour, eye colour or skin type. There was a trend for individuals with skin type 4 (tans but never burns) to have an increased risk relative to other skin types, although this was not significant (OR = 1.49, $P = 0.143$). Indeed, further analysis of the data showed that among men with low levels of exposure, skin type 1 conferred protection compared with skin types 2–4 (OR = 4.78, 95% CI 3.01–8.25, $P < 0.0009$).[81] These findings indicate that susceptibility to prostate cancer is in part determined by extent of exposure to UVR and that the ability to pigment mediates this effect. Importantly, these data were confirmed in a new group comprising 242 prostate cancer cases and 157 BPH patients in the UK.[82]

More recent results from Scandinavia indicate that a moderate concentration of $25(OH)D_3$ (40–60 nmol/L) is correlated with the lowest risk of prostate cancer.[83] The authors suggested that low serum $25(OH)D_3$ concentration leads to a low tissue concentration and to weakened mitotic control of target cells, whereas a high vitamin D level might lead to vitamin D resistance through increased inactivation by enhanced expression of 24-hydroxylase. This result is not peculiar to Scandinavia; a similar finding was made in an ecological analysis of the geographical variation of prostate cancer mortality rates in the US. Unlike many cancers such as breast, colon, and ovarian cancer, which have their highest mortality rates in the north-east and lowest in the south-west,[63] prostate cancer has a fairly pronounced latitudinal gradient in mortality rates with the highest values at the highest latitudes. In the ecological analysis, it was determined that latitude had the highest correlation with prostate cancer mortality rates, with the square of UVB being more weakly correlated, and urban residence being weakly inversely correlated.[84] This result suggests that wintertime UVB levels (minimum values of $25(OH)D_3$) are most important in reducing the risk of prostate cancer, whereas summertime UVB levels (highest $25(OH)D_3$ levels) are a risk factor. Thus, moderate levels may be associated with the lowest risk.

A role for genetic polymorphisms

The link between prostate cancer risk, UV exposure and vitamin D synthesis suggests that an individual's ability to initiate pigment synthesis may mediate the harmful and beneficial effects of UV.[85] Allelism in genes associated with ability to pigment following exposure may influence prostate cancer risk.[85] Thus, under conditions of moderate exposure common in Northern Europe, individuals with lighter skin and little ability to pigment (skin type 1) will synthesize more vitamin D than subjects with darker skin.[86] Accordingly, risk of prostate cancer will be lowest in men with light skin who fail to pigment. This risk will be moderated by extent of exposure. In particular, individuals with skin type 1 often develop sun avoidance strategies to avoid burning. Genetic factors in the synthesis of melanin need to be considered, because melanin largely determines skin colour. The rate-limiting steps in melanin synthesis are catalysed by tyrosinase (TYR) under the influence of melanocyte-stimulating hormone. This hormone acts via the melanocortin-1 receptor (MC1R). Both TYR and MC1R have polymorphisms with functional consequences.[85] Vitamin D itself is also clearly important and some but not other studies have shown links between vitamin D receptor (VDR) genotypes and prostate cancer risk. Luscombe *et al.*[85,87] found that polymorphisms in TYR (codon 192 variants) and MC1R were associated with prostate cancer risk. Homozygosity for MC1R Arg^{160} was associated with increased risk (OR = 2.18), whereas homozygosity for the TYR A2 allele was linked with reduced risk of cancer (OR = 0.42). Importantly, the protective effect of TYR genotypes found in the total group reflects an association with risk in subjects with the highest quartile of exposure. Similar associations between VDR polymorphisms and prostate cancer risk and the level of exposure to UVR have also been recently reported; in men with UVR exposure above the median (11.00 h/year), the *CDX-2* GA (odds ratio = 2.11), *CDX-2* AA (odds ratio = 2.02), and *Fok1* ff (odds ratio = 2.91) genotypes were associated with increased prostate cancer risk.[88] These data show for the first time, that allelism in genes linked with skin pigment synthesis is associated with prostate cancer risk.

Multiple sclerosis

The story of how it was realized that vitamin D is an important risk-reduction factor for multiple sclerosis (MS) is interesting, especially since the data required to make this connection have been available since the 1920s, but the interpretation did not come until 1997. Data on prevalence of MS in the various US states were developed for veterans of World Wars I and II and of the Korean War. In both data sets, there were very strong latitudinal gradients, with MS prevalence increasing rapidly with latitude.[29] In 1997, the first paper appeared suggesting that vitamin D explains this gradient.[16] A strong case for UV radiation in reducing the risk of MS was made on the basis of a case-control study in Australia in which it was determined that childhood sun exposure, especially in winter, was associated with a significant reduction in risk.[31] More recently, a study based on the Nurses' Health Study found that total ingested vitamin D was a significant risk-reduction factor,[89] and a study in the UK found that MS among those with non-melanoma skin cancer, an indication of time spent in the sun, was at half the value for the general population, unlike the association for other diseases among this group.[90] Furthermore, vitamin D will also reduce the symptoms of MS. The mechanisms for the effect of vitamin D on MS are known.[91] Interestingly, recent studies have reported associations between polymorphisms in genes associated with skin pigmentation and MS risk.[92] Thus, the evidence available indicates that that MS rates in the US and the UK could be reduced significantly through adequate vitamin D. In addition, there is evidence from the seasonal cycle of lesions associated with MS that UVB and vitamin D can reduce by about half the number of lesions that occur for low serum levels of $25(OH)D_3$.[30]

Psoriasis

Psoriasis and other skin diseases benefit from UVB. An uncontrolled study of the use of commercial indoor tanning facilities to treat those with psoriasis found 30–50% improvements in symptoms.[93] Analogues of vitamin D3 have been used as a topical therapy for psoriasis.[94]

Serum vitamin D levels and sources of vitamin D

One problem with the current guidelines regarding solar UVB exposure and vitamin D supplementation in many countries is that many people are not getting adequate amounts of vitamin D. Vitamin D insufficiency is a serious problem in the US due to a variety of factors. Winter doses of UVB radiation are insufficient to produce vitamin D in all but the most southern parts of the country. In addition, the modern lifestyle includes little time spent outdoors, and when people are in the summer sun, they often use sunscreens, which block the UVB radiation and reduce serum $25(OH)D_3$ production.[95] Examples of vitamin D insufficiency can be found readily in the health literature for dark-skinned people in the US,[19] Australians,[96] and Canadians.[97] Hypovitaminosis D is common in the UK and USA and is associated with various abnormalities in bone chemistry among elderly residents in these countries. This reason alone is a sufficient rationale for these countries to adopt a vitamin D supplementation programme, with 10 micrograms of vitamin D recommended.[98]

There is considerable evidence that levels of serum $25(OH)D_3$, the intermediate compound between cholecalciferol (vitamin D_3) and $1,25(OH)_2D$, are often inadequate in residents of European countries. For example, the prevalence of subclinical vitamin D deficiency decreases with latitude in winter in Europe, falling from 50 to 80% in Greece to 20–30% in Norway.[99,100] This finding is counterintuitive, but is probably related to a higher intake of vitamin D from diet and supplements in northern Europe to compensate for lower annual levels of UVB radiation, and the fact that there is insufficient UVB to produce vitamin D in winter even in southern Europe.[101] There have been reports that vitamin D consumption and serum $25(OH)D_3$ are inadequate in Austria.[102] Although serum $25(OH)D_3$ levels were similar for both genders in an adult population in Finland, serum parathyroid hormone (PTH) levels for women started to increase at half the serum vitamin D levels for men.[103] Based on measurements of PTH, 86% of the women and 56% of the men were determined to have insufficient vitamin D status. Similar results were found for male adolescents in France, where serum $25(OH)D_3$ fell from approximately 59 nmol/L (24 ng/mL) in summer to approximately 21 nmol/L in winter.[104] Pre-school children in the UK were found to be prone to low $25(OH)D_3$ levels in winter unless they were taking vitamin D supplements.[105] Half of the pregnant women from the non-European ethnic minority population in South Wales had serum vitamin D levels below 8 ng/mL.[106]

Vitamin D supplementation at moderate dosages of 400–600 IU per day appear to be without any significant risk.[107] It has been argued[108,109] that daily intakes of 100 μg (4000 IU) of vitamin D_3 per day is safe. However, serum vitamin D_3 levels vary widely by individual for the same intake. Dosages in children should correspond to body mass and should be determined with greater caution. Oral doses from supplements in excess of 2000 IU/

day may be associated with adverse effects such as increased calcium loss from bones in some individuals and should be avoided until further data are available. Vitamin D status would be best assured by periodic measurement of serum $25(OH)D_3$ levels, a simple test that is widely available.

Another way to obtain vitamin D in winter or when confined indoors is through use of UV lamps. A study in the UK found that the use of low-intensity UV lamps turned on 15 min per day and yielding a summertime dose of UVB for ambulatory people raised serum $25(OH)D_3$ levels from a mean near 12 nmol/L to about 32 nmol/L after about a year.[110] The end values are still not optimal, but do represent a substantial improvement. It should be noted that the efficiency of vitamin D production in skin decreases with age.

Mean values of serum $25(OH)D_3$ in Boston are 35 ± 10 ng/mL at the end of summer and 30 ± 10 ng/mL at the end of winter.[111] Taking multivitamins reduced vitamin D insufficiency significantly at the end of winter. These values are for a region of the USA where mortality rates for eight types of cancer are about twice those in the south-western states.[63] Thus, values for $25(OH)D_3$ in the range 60–70 ng/mL might be required for optimal protection against cancer and several other chronic diseases. What is not well understood is the amount of casual or intentional UVB dose required to generate adequate levels of serum $25(OH)D_3$. The amount varies considerably depending on a number of factors, and there has been little systematic study for any of the various conditions linked to vitamin D.

Some changes in public health policy regarding vitamin D intake are being considered. There have been suggestions that vitamin D supplementation be increased in Denmark[112] and Boston.[113] In Europe, there is a programme named OPTIFORD underway to investigate if fortification of food with vitamin D is a feasible strategy to remedy the insufficient vitamin D status of large population groups.[114]

Adverse health effects of UVR

Melanoma and other skin cancers

It is worthwhile to examine whether the risk of melanoma and other skin cancers can be minimized while at the same time increasing the production of vitamin D from solar UVB radiation. The risks that have been identified for melanoma include light hair, skin, and eye colour, a history of heavy freckling in adolescence, and a tendency to burn readily and tan poorly.[115] Intermittent sunburns, such as on weekends or vacations, are more commonly associated with melanoma than is daily sun exposure.[116]

The UVA spectral region appears to be more strongly associated with melanoma than is UVB radiation.[117–121] UVA radiation penetrates the skin deeper than does UVB radiation, where UV generates free radicals that subsequently damage DNA.[120,121] UVB seems therefore to be more involved in melanoma indirectly through temporarily reducing the protective layer of skin through sunburn rather than directly through DNA damage or free radicals. Although UVB does generate free radicals, their concentration at the basal epithelium is only 1/70th that of the more common and deeper-penetrating UVA photons.[121] Vitamin D present in the epidermis may actually reduce the risk of melanoma.[117,122] The ratio of UVA to UVB increases with latitude, which seems to be linked to the increase in melanoma mortality rates with latitude in Europe.[122]

Further evidence for UVA comes from the recent meta-analysis of studies that investigated whether use of sunscreen reduced the risk of melanoma – the finding was that it did not.[123] This finding is probably due to the fact that sunscreen is much more effective at blocking UVB than UVA.

The dietary links to melanoma and other skin cancers are also important. High-fat diets are thought to be risk factors for melanoma and other skin cancers.[124,125] Increased height, weight, and body surface area are associated with increased risk of melanoma among males in Washington State.[126] A low-fat diet was found to increase the survival rates of patients with advanced melanoma.[127] Vitamin E is inversely correlated with BCC.[128] Vitamin A is a risk-reduction factor for melanoma.[129] Smoking is a risk factor for BCC and SCC.[130] Thus, UVR is not the only risk factor associated with skin cancers, and the risk factors may act synergistically.

Thus, an overall recommendation to minimize, or even avoid, time in the sun may not be the best way to reduce the risk of melanoma and other skin cancer.[131] A better recommendation may be to seek limited but regular solar UVB exposure for vitamin D production and normal seasonal skin accommodation in summer, but to avoid sunburns and excessive tanning. When solar UVB radiation is not sufficient for vitamin D production, which could be for 5–6 months of the year in the UK, based on results in Boston,[101] then the possible use of artificial UVB lamps or vitamin D supplements or fortification of food needs to be considered.

Other adverse health effects from UVR

There are several other adverse health effects from UVR, especially from high doses. One is cataract formation. In the US, the prevalence of cataracts increases by 3% per

degree of latitude to the south.[132] One way to reduce the risk of cataract formation is to wear UV blocking glasses when exposed to UVR. Another way is to include lutein-rich fruit and vegetables or supplements.[133,134]

Premature skin ageing is another major concern with respect to UVR exposure.[6] Excess UVR exposure should be avoided. However, a good way to reduce these effects of UVR exposure is through consuming plenty of antioxidants.[135]

There are some conditions for which the best policy is near total avoidance of UVB radiation. One of these is systemic lupus erythematosus (SLE). In the US, a high correlation was found between SLE mortality rates and solar UVB radiation for July.[136]

Sunbeds

That the careful use of sunbeds may be an appropriate way to obtain vitamin D can be supported from several directions. First, the lamps used in sunbeds today have nearly the same ratio of UVB to UVA as sunlight incident at mid-latitudes – about 0.04. Second, in Europe, although use of sunbeds has been associated with a 50% increase in risk of melanoma,[137] this is not the case in the US and in a recent UK study.[138] The two studies that investigated this link in the US found no significant risk.[139,140] The UK study found that the only significant associations in this study were with 10 or more sunburns and the use of a sunbed in young subjects with fair skin.[138] This study also found a risk reduction for melanoma for the greatest total hours of sunbed usage, and pointed out that many studies of melanoma and sunbed use had failed to demonstrate the dose–response relationship that is required to show causality. It is suggested that the difference may be that the use of sunbeds is more carefully regulated in the US than in Europe, especially in regard to initial dose, maximum dose, and frequency of use. However, other confounding factors such as smoking and types of lamps used may also play a role. These important issues need to be addressed. Third, even if there were a 50% increased risk of melanoma, the health benefits from indoor tanning would mirror those from solar UVB exposure. A preliminary study of the economic burden in the US in 2003 associated due to impaired health or mortality due to insufficient UVB, the primary source of vitamin D in the US[141] found that it was approximately $50 billion (range $25–$75 billion), which was much larger than the $3 billion attributed to the health risks of BCC, SCC, melanoma, cataracts, and premature skin ageing (Grant, in preparation). Fourth, it is noted that melanoma is much more related to recreational UVR exposure than to occupational UVR exposure.[116] One of the advantages of sunbeds is that if properly used, they could provide a tan in a controlled manner more in accordance with occupational exposure, so that when one does take that vacation trip to the beach, one is much less likely to sunburn.

Discussion

It appears that the concern with the adverse effects of solar UV radiation exposure, namely increased risk for melanoma, basal cell and squamous cell carcinoma, premature ageing of the skin, and cataracts, may have led to public health recommendations that also have unintentionally reduced serum $25(OH)D_3$ levels. The health benefits of UVB seem to outweigh the adverse effects by a ratio of 15 : 1 in the US (Grant, in preparation), with a higher ratio likely in the UK, since solar UVB levels are lower there. We recognize the need for public health recommendations that protect the public from undue harm, but current guidelines regarding solar and artificial UVB radiation exposure and vitamin D fortification and supplementation appear to be inconsistent with new data on UVB and vitamin D. All findings should be reviewed and new guidelines developed that would provide a better balance between the health benefits and risks of sun exposure.

Conclusions

There are many health benefits from UVB radiation, which is an important source of vitamin D for most people on Earth. The health benefits include reductions in risk of 16 types of internal cancers, of diabetes mellitus, heart disease, hypertension, multiple sclerosis, myopathy, osteoporosis, psoriasis, rickets, schizophrenia, and tuberculosis.

Acknowledgements

William Grant is forming an organization called Sunlight, Nutrition and Health Research Center (SUNARC), which will have as its goals the continued research into the health benefits of vitamin D and UVB radiation and the health effects of diet and nutrition, the collection of information on these topics, and advocacy of revised health guidelines based on the findings. It is anticipated that the indoor tanning industry will be providing some of the funding for SUNARC. The North Staffordshire Medical Institute provided Richard Strange with some of the funding for work described in this paper.

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Editorial

Rickets Today — Children Still Need Milk and Sunshine

Nicholas Bishop, M.D.

N Engl J Med 1999; 341:602-604August 19, 1999DOI: 10.1056/NEJM199908193410810

Rickets has been a childhood scourge for centuries. Before the Industrial Revolution in England it was a disease of the affluent, because their style of clothing and the fact that they spent most of their time indoors limited their exposure to sunlight. Later, urbanization and atmospheric pollution caused city-dwelling poor children to be more commonly affected. By the end of the 19th century, rickets was known in Europe as "the English disease."

Studies during the early part of the 20th century seemed to link both exposure to sunlight and diet to rickets, but debate about the relative importance of these two factors delayed progress toward effective treatment. The healing of rickets in dogs by treatment with cod liver oil in 1919 and in children by exposure to sunlight on the roof of a hospital in New York City in 1921 demonstrated that a common factor, later called vitamin D, was essential for skeletal health. Vitamin D_3, produced in the skin by the action of sunlight, and vitamin D_2, obtained through food, have equal biologic potency. Vitamin D is converted first to 25-hydroxyvitamin D in the liver and then to its active metabolite, 1,25-dihydroxyvitamin D, in the kidney. 1,25-Dihydroxyvitamin D acts through specific receptors to increase calcium absorption in the intestine and, with parathyroid hormone, mobilizes calcium from bone to maintain serum calcium concentrations.1

Rickets remains a major health problem in many developing countries and among immigrants in developed countries. Affected children typically present at the age of 18 months with delayed motor development, hypotonia, and short stature, and they have knock knees or bowed legs. The causes usually are inadequate exposure to sunlight because the children are clothed and kept indoors and prolonged breast-feeding without vitamin D supplementation. Additional dietary factors may reduce calcium and vitamin D absorption. For example, a vegetarian diet and high intake of phylate

and fiber have been associated with reduced calcium and vitamin D absorption and an increased incidence of rickets among children of Asian immigrants in Britain.[2]

Rickets may have severe consequences. It is strongly associated with pneumonia in young children in developing countries. In a case–control study at the Ethio-Swedish Children's Hospital in Addis Ababa,[3] Muhe and colleagues demonstrated an incidence of rickets among children with pneumonia that was 13 times as high as that among control children, after adjustment for family size, birth order, crowding, and months of exclusive breast-feeding. The relative risk of death for the children with rickets as compared with the children without rickets was 1.7. Furthermore, bony deformity of the pelvis in women leads to obstructed labor and increased perinatal morbidity and mortality.

The standard treatment for rickets is vitamin D. Vitamin D deficiency is not the only cause of rickets, however. Rickets can develop in premature infants who have outgrown their dietary intake of calcium and phosphate. Such infants should be given more calcium and phosphate, not vitamin D. Rickets also occurs when the supply of phosphate required for soft-tissue and skeletal growth is reduced by excessive urinary loss, which occurs in children with X-linked hypophosphatemic rickets or renal tubular disease.

Calcium deficiency has been suggested as a cause of rickets in African children with apparently good exposure to sunlight,[4] but definitive evidence has been lacking. In this issue of the *Journal,* Thacher and colleagues report that calcium, with or without vitamin D supplementation, was more effective than vitamin D alone in achieving biologically important changes in biochemical and radiologic measures of rickets in Nigerian children.[5] The children with rickets in this study (median age, 46 months) were somewhat older than would be expected for children presenting with vitamin D deficiency and had good exposure to sunlight. Most had serum 25-hydroxyvitamin D concentrations within the normal range.

Notwithstanding the beneficial effects of calcium in these children, unanswered questions remain about the cause of their rickets. Their early calcium intake may have been lower than that of the control group because of a shorter period of breast-feeding, although at the time of study enrollment calcium intake was similar in the two groups. Calcium absorption and urinary excretion were not measured in this study, but low or even undetectable urinary calcium excretion has been reported in similar children.[4] There may have been individual variations in fiber or phylate intake that affected the absorption of dietary calcium.

Genetic factors might also have affected calcium absorption and usage. In the vitamin D receptor, the *Fok*I polymorphism predicts calcium absorption and bone mineral density in children,[6] and the *Bsm*I polymorphism is associated with variations in intrauterine and early postnatal growth.[7] Combinations of these and other genetic variations might alter the susceptibility of some rapidly growing children to rickets while they are consuming a diet low in calcium.

It seems likely that the rickets in these Nigerian children resulted from calcium deficiency. After weaning, the staple diet of many young African children is maize porridge, with low calcium and high fiber content. Dietary calcium comes from dairy products, which may be consumed only occasionally. If there is to be progress in preventing rickets in such children, then mothers need to be encouraged to breast-feed for at least 18 months and calcium from a cheap, locally available source must be incorporated into the diet.

Children in developed countries need calcium, too. There is clear evidence from prospective studies of dietary supplementation that increased calcium intake during childhood results in increased calcium retention and increased bone mass.[8] Young adults with a history of greater milk consumption have a higher total-body bone mass than those with lower intake after the influence of body size is taken into account.[9] Calcium, vitamin D, and phosphate are essential nutrients for the growing skeleton. Wherever children live, they should follow Grandma's advice: “Drink up your milk, and go play outside.”

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J Pharmacol Pharmacother. 2012 Apr-Jun; 3(2): 118–126. PMCID: PMC3356951
doi: 10.4103/0976-500X.95506

Vitamin D: The "sunshine" vitamin

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Abstract

Go to:

Vitamin D insufficiency affects almost 50% of the population worldwide. An estimated 1 billion people worldwide, across all ethnicities and age groups, have a vitamin D deficiency (VDD). This pandemic of hypovitaminosis D can mainly be attributed to lifestyle (for example, reduced outdoor activities) and environmental (for example, air pollution) factors that reduce exposure to sunlight, which is required for ultraviolet-B (UVB)-induced vitamin D production in the skin. High prevalence of vitamin D insufficiency is a particularly important public health issue because hypovitaminosis D is an independent risk factor for total mortality in the general population. Current studies suggest that we may need more vitamin D than presently recommended to prevent chronic disease. As the number of people with VDD continues to increase, the importance of this hormone in overall health and the prevention of chronic diseases are at the forefront of research. VDD is very common in all age groups. As few foods contain vitamin D, guidelines recommended supplementation at suggested daily intake and tolerable upper limit levels. It is also suggested to measure the serum 25-hydroxyvitamin D level as the initial diagnostic test in patients at risk for deficiency. Treatment with either vitamin D2 or vitamin D3 is recommended for deficient patients. A meta-analysis published in 2007 showed that vitamin D supplementation was associated with significantly reduced mortality. In this review, we will summarize the mechanisms that are presumed to underlie the relationship between vitamin D and understand its biology and clinical implications.

Keywords: Cancer, fat soluble vitamin, hypertension, obesity, vitamin D analogs

INTRODUCTION

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Vitamin D insufficiency affects almost 50% of the population worldwide.[1] An estimated 1 billion people worldwide, across all ethnicities and age groups, have a vitamin D deficiency (VDD).[1–3] This pandemic of hypovitaminosis D can mainly be attributed to lifestyle and environmental factors that reduce exposure to sunlight, which is required for ultraviolet-B (UVB)-induced vitamin D production in the skin. Black people absorb more UVB in the melanin of their skin than do white people and, therefore, require more sun exposure to produce the same amount of vitamin D.[4]

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The high prevalence of vitamin D insufficiency is a particularly important public health issue because hypovitaminosis D is an independent risk factor for total mortality in the general population.[5] Emerging research supports the possible role of vitamin D against cancer, heart disease, fractures and falls, autoimmune diseases, influenza, type-2 diabetes, and depression. Many health care providers have increased their recommendations for vitamin D supplementation to at least 1000 IU.[6] A meta-analysis published in 2007 showed that vitamin D supplementation was associated with significantly reduced mortality.[7] In this review, we will focus on the biology of vitamin D and summarize the mechanisms that are presumed to underlie the relationship between vitamin D and its clinical implications.

Biology of the sunshine vitamin

Vitamin D is unique because it can be made in the skin from exposure to sunlight.[3,8–10] Vitamin D exists in two forms. Vitamin D_2 is obtained from the UV irradiation of the yeast sterol ergosterol and is found naturally in sun-exposed mushrooms. UVB light from the sun strikes the skin, and humans synthesize vitamin D_3, so it is the most "natural" form. Human beings do not make vitamin D_2, and most oil-rich fish such as salmon, mackerel, and herring contain vitamin D_3. Vitamin D (D represents D_2, or D_3, or both) that is ingested is incorporated into chylomicrons, which are absorbed into the lymphatic system and enter the venous blood. Vitamin D that comes from the skin or diet is biologically inert and requires its first hydroxylation in the liver by the vitamin D-25-hydroxylase (25-OHase) to 25(OH)D.[3,11] However, 25(OH)D requires a further hydroxylation in the kidneys by the 25(OH)D-1-OHase (CYP27B1) to form the biologically active form of vitamin D 1,25(OH)2D.[3,11] 1,25(OH)2D stimulates intestinal calcium absorption.[12] Without vitamin D, only 10–15% of dietary calcium and about 60% of phosphorus are absorbed. Vitamin D sufficiency enhances calcium and phosphorus absorption by 30–40% and 80%, respectively.[3,13]

Vitamin D receptor (VDR) is present in most tissues and cells in the body.[6,14] 1,25(OH)2D has a wide range of biological actions, such as inhibition of cellular proliferation and inducing terminal differentiation, inhibiting angiogenesis, stimulating insulin production, inhibiting renin production, and stimulating macrophage cathelicidin production.[6,14–16] The local production of 1,25(OH)2D may be responsible for regulating up to 200 genes[17] that may facilitate many of the pleiotropic health benefits that have been reported for vitamin D.[3,8,9,14]

Vitamin D deficiency: Prevalence

VDD has been historically defined and recently recommended by the Institute of Medicine (IOM) as a 25(OH)D of less than 0.8 IU. Vitamin D insufficiency has been defined as a 25(OH)D of 21–29 ng/mL.[1,18–23] Children and young- and middle-aged adults are at equally high risk for VDD and insufficiency worldwide. VDD is common in Australia, the Middle East, India, Africa, and South America.[1,24,25] Pregnant and lactating women who take a prenatal vitamin and a calcium supplement with vitamin D remain at high risk for VDD.[26–28]

Vitamin D deficiency, why it happens?

The major source of vitamin D for children and adults is exposure to natural sunlight.[1,29–32] Thus, the major cause of VDD is inadequate exposure to sunlight.[29,33–35] Wearing a sunscreen with a sun protection factor of 30 reduces vitamin D synthesis in the skin by more than 95%.[36] People with a naturally dark skin tone have natural sun protection and require at least three to five times longer exposure to make the same amount of vitamin D as a person with a white skin tone.[37,38] There is an

inverse association of serum 25(OH)D and body mass index (BMI) greater than 30 kg/m^2, and thus, obesity is associated with VDD.[39]

Patients with one of the fat malabsorption syndromes and bariatric patients are often unable to absorb the fat-soluble vitamin D, and patients with nephritic syndrome lose 25(OH)D bound to the vitamin D-binding protein in the urine.[1] Patients on a wide variety of medications, including anticonvulsants and medications to treat AIDS/HIV, are at risk because these drugs enhance the catabolism of 25(OH)D and 1,25(OH)2D.[40] Patients with chronic granuloma-forming disorders (sarcoidosis, tuberculosis, and chronic fungal infections), some lymphomas, and primary hyperparathyroidism who have increased metabolism of 25(OH)D to 1,25(OH)2D are also at high risk for VDD.[41,42]

Vitamin D deficiency: Consequences

VDD results in abnormalities in calcium, phosphorus, and bone metabolism. VDD causes a decrease in the absorption of dietary calcium and phosphorus, resulting in an increase in PTH levels.[1,3,18,43] The PTH-mediated increase in osteoclastic activity creates local foci of bone weakness and causes a generalized decrease in bone mineral density (BMD), resulting in osteopenia and osteoporosis. An inadequate calcium–phosphorus product causes a mineralization defect in the skeleton.[1,44] In young children who have little mineral in their skeleton, this defect results in a variety of skeletal deformities classically known as rickets.[45,46] VDD also causes muscle weakness; affected children have difficulty in standing and walking,[46,47] whereas the elderly have increasing sway and more frequent falls,[48,49] thereby increasing their risk of fracture.

Groups at risk of vitamin-D inadequacy

Obtaining sufficient vitamin D from natural food sources alone is difficult. Consumption of vitamin D-fortified foods and exposure to some sunlight are essential for maintaining a healthy vitamin D status. Dietary supplements might be required to meet the daily need for vitamin D in some group of people. [50]

Breastfed infants Vitamin D requirements cannot ordinarily be met by human milk alone,[23,51] which provides <25 IU/L to 78 IU/L.[52] Vitamin D content of human milk is related to the mother's vitamin D status; therefore mothers who supplement with high doses of vitamin D may have high levels of vitamin D in their milk.[52] American Association of Paediatricians (AAP) recommends that exclusively and partially breastfed infants must be supplemented with 400 IU of vitamin D per day, [52,53] the recommended daily allowance for this nutrient during infancy.

Older adults Older adults are at high risk of developing vitamin D insufficiency because of aging. Their skin cannot synthesize vitamin D as efficiently, they are likely to spend more time indoors, and they may have inadequate intakes of the vitamin.[23]

People with limited sun exposure Homebound individuals, women who wear long robes and head coverings for religious reasons, and people with occupations that limit sun exposure are unlikely to obtain adequate vitamin D from sunlight.[54,55] The significance of the role that sunscreen may play in reducing vitamin D synthesis is still unclear.[23] Intake of RDA levels of vitamin D from foods and/or supplements will provide adequate amounts of this nutrient to these individuals.

People with dark skin Larger amounts of the pigment melanin in the epidermal layer result in darker skin and reduce the skin's ability to produce vitamin D from sunlight.[23] It is not sure that lower levels of 25(OH)D for persons with dark skin have significant health consequences. Intake of RDA levels of vitamin D from foods and/or supplements will provide adequate amounts of this nutrient to these individuals.

People with fat malabsorption Vitamin D is fat soluble, therefore it requires some dietary fat in the gut for absorption. Individuals with reduced ability to absorb dietary fat might require vitamin D supplements.[56] Fat malabsorption is associated with a variety of medical conditions including some forms of liver disease, cystic fibrosis, and Crohn's disease.[57]

People who are obese or who have undergone gastric bypass surgery A BMI value of ≥30 is associated with lower serum 25(OH)D levels compared with nonobese individuals. Obese people may need larger than usual intakes of vitamin D to achieve 25(OH)D levels comparable to those of normal weight.[23] Greater amounts of subcutaneous fat sequester (captivate) more of the vitamin and alter its release into the circulation. Individuals who have undergone gastric bypass surgery may become vitamin D deficient over time without a sufficient intake of vitamin D from food or supplements; moreover part of the upper small intestine where vitamin D is absorbed is bypassed.[58,59]

Sources of vitamin D

A major source of vitamin D for most humans is synthesized from the exposure of the skin to sunlight typically between 1000 h and 1500 h in the spring, summer, and fall.[1,29,33,60] Vitamin D produced in the skin may last at least twice as long in the blood compared with ingested vitamin D.[61] When an adult wearing a bathing suit is exposed to one minimal erythemal dose of UV radiation (a slight pinkness to the skin 24 h after exposure), the amount of vitamin D produced is equivalent to ingesting between 10,000 and 25,000 IU.[33] A variety of factors reduce the skin's production of vitamin D_3, including increased skin pigmentation, aging, and the topical application of a sunscreen.[1,36,37] An alteration in the zenith angle of the sun caused by a change in latitude, season of the year, or time of day dramatically influences the skin's production of vitamin D_3.[1,33]

Physiological actions of vitamin D

Vitamin D is a fat-soluble vitamin that acts as a steroid hormone. In humans, the primary source of vitamin D is UVB-induced conversion of 7-dehydrocholesterol to vitamin D in the skin [Figure 1]. [1,62] Vitamin D influences the bones, intestines, immune and cardiovascular systems, pancreas, muscles, brain, and the control of cell cycles.[63]

Figure 1
Vitamin D synthesis

Vitamin D undergoes two hydroxylations in the body for activation. Calcitriol (1,25-dihydroxyvitamin D_3), the active form of vitamin D, has a half-life of about 15 h, while calcidiol (25-hydroxyvitamin D_3) has a half-life of about 15 days.[63] Vitamin D binds to receptors located throughout the body. 25(OH)D is transformed by renal or extrarenal 1α-hydroxylase into 1,25-dihydroxyvitamin D (1,25[OH]2D), which circulates at much lower serum concentrations than 25(OH)D, but has a much higher affinity to the VDR.[64] Studies have, however, shown that many other cell types, including those of the vascular wall, express 1α-hydroxylase with subsequent intracellular conversion of 25(OH)D to 1,25(OH)2D, which exerts its effects at the level of the individual cell or tissue before being catabolized to biologically inactive calcitroic acid.[1,65,66] Factors such as fibroblast growth factor 23 and Klotho, which suppress 1α-hydroxylase expression, have also been shown to regulate the renal conversion of 25(OH)D to 1,25(OH)2D.[67] Importantly, extrarenal 1α-hydroxylase expression also underlies various regulatory mechanisms. In this context, extrarenal 1,25(OH)2D productions in

macrophages are stimulated by Toll-like receptor as part of the innate immune response against intracellular bacteria.[68] Another example of extrarenal regulation of 1α-hydroxylase is that the increased production of 1,25(OH)2D by keratinocytes in wounds[69] therefore provides a good estimate of vitamin D status, but regulation of 1α-hydroxylase activity should also be considered. Vitamin D crosses the blood–brain barrier and the receptors for vitamin D are found across the brain, but its precise role is still not known.

Drug interactions

Vitamin D supplements may interact with several types of medications. Corticosteroids can reduce calcium absorption, which results in impaired vitamin D metabolism.[9] Since vitamin D is fat soluble, Orlistat and Cholestyramine can reduce its absorption and should be taken several hours apart from it.[9] Phenobarbital and phenytoin increase the hepatic metabolism of vitamin D to inactive compounds and decrease calcium absorption, which also impairs vitamin D metabolism.[9]

Dosing

Only a few foods are a good source of vitamin D. The best way to get additional vitamin D is through supplementation. Traditional multivitamins contain about 400 IU of vitamin D, but many multivitamins now contain 800 to 1000 IU. A variety of options are available for individual vitamin D supplements, including capsules, chewable tablets, liquids, and drops. Cod liver oil is a good source of vitamin D, but in large doses there is a risk of vitamin A toxicity.[70]

Clinical benefits of vitamin D

Cancer Vitamin D decreases cell proliferation and increases cell differentiation, stops the growth of new blood vessels, and has significant anti-inflammatory effects.[71,72] Many studies have suggested a link between low vitamin D levels and an increased risk of cancer, with the strongest evidence for colorectal cancer. In the Health Professionals Follow-up Study (HPFS), subjects with high vitamin D concentrations were half as likely to be diagnosed with colon cancer as those with low concentrations.[71] A definitive conclusion cannot yet be made about the association between vitamin D concentration and cancer risk, but results from many studies are promising. There is some evidence linking higher vitamin D intake to a lower risk for breast cancer.[72] The effect of menopausal status on this association is still unclear.

Heart disease Several studies are providing evidence that the protective effect of vitamin D on the heart could be via the renin–angiotensin hormone system, through the suppression of inflammation, or directly on the cells of the heart and blood-vessel walls.[17] In the Framingham Heart Study, patients with low vitamin D concentrations (<15 ng/mL) had a 60% higher risk of heart disease than those with higher concentrations.[17] In another study, which followed men and women for 4 years, patients with low vitamin D concentrations (<15 ng/mL) were three times more likely to be diagnosed with hypertension than those with high concentrations (>30 ng/mL).[73]

Hypertension The third National Health and Nutrition Examination Survey (NHANES-III),[74] which is representative of the noninstitutionalized US civilian population, showed that systolic blood pressure and pulse pressure were inversely and significantly correlated with 25(OH)D levels among 12,644 participants. Age-associated increase in systolic blood pressure was significantly lower in individuals with vitamin D sufficiency.[75,76] The prevalence of arterial hypertension was also associated with reduced serum 25(OH)D levels in 4030 participants of the German National Interview and Examination Survey,[77] in 6810 participants of the 1958 British Birth Cohort,[78] and in other study populations.[79–87] The antihypertensive effects of vitamin D are mediated by renoprotective effects,

suppression of the RAAS, by beneficial effects on calcium homeostasis, including the prevention of secondary hyperparathyroidism, and by vasculoprotection.[85]

Obesity Low concentrations of circulating vitamin D are common with obesity and may represent a potential mechanism explaining the elevated risk of certain cancers and cardiovascular outcomes. Levels of 25(OH)D are inversely associated with BMI, waist circumference, and body fat but are positively associated with age, lean body mass, and vitamin D intake.

The prevalence of VDD is higher in black versus white children regardless of season predictors of VDD in children include black race, female sex, pre-pubertal status, and winter/spring season.[88] Weight loss is associated with an increase in 25(OH)D levels among postmenopausal overweight or obese women.[89]

Type 2 diabetes A trial of nondiabetic patients aged 65 years and older found that those who received 700 IU of vitamin D (plus calcium) had a smaller rise in fasting plasma glucose over 3 years versus those who received placebo.[90] A correlation between vitamin D and the risk diabetes can be ruled in from the results.

Depression A Norwegian trial of overweight subjects showed that those receiving a high dose of vitamin D (20,000 or 40,000 IU weekly) had a significant improvement in depressive symptom scale scores after 1 year versus those receiving placebo.[91] The result determines a correlation between vitamin D and the risk of depression.

Cognitive impairment In the Invecchiare in Chianti (InCHIANTI) Italian population-based study, low levels of vitamin D were associated with substantial cognitive decline in the elderly population studied during a 6-year period.[92] Low levels of 25(OH)D may be especially harmful to executive functions, whereas memory and other cognitive domains may be relatively preserved.

Parkinson's disease Parkinson's disease is a major cause of disability in the elderly population. Unfortunately, risk factors for this disease are relatively unknown. Recently, it has been suggested that chronically inadequate vitamin D intake may play a significant role in the pathogenesis of Parkinson's disease. A cohort study based on the Mini-Finland Health Survey demonstrated that low vitamin D levels may predict the development of Parkinson's disease.[93]

Fractures and falls Vitamin D is known to help the body absorb calcium, and it plays a role in bone health. In addition, VDRs are located on the fast-twitch muscle fibers, which are the first to respond in a fall.[94] It is theorized that vitamin D may increase muscle strength, thereby preventing falls.[6] Many studies have shown an association between low vitamin D concentrations and an increased risk of fractures and falls in older adults.

A combined analysis of 12 fracture-prevention trials found that supplementation with about 800 IU of vitamin D per day reduced hip and nonspinal fractures by about 20%, and that supplementation with about 400 IU per day showed no benefit.[95] Researchers at the Jean Mayer USDA Human Nutrition Research Center on Aging at Tufts University have examined the best trials of vitamin D versus placebo for falls. Their conclusion is that "fall risk reduction begins at 700 IU and increases progressively with higher doses."[94]

Autoimmune diseases VDD can contribute to autoimmune diseases such as multiple sclerosis (MS), type 1 diabetes, rheumatoid arthritis, and autoimmune thyroid disease.[96]

A prospective study of white subjects found that those with the highest vitamin D concentrations had a 62% lower risk of developing MS versus those with the lowest concentrations.[97] A Finnish study that followed children from birth noted that those given vitamin D supplements during infancy had a nearly

90% lower risk of developing type 1 diabetes compared with children who did not receive supplements.[98]

Influenza VDD in the winter months may be the seasonal stimulus that triggers influenza outbreaks in the winter.[96] In a Japanese randomized, controlled trial, children given a daily vitamin D supplement of 1200 IU had a 40% lower rate of influenza type A compared with those given placebo; there was no significant difference in rates of influenza type B.[99]

Bacterial vaginosis An analysis of data from the National Health and Nutrition Examination Survey showed that in pregnant women, VDD was associated with nearly a 3-fold increased risk for Bacterial Vaginosis (BV).[100] In non-pregnant women, VDD modulated the association between smoking and BV.

Pelvic floor disorders The frequency of Pelvic floor disorders, including urinary and fecal incontinence, is increasing with age. Pelvic floor disorders have been linked to osteoporosis and low BMD and remain one of the most common reasons for gynaecologic surgery, with a failure rate of 30%. Subnormal levels of 25(OH)D are common among women, and lower levels are associated with a higher likelihood of pelvic floor disorders.[101] Results from the National Health and Nutrition Examination Survey confirmed that lower 25(OH) D levels are associated with a greater risk for urinary incontinence in women older than 50 years.

Age-related macular regeneration High vitamin D blood levels appear to be associated with a decreased risk for the development of early age-related macular degeneration (AMD) among women younger than 75 years.[102] Among women younger than 75 years, there is a lower risk for early AMD with higher vitamin D levels, with a threshold effect at 15.22 ng/L serum 25 (OH)D.

RECOMMENDATION GUIDELINES: ENDOCRINE SOCIETY OF CLINICAL PRACTICE

Go to:

Diagnostic procedure

ESCP recommend screening for VDD in individuals at risk for deficiency and not for patients who are not at risk. Serum circulating 25-hydroxyvitamin D [25(OH) D] level should be measured to evaluate vitamin D status in patients who are at risk for VDD. VDD is defined as a 25(OH) D below 20 ng/mL (50 nmol/L).[103]

Recommended dietary intakes of vitamin D

ESCP suggests that obese children and adults on anticonvulsant medications, glucocorticoids, antifungals such as ketoconazole, and medications for AIDS should be given at least two to three times more vitamin D for their age group to satisfy their body's vitamin D requirement[Table 1].

Table 1

Recommended dietary intakes of vitamin D for patients at risk for vitamin D deficiency[103]

ESCP suggests that the maintenance tolerable upper limits (UL) of vitamin D, which is not to be exceeded without medical supervision, should be 1000 IU/d for infants up to 6 months, 1500 IU/d for infants from 6 months to 1 year, at least 2500 IU/d for children aged 1–3 years, 3000 IU/d for children aged 4–8 years, and 4000 IU/d for everyone over 8 years. Higher levels of 2000 IU/d for children 0–1 year, 4000 IU/d for children 1–18 years, and 10000 IU/d for children and adults 19 years and older may be needed to correct VDD.[103]

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Treatment and prevention strategies

Vitamin D_2 or vitamin D_3 can be used for the treatment and prevention of VDD [Table 2]. In patients with extrarenal production of 1,25(OH)2D, serial monitoring of 25(OH)D levels and serum calcium levels during treatment with vitamin D to prevent hypercalcemia is suggested [Table 2]. Primary hyperparathyroidism and VDD need treatment with vitamin D.[103]

Table 2
Treatment and prevention strategies[103]

Noncalcemic benefits of vitamin D

ESCP recommends prescribing vitamin D supplementation for fall prevention and do not recommend supplementation beyond recommended daily needs for the purpose of preventing cardiovascular disease or death or improving quality of life.[103]

Vitamin D analogs

Vitamin D has five natural analogs, called vitamers, and four synthetic analogs which are made synthetically. Vitamin D analogs are chemically classified as secosteroids, which are steroids with one broken bond.

Natural analogs of vitamin D

- Vitamin D_1 is a molecular compound of ergocalciferol (D_2) with lumisterol in a 1:1 ratio.
- Vitamin D_2 (ergocalciferol) is produced by invertebrates, some plants, and fungi. Biological production of D_2 is stimulated by ultraviolet light.
- Vitamin D_3 (cholecalciferol) is synthesized in the skin by the reaction of 7-dehydrocholesterol with UVB radiation, present in sunlight with an UV index of three or more.
- Vitamin D_4 is an analog scientifically known as 22-dihydroergocalciferol.
- Vitamin D_5 (sitocalciferol) is an analog created from 7-dehydrositosterol.

Synthetic analogs of vitamin D

- Maxacalcitol (22-oxacalcitriol or OCT) is the first analog found to have a wider therapeutic window than 1,25(OH)2D_3.[104]
- Calcipotriol is derived from calcitriol was first discovered during trials involving the use of vitamin D for treating osteoporosis.
- Dihydrotachysterol (DHT) is a synthetic form of vitamin D that many consider superior to natural D_2 and D_3. It becomes active by the liver without needing to go through hydroxylation in the kidneys.
- Paricalcitol (19-norD_2) is also derived from calcitriol. It is the first of the new vitamin D analogs to be approved for secondary hyperparathyroidism and differs from calcitriol in that it lacks the exocyclic carbon 19 and has a vitamin D_2 side chain instead of a vitamin D_3 side chain.[105]
- Tacalcitol is a derivative of vitamin D_3. It is known to hinder keratinocytes in the skin.
- Doxercalciferol ($1\alpha(OH)_{D2}$) is a prodrug and must be activated *in vivo*. It is less toxic than $1\alpha(OH)_{D3}$[106] when administered chronically.
- Falecalcitriol (1,25(OH) 2-26, 27-F6-D3) is approved for secondary hyperparathyroidism in Japan.[105] It is more active than calcitriol because of its slower metabolism.[107]

CONCLUSION

Go to:

Numbers of people with VDD are continuously increasing; the importance of this hormone in overall health and the prevention of chronic diseases are at the forefront of research. VDD is very common in all age groups. Very few foods contain vitamin D therefore guidelines recommended supplementation of vitamin D at tolerable UL levels. It is also suggested to measure the serum 25-hydroxyvitamin D level as the initial diagnostic test in patients at risk for deficiency. Treatment with either vitamin D_2 or vitamin D_3 is recommended for the deficient patients. More research is required to recommend screening individuals who are not at risk for deficiency or to prescribe vitamin D to attain the noncalcemic benefit for cardiovascular protection.

ACKNOWLEDGMENTS

Go to:

We would like to acknowledge Mr. Anand Iyer, VP, Marketing and Sales, Torrent Pharmaceuticals Ltd., for providing us moral and infrastructural support for drafting this scientific review and Mr. Ramesh Jayswal, Executive—Information Science, Torrent Pharmaceuticals Ltd., who has enabled us with the required reference articles and scientific inputs to draft this review article.

Footnotes

Go to:

Source of Support: Nil

Conflict of Interest: None declared.

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September 20, 2016

San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94103

Subject: **Eastern Neighborhoods Citizen Advisory Committee (EN CAC) Response to the EN Monitoring Reports (2011-2015)**

Dear President Fong and Members of the Planning Commission:

At your September 22, 2016 Regular Meeting, you will hear a presentation on the Eastern Neighborhoods Five Year Monitoring Report (2011 – 2015). Attached, please find the statement prepared by the Eastern Neighborhoods Citizen Advisory Committee (EN CAC) in response to this report.

As you know, we are a 19 member body created along with the Eastern Neighborhoods Plans in 2009. We are appointed by both the Mayor and the Board of Supervisors and are made up of wide range of residents, business and property owners, developers, and activists. Our charge is to provide input on many aspects of the EN Plans' implementation including but not limited to: (1) how to program funds raised through impact fees, (2) proposed changes in land use policy, and (3) the scope and content of the Monitoring Report.

We have been working closely with staff over the course of the last year to assure the Monitoring Report is accurate and contains all of the material and analysis required by the Planning and Administrative Codes. At our regular monthly meeting in August, we voted to endorse the Monitoring Report that is now before you. We understand that while the Monitoring Report is to provide data, analysis, and observations about development in the EN, it is not intended to provide conclusive statements about its success. Because of this, we have chosen to provide you with the attached statement regarding the where we believe the EN Plan has been successful, where it has not, and what the next steps should be in improving the intended Plans' goals and objectives.

Several of our members will be at your September 22 hearing to provide you with our prospective. We look forward to having a dialog with you on what we believe are the next steps.

Please feel free to reach out to me, Bruce Huie, the CAC Vice-Chair or any of our members with questions or thoughts through Mat Snyder, CAC staff. (mathew.snyder@sfgov.org; 415-575-6891)

Sincerely,

Chris Block
Chair
Eastern Neighborhoods Citizen Advisory Committee

Eastern Neighborhoods Citizen Advisory Committee
Response to the Five-Year EN Monitoring Report (2011-2015)

INTRODUCTION

The Eastern Neighborhoods Citizen Advisory Committee (EN CAC) is comprised of 19 individuals appointed by members of the Board of Supervisors and the Mayor to represent the five neighborhoods included in the Eastern Neighborhoods Plan (EN Plan) - Mission, Showplace Square/Potrero Hill, Central Waterfront, East SoMa and Western SoMa.

The EN CAC has prepared this document in response to the five-year monitoring report, which was prepared under the specifications of the EN Plan adopting ordinance and approved for submittal to the Planning Commission by the EN CAC on September 22, 2016. This response letter was prepared to provide context and an on-the-ground perspective of what has been happening, as well as outline policy objectives and principles to support the community members in each of these neighborhoods who are most impacted by development undertaken in response to the Plan.

BACKGROUND

High Level Policy Objectives and Key Planning Principles of the EN Plan:
The Eastern Neighborhoods Plans represent the City's and community's pursuit of two key policy goals:

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

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

The Economy and Jobs:

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

People and Neighborhoods:

1. Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

2. Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

The ordinances that enacted the EN Plan envision an increase of 9,785 and over 13,000 new jobs in the Plan Area over the 20 year period - 2009 to 2029.

The Eastern Neighborhood's approval included various implementation documents including an Interagency Memorandum of Understand (MOU) among various City Departments to provide assurances to the Community that the public benefits promised with the Plan would in fact be provided.

COMMENTARY FROM THE EN CAC

The below sections mirror the four key principles of the EN Plan in organization. Below each principle are the aspects of the Plan that the EN CAC see as "working" followed by "what is not working".

PRINCIPLE 1. Reserve sufficient space for production, distribution and repair (PDR) activities, in order to support the city's economy and provide good jobs for residents.

What Seems to be Working:

PDR has been preserved and serves as a model for other cities

A hallmark of the EN Plan is that the City preserved and protected industrial space and land in the newly created PDR Districts. In fact, many other cities with robust real estate markets often look to San Francisco to understand how the protections were implemented and what the result have been since protections were put in place. While other cities struggle with preserving land for industrial uses, the EN Plan actually anticipated the possible changes and growth we are now facing and provided specific space for industrial uses.

Job Growth in the EN, including manufacturing, is almost double the amount that was anticipated in the EN Plan.

What Seems to Not be Working

Loss of PDR jobs in certain sectors.

There is much anecdotal evidence of traditional PDR businesses being forced out of their long-time locations within UMU zones. In certain neighborhoods, the UMU zoning has lead to gentrification, as long standing PDR uses are being replaced with upscale retail and other commercial services catering to the large segment of market rate housing.

The relocation and displacement of PDR has been especially severe in the arts and in auto repair businesses.
Outside of the PDR zoning, there is no mechanism to preserve the types of uses that typified existing light industrial neighborhoods, such as traditional PDR businesses that offered well-paying entry level positions, and arts uses. This has resulted in a fundamental loss of the long-time creative arts community character of the South of Market, and now also in the Mission District and Dogpatch Neighborhood, with more to come. Traditional PDR businesses cannot afford the rents of new PDR buildings and do not fit well on the ground floor of multi-unit residential buildings. The CAC suggests that the City develop mechanisms within the Planning Code to encourage construction of new PDR space both in the PDR-only zones and the mixed-use districts suitable for these traditional uses, including exploring mandatory BMR PDR spaces.

PRINCIPLE 2: Take steps to provide space for new industries that bring innovation and flexibility to the city's economy.

What Seems to be Working:
The Mixed Use Office zone in East SOMA has produced a number of ground-up office projects which provide space for new industries that can bring innovation and flexibility to the City's economy.

There has been a substantial growth in jobs (approx 32,500 jobs) between 2010-2015 - this far exceeds what was expected over the 20 year term (13,000 jobs). The EN Growth rate appears to be much higher than most other areas of SF.

In other PDR areas, the focus of the EN Plan was to preserve land and industrial space (as opposed to constructing new industrial space) in the various PDR zones within the Plan. Based in part on the robust amount of job growth including job growth within the PDR sector and the need for new industrial space, the City did amend some of the PDR zoning controls on select sites to encourage new PDR space construction in combination with office and/or institutional space. One project has been approved but not yet constructed and features approximately 60,000 square feet of deed-restricted and affordably priced light industrial space and 90,000 square feet of market rate industrial space, for a total of 150,000 square feet of new PDR space.

What Seems to Not be Working
The EN Plan includes a Biotechnology and Medical Use overlay in the northern portion of the Central Waterfront that was put in place to permit expansion of these types of uses resulting from the success of Mission Bay. As of the date of this document, no proposal has been made by the private sector pursuant to the Biotechnology and Medical Use overlay. It's the CAC's view that

the residential uses of the UMU zoning in this specific area supports greater land values then those supported by the Overlay. In addition, the relatively small parcel sizes that characterize the Central Waterfront / Dogpatch area are less accommodating of larger floorplate biotechnology or medical use buildings.

PRINCIPLE 3: Encourage new housing at appropriate locations and make it as affordable as possible to a range of city residents.

What Seems to be Working:

Affordable Housing has been created beyond what would have otherwise:

Throughout San Francisco and certainly in the Eastern Neighborhoods, San Franciscans are experiencing an affordable housing crisis. That being said, the EN Plan's policy mechanisms have created higher levels of inclusionary units than previously required by the City (see Executive Summary, pg. 7). For example, at the time of enactment, UMU zoning required 20% more inclusionary where density controls were lifted, and higher where additional heights were granted. In this regards, UMU has shown to be a powerful zoning tool and is largely responsible for the EN Plan's robust housing development pipeline & implementation. At the same time, community activists and neighborhood organizations have advocated for deeper levels of affordability and higher inclusionary amounts contributing to the creation of additional affordable housing.

Affordable housing funds for Mission and South of Market have been raised:

Some of the initial dollars of impact fees (first $10M) were for preservation and rehabilitation of existing affordable housing that would not have otherwise existed if not for the EN Plan.

A new small-sites acquisition and rehab program was implemented in 2015, and has been successful in preserving several dozen units as permanent affordable housing, protecting existing tenants, and upgrading life-safety in the buildings.

After a few slow years between 2010-2012, the EN Plan is now out-pacing housing production with 1,375 units completed, another 3,208 under construction and 1,082 units entitled with another 7,363 units under permit review (in sum 13,028 units in some phase of development).

What Seems to Not be Working

There is a growing viewpoint centered on the idea that San Francisco has become a playground for the rich. Long-established EN communities and long-term residents of these neighborhoods (people of color, artists, seniors, low-income and working class people,) are experiencing an economic disenfranchisement, as they can no longer afford to rent, to eat out, or to shop in the neighborhood. They see the disappearance of their long-time neighborhood-serving businesses and shrinking sense of community.

Insufficient construction of affordable housing
Although developments have been increasing throughout the Eastern Neighborhoods, we have seen a lack of affordable housing included in what is being built compared to the needs of the current community members. Market-rate development, often regarded as "luxury," is inaccessible to the vast majority of individuals and families living in the city. The demand for these units has been the basis for a notable level of displacement, and for unseen pressures on people in rent controlled units, and others struggling to remain in San Francisco. A robust amount of affordable housing is needed to ensure those with restricted financial means can afford San Francisco. We have yet to see this level of development emulated for the populations who are most affected by the market-rate tremors. It is time for an approach towards affordable housing commensurate with the surge that we have seen for luxury units.

High cost of housing and commercial rents
Due to the high cost of housing in San Francisco, many long-term residents are finding it increasingly difficult, if not outright impossible, to even imagine socioeconomic progress. As rents have entered into a realm of relative absurdity, residents have found it ever more challenging to continue living in the city. The only way to move up (or even stay afloat, in many cases), is to move out of San Francisco. This situation has unleashed a force of displacement, anxiety, and general uneasiness within many segments of the Eastern Neighborhoods.

Pace of Development
The pace of development within the Eastern Neighborhoods has far exceeded the expectations originally conceived by the City. Since the market is intended to ensure situations are harnessed to maximize profit, we have seen development unaffordable to most. With a few thousand units in the pipeline slated for the Eastern Neighborhoods, much yet needs to be done to ensure that the city can handle such rapid change without destroying the essence of San Francisco.

PRINCIPLE 4: Plan for transportation, open space, community facilities and other critical elements of complete neighborhoods.

What Seems to be Working:
The EN Plan leverages private investment for community benefits by creating predictability for development.
With a clear set of zoning principles and codes and an approved EIR, the EN Plan has successfully laid a pathway for private investment as evidenced by the robust development pipeline. While in some neighborhoods the pace of development may be outpacing those benefits – as is the case in the throughout the Eastern Neighborhoods, there are community benefits being built alongside the development – and a growing impact fee fund source, as developments pay their impact fees as required by the EN Plan.

Funds have been raised for infrastructure that would not otherwise be raised. To date $48M has been raised and $100M expected in the next five years (see Tables 6.2.3; 6.2.2)

Priority Projects have been incorporated into the City's Ten Year Capital Plan and the Implementing Agencies' Capital Improvement Plans and work programs.

The Plan has lead to the development of parks and open space recreation. Streetscape improvements to 16th Street, Folsom and Howard, 6th, 7th and 8th Streets are now either fully funded or in process of being funded.

It is expected that more street life will over time support more in-fill retail and other community services.

New urban design policies that were introduced as part of the EN Plan are positive. The creation of controls such as massing breaks, mid-block mews, and active space frontages at street level create a more pedestrian friendly environment and a more pleasant urban experience. In Western Soma, the prohibition of lot aggregation above 100' has proven useful in keeping the smaller scale.

What Seems to Not be Working

A high portion of impact fees (80%) is dedicated to priority projects, such as improvements to 16th Street and, Folsom and Howard Streets. The vast majority of impact fees have been set aside for these large infrastructure projects that might have been better funded by the general fund. This would allow for more funding for improvements in the areas directly impacted by the new development. This also limits the availability of funds for smaller scale projects and for projects that are more EN-centric. There are very limited options in funding for projects that have not been designated as "priority projects".

In-kind agreements have absorbed a significant percentage of the discretionary fees collected as well.

Absence of open space

The Eastern Neighborhoods lag behind other neighborhoods in San Francisco and nationwide in per capita green space (see Rec and Open Space Element Map 07 for areas lacking open space). Although the impact fees are funding the construction of new parks at 17th and Folsom in the Mission, Daggett Park in Potrero Hill and the rehabilitation of South Park in SOMA, there is a significant absence of new green or open space being added to address the influx of new residents. The Showplace Square Open Space Plan calls for four acres of new parks in the neighborhoods where only one is being constructed.

As a finite and valuable resource, we believe the City has an obligation to treat the waterfront uniquely and should strive to provide green and open waterfront space to the residents of the Eastern Neighborhoods and all City residents in perpetuity.

The pace of infrastructure development is not keeping up with development
There is a lag time between development and the implementation of new infrastructure, seemingly with no clear plan for how to fund the increased infrastructure needs. The plan is now 8 years old: the number of housing units that were projected to be built under the Plan is being exceeded, and we have to date not identified additional infrastructure funds to make up the funding gap. This appears to be a clear failure in the EN Plan implementation, especially because we now have little chance to fill that gap with higher development fees.

The data contained in the Monitoring Report indicates that the EN Plan has been successful in the development of new housing. However, the pace of development appears to have far exceeded the pace of new infrastructure. This is true in each of the EN areas. There is a deficiency in transit options and development of new open space within all plan neighborhoods. A single child-care center in the Central Waterfront has been built as a part of the Plan. As of this time, not one new open space park has opened within the Plan area. The deficiency in public transportation is especially apparent. Ride services have become an increasingly popular option. However, their use contributes to the traffic congestion that is common throughout the city of San Francisco.

The impact fees inadequate
Although the amount of impact fees currently projected to be collected will exceed the sums projected in the Plan, the funding seems inadequate to address the increasing requirements for infrastructure improvements to support the EN Plan. The pace of development has put huge pressure on transportation and congestion and increased the need and desire for improved bike and pedestrian access along major routes within each Plan neighborhood. There is a striking absence of open space, especially in the Showplace/Potrero neighborhood. There has been a significant lag time in the collection of the Plan impact fees and with the implementation of the community benefits intended to be funded by the fees.

Large portions of impact fees are dedicated, which limits agility with funding requests from discretionary fees. The CAC has allocated funding for citizen-led initiatives to contribute a sustainable stream of funding to the Community Challenge Grant program run out of the City Administrators' office. Our past experience is that this program has doubled capacity of local "street parks" in the Central Waterfront from 2 to 4 with the addition of Tunnel Top Park and Angel Alley to the current street parks of Minnesota Grove and Progress Park.

Impacts of non-EIR projects
Data in the report does not properly reflect the impacts of non-EIR projects, such as Pier 70, recent UCSF expansion into Dogpatch and the Potrero Annex. These very large projects are not required to provide impact fees; the public must rely on the developers working with the community to add benefits to their projects.

Upcoming non-EIR projects such as the Warriors arena, Seawall 337 / Pier 48, continued housing development in Mission Bay and UCSF student housing further increase the pressures of density on the neighborhoods. The square footage included in these various projects may equal or exceed all of the projects under the EN Plan. Although these projects are not dependent on the EN Plan to provide their infrastructure, their impacts should be considered for a complete EN approach to infrastructure and other improvements.

Deficiency in Complete Neighborhoods
Complete neighborhoods recognize the need for proximity of daily consumer needs to a home residence. Combining resources to add shopping for groceries, recreation for families, schools for children will create a complete neighborhood. This will then have the additional benefit of reducing vehicle trips.

Many new developments have been built with no neighborhood -serving retail or commercial ground floor space. The UMU zoning has allowed developers to take advantage of a robust real estate market and build out the ground floor spaces with additional residential units, not neighborhood services such as grocery and other stores.

Evictions and move-outs
There are many reports of long-term residents of the neighborhoods being evicted or forced or paid to move out of the area. Younger, high wage-earning people are replacing retirees on fixed incomes and middle and low wage earners.

Traffic congestion and its impact on commercial uses
Transportation improvements have not kept pace with the amount of vehicular traffic on the streets, leading to vehicular traffic congestion in many parts of the Eastern Neighborhoods. While the slow movement of traffic has affected all residents, it has become a serious burden for businesses that rely on their ability to move goods and services quickly and efficiently. The additional transit that has been implemented through MUNI Forward is welcome but not sufficient to serve new growth. There does not seem to be sufficient increase in service to meet the increase in population.

Loss of non-profit and institutional space
There are many reports of non-profits and institutions being forced to relocate due to rent pressures.

Urban Design Policies and Guidelines
While the EN Plans did provide urban design provisions to break up building and provide active frontages, additional urban design controls are warranted. New buildings would be more welcome if they provided more commercial activity at the ground level. Other guidelines should be considered to further break down the massing of new structures.

PROPOSED STRATEGIES TO ADDRESS WHAT'S NOT WORKING:

Retaining PDR:

- Study trends of specific PDR sectors, such as repair and construction to see what is happening to them.
- Implement temporary or permanent relocation assistance programs for displaced PDR tenants through the OEWD.
- Consider implementing programs to transition workers from PDR sectors being lost.
- Potentially preserve additional land for PDR - both inside and outside of the EN (i.e. Bayshore).
- Establish new mechanisms and zoning tools to encourage construction and establishment of new and modern PDR space within the PDR districts.
- The EN Plan should consider making a provision for temporary or permanent relocation assistance for PDR uses displaced by implementation of the EN Plan and/or use impact fees to assist in the acquisition/development of a new creative arts facility similar to other city-sponsored neighborhood arts centers like SOMArts.

Retaining Non-Profit Spaces:

- Study impacts of rent increases on non-profit office space.
- Where preservation/incorporation of PDR uses will be required (i.e. Central Waterfront), consider allowing incorporation of non-profit office as an alternative.
- Consider enacting inclusionary office program for non-profit space, PDR, and similar uses.

Housing

- Consider increases in affordability levels.
- More aggressively pursue purchasing opportunity sites to ensure that they can be preserved for affordable housing before they are bought by market-rate developers.

Infrastructure / Complete Neighborhoods

- Work with Controller's Office, Capital Planning Office, and the Mayor's Budget Office to solve the existing known funding gap for EN Infrastructure Projects.
- Deploy impact fees more quickly or find ways to use impact fees to leverage other sources that could be deployed sooner (i.e. bond against revenue stream).
- Consider increasing impact fee levels.
- Increase amount of infrastructure, such as additional parks, given that more development has occurred (and will likely continue to occur) than originally anticipated.
- Study how to bring infrastructure improvements sooner.
- Study new funding strategies (such as an IFD or similar) or other finance mechanisms to supplement impact fees and other finance sources to facilitate the creation of complete neighborhoods, a core objective of the EN Plan.
- Improve the process for in kind agreements.
- Consider allocation of waterfront property to increase the amount of green and open space for use by the general public, as illustrated by the successful implementation in Chicago.
- Review structure of the EN CAC. Consider how the CAC can deploy funds faster. Possibly broaden the role of the CAC to include consideration of creation of complete neighborhoods.
- Consider decreasing the number of members on the EN CAC in order to meet quorum more routinely. Impress on the BOS and the Mayor the importance of timely appointments to the CAC.
- Consider legislation that would enable greater flexibility in spending between infrastructure categories so that funds are not as constrained as they are currently set to be by the Planning Code.
- Explore policies that maximize the utilization of existing and new retail tenant space for neighborhood serving retail, so that they are not kept vacant.

Non EN-EIR Projects

- Encourage the City to take a more holistic expansive approach and analysis that include projects not included in the current EN EIR or the EN Geography.

SAN FRANCISCO
PLANNING DEPARTMENT

MEMO

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RESIDENTIAL PIPELINE
COMPLETED AND ENTITLED HOUSING UNITS 2007 to 2014

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

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

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

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

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

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

SAN FRANCISCO
PLANNING DEPARTMENT

MEMO

RESIDENTIAL PIPELINE
ENTITLED HOUSING UNITS 2017 Q3

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San Francisco reports actual production in its progress towards meeting RHNA goals. These figures are submitted annually on April to the State Department of Housing and Community Development. The following table shows actual production – i.e. built units – through the third quarter of 2017.

Progress Towards Meeting 2022 RHNA Production Goals, as of 2017 Q3

	RHNA Housing Goals, 2015 - 2022	Actual Production, 2015-2016	Actual Production, Q1 to Q3 2017	Actual Production, 2015 to Q3 2017	Actual Production, 2015 to Q3 2017 as % of RHNA Housing Goals
TOTAL	**28,869**	**10,026**	**1,997**	**12,023**	**41.6%**
Very Low Income	6,234	2,048	206	2,254	36.2%
Low Income	4,639	537	416	953	20.5%
Moderate Income	5,460	489	30	519	9.5%
Above Moderate	12,536	6,952	1,345	8,297	66.2%

Administrative Code 10E.4 (b)(1) calls for a summary of data on the total number of units at various stages of the housing production process and how completed and pipeline projects compare with San Francisco's Regional Housing Need Assessment (RHNA) production goals. The table below presents a summary of completed units and development projects in the current residential pipeline to the third quarter of 2017 (Q3).

Summary of Completed and Entitled Units, as of 2017 Q3,
As Required by Administrative Code 10E.4(b)(1)

	RHNA Housing Goals, 2015 - 2022	Actual Production, 2015 to Q3 2017	Total Entitled by Planning, 2017 Q3*	Actual Production and Entitled, 2017 Q3*	Actual Production and Entitled, as % of RHNA Housing Goals
TOTAL	**28,869**	**12,023**	**21,529**	**33,552**	**116.2%**
Very Low Income	6,234	2,254	344	2,598	41.7%
Low Income	4,639	953	1,913	2,866	61.8%
Moderate Income	5,460	519	835	1,354	24.8%
Above Moderate	12,536	8,297	18,437	26,734	213.3%

** This column does not include seven entitled major development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 25,790 net new units, including about 5,490 net affordable units (23% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.*

The residential pipeline for the purposes of this report only includes entitled projects. The following table shows entitled units at various stages of development but are not yet built. Units under construction and projects with active building permits are likely to be completed within the RHNA reporting period. Typical duration from filing of building permit to building completion typically ranges from two to four years, depending on the size and complexity of the project. The current eight year RHNA period ends in 2022.

Entitled Units, 2017 Q3

	Entitled by Planning, No Permits Filed*	Entitled, Building Permit Filed	Building Permit Approved or Issued	Under Construction	Total Entitled by Planning*
TOTAL	**6,178**	**2,846**	**5,931**	**6,574**	**21,529**
Very Low Income	-	-	118	226	344
Low Income	184	32	734	963	1,913
Moderate Income	358	107	73	297	835
Above Moderate	5,636	2,707	5,006	5,088	18,437

** This column does not include seven entitled major development projects that are not expected to be fully completed within this current RHNA reporting period. These projects have a total of 25,790 net new units, including about 5,490 net affordable units (23% affordable). However, phases of these projects are included when applications for building permits are filed and proceed along the development pipeline.*

The State Department of Housing and Community Development (HCD) determines these RHNA goals that San Francisco's Housing Element must address. The RHNA total is the minimum number of housing units that a region or jurisdiction must plan for in each RHNA reporting period. The total number of entitled units is tracked by the San Francisco Planning Department and is updated quarterly in coordination with the *Quarterly Pipeline Report*. Subsidized housing units – including moderate and low income units – as well as inclusionary units are tracked by the Mayor's Office of Housing; these are also updated quarterly.

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Teague, Corey (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	APPEAL RESPONSE: Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on February 13, 2018
Date:	Monday, February 05, 2018 12:19:12 PM
Attachments:	image001.png

Good afternoon,

Please find linked below an appeal response received by the Office of the Clerk of the Board from the Planning Department, regarding the Community Plan Evaluation Appeal for the proposed project at 2918-2924 Mission Street.

Planning Appeal Response - February 5, 2018

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on February 13, 2018.

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Brent Jalipa
Legislative Clerk
Board of Supervisors - Clerk's Office
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Appeal of Community Plan Evaluation
2918-2924 Mission Street Project

DATE: February 5, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa Gibson, Environmental Review Officer – (415) 575-9032

Chris Kern, Principal Environmental Planner – (415) 575-9037

Julie Moore, Senior Environmental Planner – (415) 575-8733

RE: Board of Supervisors File No. 180019, Planning Department Case No. 2014.0376ENV – Appeal of the Community Plan Evaluation for the 2918-2924 Mission Street Project. Block/Lots: 6529/002, 002A, and 003

PROJECT SPONSOR: Mark Loper, Reuben, Junius & Rose, on behalf of RRTI, Inc. – (415) 567-9000

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of Calle 24 Latino Cultural District Council – (415) 317-0832

HEARING DATE: February 13, 2018

ATTACHMENTS: A – Appeal of Community Plan Exemption for 2675 Folsom Street, March 13, 2017
B – Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends (January 2017) and Updated Eastern Neighborhood Traffic Counts (April 2017)
C – ALH Urban & Regional Economics, Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA (March 2017)

INTRODUCTION

This memorandum and the attached documents respond to a letter of appeal to the Board of Supervisors (the "Board") regarding the Planning Department's (the "Department") issuance of a Community Plan Evaluation (CPE) under the *Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report*

("Eastern Neighborhoods PEIR or PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA") for the 2918-2924 Mission Street Project (the "Project").

As described below, the Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. Accordingly, based solely upon the information presented by the Appellant, the Planning Department would recommend that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

However, subsequent to the January 2, 2018 Appeal Letter, the Planning Department received information regarding the potential for the 2922 Mission Street building to be considered a historic resource for its association with the Mission Coalition of Organizations during the late 1960s and early 1970s. In light of this new information, the Planning Department has determined that additional research is required to assess whether the proposed project would result in a significant impact to a historic resource. As such, the Department requests that the Board continue the February 13, 2018 CEQA appeal hearing to a date to be determined in consultation with the Clerk of the Board to provide additional time needed to complete this analysis.

The Department, pursuant to CEQA, the CEQA Guidelines, 14 Cal. Code of Reg. sections 15000 *et seq.*, and Chapter 31 of the San Francisco Administrative Code, determined that the Project is consistent with the development density established by zoning, community plan, and general plan policies in the Eastern Neighborhoods Rezoning and Area Plans (the "Eastern Neighborhoods Area Plans") for the project site, for which a Programmatic EIR (the "PEIR") was certified, and issued the CPE for the Project on August 30, 2017. CEQA limits the City's review to consideration of the following factors:

1. Whether there are effects peculiar to the project or its parcel, not examined in the Eastern Neighborhoods PEIR;

2. Whether the effects were already analyzed as significant effects in the Eastern Neighborhoods PEIR;

3. Whether the effects are potentially significant off-site or cumulative impacts that were not discussed in the Eastern Neighborhoods PEIR;

4. Whether there is substantial new information that was not known at the time the Eastern Neighborhoods EIR was certified, which indicates that a previously identified significant impact had a more severe adverse impact than was discussed in the Eastern Neighborhoods PEIR.

---

[1] The Planning Commission certified the Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

If an impact is not peculiar to the project, has been addressed as a significant impact in the Eastern Neighborhoods EIR, or can be substantially mitigated by imposition of uniformly applied development policies or standards, then CEQA provides that an additional EIR need not be prepared for the project.

The Department determined that the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the PEIR, and that the Project is therefore exempt from further environmental review beyond what was conducted in the CPE Initial Study and the Eastern Neighborhoods PEIR in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

The decision before the Board is whether to uphold the Planning Department's determination that the Project is not subject to further environmental review (beyond that conducted in the CPE Initial Study and the PEIR) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183 and deny the appeal, or to overturn the Department's CPE determination for the Project and return the CPE to the Department for additional environmental review. The Board's decision must be based on substantial evidence in the record. (See CEQA Guidelines section 15183(b) and (c).)

PROJECT DESCRIPTION

The project site is located on the west side of Mission Street between 25th Street and 26th Street in San Francisco's Mission neighborhood. The project site consists of three adjacent rectangular parcels: Assessor's Block 6529, Lots 002, 002A and 003. Lots 002 and 002A each have an area of approximately 2,600 square feet (sf). The southernmost lot, Lot 003, has an area of 6,433 sf and extends from Mission Street to Osage Alley. Lots 002 and 002A are occupied by a 5,200-sf, one-story, commercial building occupied by a coin laundry and market. Lot 003 is a 6,400-sf surface parking lot with curb cuts on both Mission Street and Osage Alley.

The proposed Project consists of merging the three lots into a single 11,653-sf lot, demolishing the existing building, and constructing an eight-story, 85-foot-tall, approximately 67,300-sf building containing 75 dwelling units (18 studio, 27 one-bedroom, and 30 two-bedroom units) with ground floor retail. Two retail spaces, totaling about 7,000 sf, would front Mission Street on either side of the building lobby. A 44-foot-long white loading zone would be provided in front of the lobby and the existing parking lot curb cut would be removed. No vehicle parking is proposed. A bicycle storage room with 76 class 1 bicycle spaces would be accessed through the lobby area and from Osage Alley. Six street trees and seven bicycle racks (14 class 2 bicycle parking spaces) would be installed on Mission Street. Open space would be provided by common terraces on the second floor and rooftop of approximately 1,050 sf and 5,750 sf, respectively, and approximately 1,100 sf of private decks. The proposed building would include an elevator and stair penthouse approximately 9 feet in height above the 85-foot-tall roof.

The project would require waivers, concessions, and/or incentives from Planning Code physical development limitations pursuant to California Government Code section 65915, commonly known as the state Density Bonus Law, including for a building height 20 feet above the 65-foot height limit.

Project construction is estimated to take approximately 20 months, which includes about two to three months for demolition, excavation, and pile driving, which would be the most intensive phases of construction. Construction of the proposed building would generally involve excavation of about 3 feet of soil over the entire project site and up to an estimated 17 feet deep at the location of two areas of known soil contamination, resulting in removal of about 2,100 cubic yards of soil from the project site. The building slab foundation would be constructed on top of an impermeable vapor barrier placed over a gravel layer and a passive ventilation system.

SITE DESCRIPTION

The project site is located on a block bounded by Mission Street to the east, Osage Alley to the west, 25th Street to the north and 26th Street to the south. The project area along Mission Street is primarily zoned Mission NC-T and characterized by two- and three-story buildings with ground floor retail. West of the site in the Residential Transit Oriented-Mission (RTO-M) zoning between Osage Alley and Orange Alley, the uses are predominantly residential buildings, two to four stories in height; with a seven-story apartment building at the northwest corner of Osage Alley and 25th Street. Buildings immediately adjacent to the project site are the Zaida T. Rodriguez Early Education School to the south and to the west across Osage Alley, Chase Bank to the north at the corner of Mission and 25th Street, and a mix of two- and three-story buildings used for a variety of uses including automobile repair, retail stores, residences, restaurants, and the Instituto Familiar de la Raza across Mission Street to the east. The western boundary of the Calle 24 Latino Cultural District is located along the eastern side of Mission Street; the boundary of the Calle 24 Special Use District is situated generally one block further east on Lilac Street.

The project site is well served by public transportation. The Bay Area Rapid Transit (BART) 24th Street station is located one block north of the project site. Several MUNI bus lines including the 14-Mission, 14R-Mission Rapid, 48-Quintara/24th Street, 49-Van Ness/Mission and the 67-Bernal Heights are within one quarter mile. Access to U.S. 101 is less than one mile southeast of the site via Cesar Chavez Street.

ENVIRONMENTAL REVIEW PROCESS

The project sponsor, RRTI, Inc., filed the environmental evaluation application (Case No. 2014.0376ENV) for the Project on June 30, 2015. On August 30, 2017, the Department issued a CPE Certificate and Initial Study, based on the following determinations:

1. The proposed project is consistent with the development density established for the project site in the Eastern Neighborhoods Rezoning and Area Plans;

2. The proposed project would not result in effects on the environment that are peculiar to the Project or the project site that were not identified as significant effects in the Eastern Neighborhoods PEIR;

3. The proposed project would not result in potentially significant off-site or cumulative impacts that were not identified in the Eastern Neighborhoods PEIR;

4. The proposed project would not result in significant effects, which, as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified, would be more severe than were already analyzed and disclosed in the PEIR; and

5. The project sponsor will undertake feasible mitigation measures specified in the Eastern Neighborhoods PEIR to mitigate Project-related significant impacts.

The Planning Commission considered the Project on December 15, 2017. On that date, the Planning Commission adopted the CPE and approved the Conditional Use Authorization for the Project and the Mission 2016 Interim Zoning Controls (Planning Commission Resolution No. 19865), which constituted the Approval Action under Chapter 31 of the Administrative Code.

The Conditional Use Authorization was also approved under California Government Code section 65916-65918 and Planning Code section 206.6, the State Density Bonus Law. The State law permits a 35 percent density bonus and three concessions or incentives if at least 11 percent of the "base project" units are affordable to very low income households (as defined in California Health and Safety Code section 50105). The Project also proposes waivers to the development standards for: 1) rear yard; 2) dwelling unit exposure; 3) height; and 4) bulk. The Planning Commission found that these waivers are required in order to construct the Project at the density allowed by State law (Planning Commission Motion 20066).

In accordance with the Mission 2016 Interim Zoning Controls, which require additional information and analysis regarding the economic and social effects of the proposed project such as housing affordability, displacement, and loss of PDR, the project sponsor provided, and the Planning Commission reviewed and considered, such additional analysis before approving the Conditional Use Authorization.[2] The Project sponsor's analysis reflects that the Project will not displace any current residential uses, PDR uses, or existing tenants. The existing self-service laundromat uses various independent contractors to manage the facility and does not have any employees on site. There are several laundromats in the site vicinity, including three within 300 feet of the Project site. The Project would contribute to the supply of housing, which is in high demand across the City, including a broad unit-type mix of new market rate housing in

[2] San Francisco Planning Department, Executive Summary, Conditional Use Authorization, Case No. 2014.0376CUA, 2918 Mission Street, September 7, 2017.

addition to on-site below market rate units that would provide for a mix of income levels within the new development.

On January 2, 2018, J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District (Appellant), filed an appeal of the CPE determination. The Appellant's letter also includes 97 pages of supporting materials that are provided in the file "Appeal Ltr 010218.pdf," available online as part of Board of Supervisors File No. 180019.[3]

CEQA GUIDELINES

Community Plan Evaluations

As discussed in the Introduction above, CEQA section 21083.3 and CEQA Guidelines section 15183 **mandate** that projects that are consistent with the development density established by existing zoning, community plan or general plan policies for which an EIR was certified, **shall not** require additional environmental review unless there are project-specific effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR.

Significant Environmental Effects

CEQA Guidelines section 15064(f) provides that the determination of whether a project may have one or more significant effects shall be based on substantial evidence in the record of the lead agency. CEQA Guidelines 15604(f)(5) offers the following guidance: "Argument, speculation, unsubstantiated opinion or narrative, or evidence that is clearly inaccurate or erroneous, or evidence that is not credible, shall not constitute substantial evidence. Substantial evidence shall include facts, reasonable assumption predicated upon facts, and expert opinion supported by facts."

SAN FRANCISCO ADMINISTRATIVE CODE

Section 31.16(e)(3) of the Administrative Code states: "The grounds for appeal of an exemption determination shall be limited to whether the project conforms to the requirements of CEQA for an exemption."

San Francisco Administrative Code Section 31.16(b)(6) provides that, in reviewing an appeal of a CEQA decision, the Board of Supervisors "shall conduct its own independent review of whether the CEQA decision adequately complies with the requirements of CEQA. The Board shall consider anew all facts, evidence and issues related to the adequacy, accuracy and objectiveness of the CEQA decision, including, but not limited to, the sufficiency of the CEQA decision and the correctness of its conclusions."

[3] https://sfgov.legistar.com/LegislationDetail.aspx?ID=3306976&GUID=573556D0-4ACA-4E05-A3BE-0E0EC81CF040&Options=ID|Text|&Search=180019

CONCERNS RAISED AND PLANNING DEPARTMENT RESPONSES:

The three-page Appeal Letter contains seven bulleted items expressing the general basis for the appeal. These seven general concerns are summarized in order below as Concerns 1 through 5 (the first, second, and fifth bulleted items are included under the discussion of Concern 1, followed by the Department's responses.

Concern 1: The Project does not qualify for a Community Plan Exemption under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3 because the approval is based upon an out of date 2008 EIR prepared for the Eastern Neighborhoods Area Plan and the EIR's analysis and determination can no longer be relied upon to support the claimed exemption in the areas of, *inter alia*, direct, indirect, and cumulative impacts with respect to: consistency with area plans and policies, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission.

Response 1: The appeal does not identify any substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified establishing that the Project would result in significant impacts that were not discussed in the Eastern Neighborhoods PEIR or in more severe adverse impacts than discussed in the PEIR. Therefore, CEQA Guidelines section 15183 provides that an additional EIR must not be prepared for the project. Additionally, absent a change in the Eastern Neighborhoods Rezoning and Area Plans, reopening the Eastern Neighborhoods PEIR is neither warranted nor required under CEQA.

The Appellant alleges that the Department's determination to issue a CPE for the Project is invalid because substantial changes have occurred with respect to the circumstances under which the Eastern Neighborhoods Area Plans were approved due to the involvement of new significant environmental effects and a substantial increase in the severity of previously identified significant effects in the Eastern Neighborhoods PEIR. The fifth bullet of the Appeal Letter states:

> "Substantial changes in circumstances require major revisions to the Eastern Neighborhoods Area Plan EIR due to the involvement of new significant environmental effects and an increase in the severity of previously identified significant impacts; there is new information of substantial importance that would change the conclusions set forth in said EIR and the requirements of the Mitigation Monitoring and Reporting Report."

The Appellant provides no evidence whatsoever regarding what "substantial changes in circumstances" have occurred or what "new information of substantial importance" has been identified. Nor has the Appellant provided any link as to how the purported changes and new information affect the conclusions of the Eastern Neighborhoods PEIR. Because the Project would not result in new significant environmental effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR, CEQA does not require a revised EIR in this case.

Eastern Neighborhoods PEIR and the Project CPE

Eastern Neighborhoods PEIR

As discussed on pages 2 through 4 of the CPE Certificate, the Eastern Neighborhoods PEIR is a comprehensive programmatic report that presents an analysis of the environmental effects of implementation of the Eastern Neighborhoods Rezoning and Area Plans, as well as the potential impacts under several proposed alternatives. According to CEQA Guidelines section 15168, a program EIR:

> … is an EIR which may be prepared on a series of actions that can be characterized as one large project and are related either: (1) geographically; (2) as logical parts in the chain of contemplated actions; (3) in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program; or (4) as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways.

Use of a program EIR: (1) provides an occasion for a more exhaustive consideration of effects and alternatives than would be practical in an EIR on an individual action; (2) ensures consideration of cumulative impacts that might be slighted in a case-by-case analysis; (3) avoids duplicative reconsideration of basic policy considerations; (4) allows the lead agency to consider broad policy alternatives and program-wide mitigation measures at an early time when the agency has greater flexibility to deal with basic problems or cumulative impacts; and (5) allows reduction in paperwork. Subsequent activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared.

The Eastern Neighborhoods PEIR evaluated three rezoning alternatives, including two community-proposed alternatives focused largely on the Mission District, and a "No Project" alternative. The alternative ultimately approved, or the "Preferred Project", represented a combination of two of the rezoning alternatives. The Planning Commission adopted the Preferred Project after fully considering the environmental effects of the Preferred Project and the various scenarios discussed in the PEIR.

As discussed on page 5 of the CPE Certificate, the Eastern Neighborhoods PEIR identified significant impacts related to land use, transportation, cultural resources, shadow, noise, air quality, and hazardous materials. Additionally, the PEIR identified significant cumulative impacts related to land use, transportation, and cultural resources. The PEIR also identified mitigation measures that reduced all impacts to less than significant, except for those related to land use (cumulative impacts on PDR use), transportation (program-level and cumulative traffic impacts at nine intersections; program-level and cumulative transit impacts on seven SFMTA lines), cultural resources (cumulative impacts from demolition of historical resources), and shadow (program-level impacts on parks).

On August 7, 2008, the Planning Commission certified the Eastern Neighborhoods PEIR by Motion 17659 and adopted the Preferred Project for final recommendation to the Board of Supervisors. CEQA Guidelines section 15162(c) establishes that, once a project is approved:

> "[T]he lead agency's role in that approval is completed unless further discretionary approval on that project is required. Information appearing after an approval does not require reopening of that approval. If after the project is approved, any of the conditions described in subdivision (a) occurs, a subsequent EIR or negative declaration shall only be prepared by the public agency which grants the next discretionary approval for the project, if any." [Emphasis added.]

Thus, even if the Appellant's unsubstantiated claims that the build-out of development consistent with the adopted rezoning and area plans constituted new information or changed circumstances resulting in new or more severe impacts on the physical environment than previously disclosed (i.e., the conditions described in subdivision (a) of CEQA Guidelines section 15162(c)), the Eastern Neighborhoods PEIR would remain valid under CEQA.

Project CPE

As discussed under Community Plan Evaluations, above, CEQA Guidelines section 15183 limits future environmental review for projects that are consistent with the development density established by the Eastern Neighborhoods Rezoning and Area Plans. Lead agencies shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not disclosed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. Under CEQA Guidelines section 15183, "this streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." That is, lead agencies are not permitted or required to reanalyze impacts that are attributable to a project that is consistent with the Eastern Neighborhoods Rezoning and Area Plans unless substantial new information shows that the impacts will be more significant than described in the PEIR.

In accordance with CEQA Guidelines section 15183, a project-level environmental review was undertaken as documented in the CPE Initial Study to determine whether the 2918-2924 Mission Street Project would result in additional impacts specific to the development proposal or the project site, and whether the proposed development was within the scope of the Eastern Neighborhoods PEIR, to assess whether further environmental review was required.

The CPE Initial Study fully described the proposed project (consistent with CEQA Guidelines section 15124), its environmental setting (consistent with CEQA Guidelines section 15125), and its potential impacts to the environment (consistent with CEQA Guidelines section 15126).

Impacts to the environment that might result with implementation of the Project were analyzed in the CPE Initial Study according to the project's potential impacts upon the specific setting for each environmental topic, clearly stated significance criteria, and substantial evidence in the form of topic-specific analyses. The CPE Initial Study prepared for the Project evaluates its potential project-specific environmental effects and incorporates by reference information contained in the Eastern Neighborhoods PEIR. Project-specific analyses related to archeological resources, transportation, noise, geology, hazardous materials, wind, and shadow were prepared for the Project to determine if it would result in any significant environmental impacts that were not identified in the Eastern Neighborhoods PEIR.

The CPE Initial Study determined that the proposed project would not have a significant impact that was not previously identified and analyzed in the Eastern Neighborhoods PEIR. The CPE Initial Study identified (and updated as needed to conform with current Planning Department practices) four mitigation measures from the Eastern Neighborhoods PEIR to be applied to the Project to avoid impacts previously identified in the PEIR related to archeological resources, noise, and hazardous materials.

As discussed on pages 10 and 11 of the CPE Initial Study, since the certification of the Eastern Neighborhoods PEIR in 2008, several new policies, regulations, statutes, and funding measures have been adopted, passed, or are underway that have or will implement mitigation measures or further reduce less-than-significant impacts identified in the PEIR. These include, but are not limited to:

- State legislation amending CEQA to eliminate consideration of aesthetics and parking impacts for infill projects in transit priority areas, effective January 2014 (see CPE Initial Study, page 11);
- State legislation amending CEQA and San Francisco Planning Commission resolution replacing level of service (LOS) analysis of automobile delay with vehicle miles traveled analysis, effective March 2016 (see CPE Initial Study, page 11);
- The adoption of 2016 interim controls in the Mission District requiring additional information and analysis regarding housing affordability, displacement, loss of PDR and other analyses, effective January 14, 2016 through January 14, 2018 or when permanent controls are in effect, whichever occurs first;
- San Francisco Bicycle Plan update adoption in June 2009, Better Streets Plan adoption in 2010, Transit Effectiveness Project (aka "Muni Forward") adoption in March 2014, Vision Zero adoption by various City agencies in 2014, Proposition A and B passage in November 2014, and the Transportation Sustainability Program (see CPE Initial Study "Transportation and Circulation" section);
- San Francisco ordinance establishing Noise Regulations Related to Residential Uses Near Places of Entertainment, effective June 2015 (see CPE Initial Study "Noise" section);
- San Francisco ordinances establishing Construction Dust Control, effective July 2008, and Enhanced Ventilation Required for Urban Infill Sensitive Use Developments, amended December 2014 (see CPE Initial Study "Air Quality" section;

- San Francisco Clean and Safe Parks Bond passage in November 2012 and San Francisco Recreation and Open Space Element of the General Plan adoption in April 2014 (see CPE Initial Study "Recreation" section);
- Urban Water Management Plan adoption in 2011 and Sewer System Improvement Program process (see CPE Initial Study "Utilities and Service Systems" section);
- Article 22A of the Health Code amendments effective August 2013 (see CPE Initial Study "Hazards and Hazardous Materials" section); and
- San Francisco's "Strategies to Address Greenhouse Gas Emissions", a greenhouse gas emissions reduction strategy prepared November 2010 (See CPE Initial Study "Greenhouse Gas Emissions" section).

In summary, project-level environmental review was conducted in accordance with CEQA Guidelines 15183. The environmental analysis in the CPE Initial Study concluded, based on substantial evidence in the record that, with the incorporation of mitigation measures from the Eastern Neighborhoods PEIR and implementation of uniformly applied development policies and standards, there would not be any project-specific effects that are peculiar to the Project or its site and that were not disclosed as significant effects in the Eastern Neighborhoods PEIR, and that there was no substantial new information showing that the impacts would be more significant than described in the PEIR. Therefore, per CEQA Guidelines section 15183, no further environmental review may be required, and a Community Plan Evaluation was issued based on the environmental analysis in the CPE Initial Study.

Concern 1 alleges that substantial changes with respect to the circumstances under which the Eastern Neighborhoods Area Plans has been undertaken have occurred, including growth that has exceeded that which was considered in the Eastern Neighborhoods PEIR, the pace of that growth, and impacts associated with displacement of existing residents and businesses. As noted above, Concern 1 also alleges that there have been substantial increases in the severity of previously identified significant effects including, land use, recreation and open space, traffic and circulation, transit and transportation, noise, shadow, health and safety, and other impacts to the Mission. The Appellant provides no specific data to substantiate these claims or to show how these impacts are different from the Eastern Neighborhoods EIR. The Department responds to each of these concerns as follows:

Growth Projections

In its assertion that the Eastern Neighborhoods PEIR no longer fully discloses the cumulative impacts of Eastern Neighborhood projects, the Appellant states on page 2 of his Appeal Letter:

> "The project's cumulative impact was not considered because the PEIR's projections for housing, including this project and those constructed, entitled, and /or in the pipeline, have been exceeded. Therefore, 'past, present, and reasonably foreseeable probable future projects' were not properly considered (Guidelines, § 15355)."

Although the Eastern Neighborhoods PEIR contains projections of population and housing growth through the year 2025, the PEIR does not include these population and housing projections as a cap or limit to growth within the areas that would be subject to the Eastern Neighborhoods Area Plans. Rather, the growth projections were based upon the best estimates available at the time the Eastern Neighborhoods PEIR was prepared. Regardless, the Appellant's claim that the project's cumulative impact was not considered because the PEIR's projections for housing have been exceeded misconstrues the context in which the growth projections were used in the Eastern Neighborhoods PEIR and is not supported for the following reasons, discussed more fully below:

1) Growth under the Eastern Neighborhoods Area Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR.

2) The CPE Initial Study prepared for the Project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the project would have significant impacts that are peculiar to the project or site.

3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, merely contemplated. However, population growth from potential projects is speculative, and is insufficient to provide substantial evidence of a significant environmental impact.

4) Appellant has not provided any evidence that significant physical environmental impacts have resulted from population growth exceeding Eastern Neighborhoods PEIR projections.

5) Because non-residential land uses generate more trips (including vehicle, transit, walk, and bike) per square-foot of development, the corresponding environmental impacts related to transportation, noise, and air quality are substantially greater for non-residential development than for residential development; therefore, the associated environmental impacts related to growth in Eastern Neighborhoods PEIR are less severe than anticipated. Appellant does not present evidence showing otherwise.

6) Appellant has not demonstrated that the Project would have a considerable contribution to a significant cumulative environmental impact.

1) Growth under the Eastern Neighborhoods Plans to date has not exceeded the growth projections used to support the environmental impact analysis in the Eastern Neighborhoods PEIR

The Eastern Neighborhoods PEIR included growth forecasts under Options A, B, C, and the B/C preferred alternative. The Preferred Alternative included fewer estimated households than the maximum analyzed under Option C. These forecasts represented projections of likely, anticipated development through the year 2025, using best available information at the time that the PEIR was certified, rather than "caps" on permissible development or estimates of maximum capacity at buildout under the rezoning. The Eastern Neighborhoods PEIR projected that implementation of the Mission Area Plan could result in

an increase of up to 2,054 net dwelling units and 700,000 to 3,500,000 sf of non-residential space (excluding PDR loss).

As of September 2017, projects containing 2,846 dwelling units and 560,460 square feet of non-residential space (excluding PDR loss), including the 2918-2924 Mission Street Project, had been completed, approved or are proposed to complete environmental review within the Mission Plan Area. Of the 2,846 dwelling units that are under review or have completed environmental review, building permits have been issued for 712 dwelling units, or approximately 25 percent of those units, well below the PEIR projection of 2,054 dwelling units. The remainder are projects that are in the "pipeline", which represents projects that are proposed and still undergoing review. Based on historical records, it is unlikely that all of the potential growth represented by projects in the pipeline will actually occur. Some of these projects may not be approved. Others may be reduced through the entitlement and permitting processes. Even approved projects may not ultimately be constructed, based on changing economic conditions or other reasons. In any case, projects in the pipeline represent *potential future growth* not actual growth. For these reasons, only development that is completed or that is under construction should be considered in evaluating whether population growth in the Mission plan area has actually exceeded the growth projections assumed in the PEIR. Projects in the pipeline are only relevant in evaluating whether future growth may eventually exceed the PEIR projections. The current total of all non-residential development included in the Mission Plan Area as of the September 2017 pipeline of 560,460 square feet is well below the PEIR projections of 700,000 to 3.5 million square feet.

The growth projections in the PEIR were used as an analytical tool to contextualize the potential environmental impacts of the Eastern Neighborhoods Area Plans. The PEIR assumed a total amount of development resulting from the Eastern Neighborhoods Area Plans consisting of all development types (residential, commercial, etc.), and analyzed potential impacts based on this total development amount. Although the number of dwelling units currently proposed in the Mission Plan Area could eventually exceed the range of residential development anticipated by the Eastern Neighborhoods PEIR by approximately 792 dwelling units (if all proposed projects are both approved and constructed), the total amount of foreseeable non-residential space in the Mission Plan Area, is well below the maximum evaluated in the Eastern Neighborhoods PEIR.

Even if population growth in the Mission Plan Area exceeded the projections in the Eastern Neighborhoods PEIR, an appeal on these grounds would be without merit. The Eastern Neighborhoods PEIR used population growth projections to analyze the physical environmental impacts that could result from development under the Eastern Neighborhoods Plan on Land Use; Population, Housing, Business Activity, and Employment; Transportation; Noise; Air Quality; Parks, Recreation, and Open Space; Utilities/Public Services; and Water. The population growth projections do not represent a cap or upper limit of development permissible under the Eastern Neighborhoods Area Plans, nor would exceedance of the growth projections necessarily result in significant physical environmental impacts. For example, population estimates are used to assess whether the Eastern Neighborhoods Area Plans would increase the use of neighborhood parks such that substantial physical deterioration of the facilities would occur or

require construction of new physical recreation facilities that might have an adverse physical effect on the environment. Similarly, population estimates are used to analyze the potential need for new public services (such as a police or fire station) and utility facilities, the construction of which could result in adverse physical effects. The Appellant provides no evidence of physical environmental impacts resulting from growth exceeding PEIR population projections.

2) The CPE Initial Study prepared for the proposed project does not rely solely on the growth projections considered in the Eastern Neighborhoods PEIR in examining whether the Project would have significant impacts that are peculiar to the Project or site.

The Project- and site-specific analysis contained in the CPE Initial Study is based on updated growth projections and related modelling to evaluate project-level and cumulative impacts on traffic and transportation, air quality, and greenhouse gases. For example, the projected transportation conditions and cumulative effects of Project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected using a run of the San Francisco County Transportation Authority's (Transportation Authority) San Francisco Activity Model Process (SF-CHAMP) and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

As another example, as discussed on pages 26 to 28 of the CPE Initial Study, the Project's air quality impacts were screened using screening criteria established by the Bay Area Air Quality Management District in 2011 and screened using the City's Air Pollutant Exposure Zone mapping. The exposure zone mapping is based on modeling in 2012 of all known air pollutant sources, provides health protective standards for cumulative $PM_{2.5}$ concentration and cumulative excess cancer risk, and incorporates health vulnerability factors and proximity to freeways. As discussed on pages 28 to 30 of the CPE Initial Study, the Project's greenhouse gas emissions impacts were evaluated against consistency with San Francisco's GHG Reduction Strategy, a strategy that has resulted in a 23.3 percent reduction in GHG emissions in 2012 compared to 1990 levels, exceeding the year 2020 reduction goals outlined in the BAAQMD's 2010 Clean Air Plan.

3) Appellant claims that cumulative environmental impacts have resulted from projects that have not been constructed, but are merely contemplated.

Appellant claims that the PEIR's projections for housing, including this Project and those "constructed, entitled, and/or in the pipeline" have been exceeded. Some of these projects in the "pipeline" are merely contemplated and are still undergoing review; some of these projects may not be approved. Others will be smaller than originally proposed. Still others may not rely on the projections in the PEIR, but will

instead conduct separate, independent environmental review altogether, which will include consideration of cumulative impacts as required by CEQA. Thus, the Appellant's speculation that housing development *may* someday exceed the growth projected in the Eastern Neighborhood Plan EIR is not compelling evidence that growth projections have been exceeded. The Project's residential units and the number of existing or entitled units does not exceed the PEIR projections.

4) There is no evidence in the record showing that significant physical environmental impacts have resulted from housing growth exceeding Eastern Neighborhoods PEIR projections and the Appellant does not provide any evidence to substantiate its allegations of such impacts.

The Appellant claims that the 2008 Eastern Neighborhoods Plan EIR is out of date because *housing* projections have been exceeded; therefore, the EIR analysis and determination cannot be relied upon. However, the Appellant provides no information to substantiate how the unsubstantiated claim of growth exceedance has resulted in direct, indirect, and/or cumulative environmental impacts beyond those disclosed in the PEIR or the CPE Initial Study. The Appellant must demonstrate the absence of substantial evidence supporting the Planning Department's analysis. At most, the Appellant shows that the pace of residential growth has been more rapid than projected in the Eastern Neighborhoods Plan EIR, such that someday in the future, that development may exceed the PEIR's projections for housing development. Such speculation is not evidence that the Project will cause specific environmental impacts that neither the PEIR or the CPE Initial Study disclosed.

Traffic

In bullet item 3 of the Appeal Letter (discussed further below under Concern 2), the Appellant notes several transportation-related issues allegedly not anticipated by the Eastern Neighborhoods PEIR, including "increased traffic due to reverse commutes and shuttle busses." No evidence was presented in support of these allegations. In fact, the available evidence indicates that traffic volumes at several intersections within the Mission District are actually *lower* than projected in the Eastern Neighborhoods PEIR, as discussed in more detail in Attachment A, Appeal of Community Plan Exemption for 2675 Folsom Street, based on additional transportation studies included as Attachment B. Observed traffic volumes in 2016 were around 5 to 10 percent lower than expected based on the Eastern Neighborhoods PEIR and the percentage of estimated development completed. In April 2017, updated traffic counts were conducted at four intersections in the Mission neighborhood (Guerrero Street/16th Street, South Van Ness Avenue/16th Street, Valencia Street/15th Street, and Valencia Street/16th Street) that were analyzed in the Eastern Neighborhoods PEIR.[4] Compared to traffic volume projections for 2017, the updated traffic counts showed fewer vehicles at three of the intersections (3, 10, and 14 percent decreases) and more vehicles at one intersection (6 percent increase). The 6 percent increase is at the intersection of 16th and

[4] Fehr & Peers, *Updated Eastern Neighborhoods Traffic Counts*, April 17, 2017.

South Van Ness, where there was an increase in traffic volume travelling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR (e.g., transit only lanes on Mission Street and lane reduction on Valencia Street). Overall, there were fewer vehicles at these four intersections (average decrease of 4 percent) when compared to traffic volume projections for 2017.

The travel demand analysis methodology employed in the Eastern Neighborhoods PEIR is provided on pages 267 through 269 of the PEIR. Briefly, the analysis relied upon the San Francisco County Transportation Authority (SFCTA) countywide travel demand forecasting model to develop forecasts for development and growth under the No Project and the three zoning options (A, B and C) through the year 2025 in the Eastern Neighborhoods study area. This approach took into account both future development expected within the boundary of the Eastern Neighborhoods Area Plans, and the expected growth in housing and employment for the remainder of San Francisco and the nine-county Bay Area. Growth forecasts were prepared for each traffic analysis zone (or TAZ) in the Eastern Neighborhoods study area and the remainder of the City. As the Eastern Neighborhoods PEIR points out on page 268,

> "[n]o separate cumulative model run was undertaken, because, as noted, the 2025 forecasts developed by the Planning Department include growth in the remainder of San Francisco, as well as in the rest of the Bay Area. Thus, each rezoning option effectively is [sic] represents a different cumulative growth scenario for the year 2025, including growth from development that would occur with implementation of the proposed Eastern Neighborhoods Rezoning and Area Plans, as well as other, non-project-generated growth accounted for in the 2025 No-Project scenario."

As discussed on pages 17 through 21 of the CPE Initial Study for the Project, significant and unavoidable impacts were identified in the Eastern Neighborhoods PEIR for transportation and circulation (specifically, transit). The Appellant provides no evidence that traffic conditions in the area of the Project today represent "changed circumstances" necessitating further environmental review beyond what was conducted in the CPE Initial Study, nor does the Appellant identify specific significant transportation and circulation impacts that would result from the Project that were not already analyzed in the PEIR.

As stated on page 17 of the CPE Initial Study, the Planning Department conducted project-level analysis of the pedestrian, loading, bicycle, emergency access, and construction transportation impacts of the Project. As discussed in the CPE Initial Study, the projected transportation conditions and cumulative effects of project buildout analyzed in the Eastern Neighborhoods PEIR were based on a 2025 horizon year. However, in 2015, the Planning Department updated its cumulative transportation impact analysis for all projects to use a 2040 horizon year. Therefore, the project-specific cumulative transportation impact analysis presented in the CPE Initial Study conducted to determine whether the proposed project would result in new or substantially more severe significant impacts than previously disclosed is based on updated growth projections through year 2040. San Francisco 2040 cumulative conditions were projected

using the SF-CHAMP model and includes residential and job growth estimates and reasonably foreseeable transportation investments through 2040.

The potential transportation and circulation impacts of the Project are evaluated under Topic 4 of the CPE Initial Study (pages 16 through 21). As discussed on page 11 of the CPE Initial Study, with the Planning Commission's adoption of Resolution 19579 on March 3, 2016, the City no longer considers automobile delay, as described solely by level of service or similar measures of vehicular capacity or traffic congestion, to be a significant impact on the environment under CEQA. Consistent with Resolution 19579, the CPE Initial Study provides an analysis of the Project's anticipated project-specific and cumulative contribution to vehicle miles traveled and induced automobile travel. In both instances, the analysis determined that the Project would not result in a significant project-specific or cumulative impact. Furthermore, as discussed on page 11 of the CPE Initial Study under "Aesthetics and Parking," the Project qualifies as an infill project: it is in a transit priority area, it is on an infill site, and it is a mixed-use residential project. Consistent with CEQA section 21099, aesthetics and parking are not considered as significant environmental effects for such infill projects.

The "Transportation and Circulation" section of the CPE Initial Study provides a comprehensive analysis of the Project's anticipated trip generation and its potential effects on transit, pedestrians, bicyclists, loading, and construction traffic. The analysis is based on the Planning Department's transportation calculations and review, as stated above, and the analysis and conclusions presented in the Eastern Neighborhoods PEIR. On the basis of the substantial evidence provided by the Planning Department's review and an analysis of the Project's potential transportation and circulation effects in relation to the Eastern Neighborhoods PEIR, the CPE Initial Study concluded on pages 20 and 21 that the Project would not result in significant impacts on transit, pedestrians, and bicycles beyond those identified in the Eastern Neighborhoods PEIR.

The Appellant's contention that the environmental analysis in the CPE Initial Study is flawed because the Eastern Neighborhoods PEIR did not consider traffic and circulation, transit and transportation effects is not based upon substantial evidence and fails to reflect that traffic congestion is no longer considered an impact under CEQA; the Appeal Letter does not provide specific technical analysis with observable traffic and transportation effects.

Recreation and Open Space

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts on recreation and open space. As discussed above, the total amount of development assumed in the PEIR has not been exceeded. Moreover, the appellant has not demonstrate that the PEIR conclusion that implementation of the Eastern Neighborhoods Area Plans would not result in substantial or accelerated deterioration of existing recreational resources or require the construction or expansion of recreational facilities that may have an adverse effect on the environment are no longer valid as a result of significant new information or changed circumstances.

Further, the CPE Initial Study (page 32) identifies new open spaces and recreational facilities that have opened in the Mission since the PEIR. The Appeal Letter does not demonstrate either that population growth in the plan area exceeds the projections used to support the analysis of impacts on recreational resources in the PEIR or that such growth has resulted in the substantial deterioration of existing recreational resources or the need for construction of new recreational facilities beyond those identified in the PEIR. Moreover, the appeal provides no evidence or analysis that the Project would have a cumulatively considerable contribution to any such effects. Thus, the appellant's claims concerning impacts on recreation and open space do not support a determination that the Project would result in new or more severe impacts on recreational resources that are peculiar to the project or its site.

Shadow

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to shadow, yet again fails to provide any evidence of such claims. The PEIR determined shadow impacts to be significant and unavoidable because it could not determine the feasibility of complete mitigation for potential new shadow impacts of unknown proposals. The CPE Initial Study page 31 describes the project-specific preliminary shadow fan analysis that was prepared for the Project and states that the Project would not cast shadows on any neighborhood parks or outdoor public recreational facilities, and correctly determines that the Project would not result in significant shadow impacts that were not identified in the Eastern Neighborhoods PEIR. The Appeal Letter does not provide any evidence that the project would result in new or substantially more severe shadow impacts than were identified in the Eastern Neighborhoods PEIR.

Land Use and Consistency with Area Plans and Policies

The Appellant contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to land use and consistency with area plans and policies; no evidence is provided. The CPE Initial Study page 12 describes that the Eastern Neighborhoods PEIR determined that the rezoning and Area Plans would not divide individual neighborhoods or subareas and that the Planning Department has determined that the Project is consistent with the development density established in the Eastern Neighborhoods Area Plan. (Refer also to Concern 5, for further discussion of consistency with the Mission Area Plan)

Noise, Health and Safety, and Other Impacts

The Appellant also contends that the Eastern Neighborhoods Area Plan PEIR analysis cannot be relied upon to support the exemption with respect to impacts related to noise, health and safety, and "other impacts to the Mission", yet provides no evidence to substantiate these assertions. Impacts related to noise and health and safety are discussed in more detail below in Concern 4. The Appellant neither describes the "other impacts to the Mission," nor provides any evidence of those impacts. Accordingly, the Appeal letter offers no substantial evidence to support its claim of "other impacts."

5) Non-residential development to date, which is associated with higher trip generation than residential development, has been lower than projected in the Eastern Neighborhoods PEIR, resulting in lesser impacts related to transportation, noise, and air quality than anticipated.

As noted above in Concern 1, the growth assumptions in the Eastern Neighborhoods PEIR are based on both household population and employment population from non-residential uses. As of September 2017, non-residential development completed, approved, or proposed in the Mission Plan Area accounts for 560,460 square feet of non-residential space (excluding PDR loss). The Eastern Neighborhoods PEIR forecast of up 3,481,536 square feet of non-residential development is approximately six times higher than has been completed, approved, or proposed to date. Non-residential uses, such as office, retail, and restaurants have higher trip generation rates than residential uses. According to the San Francisco Transportation Impact Analysis Guidelines (October 2002) utilized in the Eastern Neighborhoods PEIR, a one to two bedroom residential unit would generate roughly 7.5 to 10 trips per day, whereas non-residential uses of approximately the same square footage[5] would generate the following daily trip rates per 1,000 square feet: 18 trips for office use; 150 trips for general retail use; and 200 trips for quality sit-down restaurant uses. Given that the transportation impact analysis in the Eastern Neighborhoods PEIR is based on trip generation associated with six times more non-residential uses than has been completed, approved, or proposed to date, the impacts associated with development's trips to date can reasonably be assumed to be lower than anticipated in the PEIR. In addition, as documented by SFMTA's recent travel decision survey summary report 2013 – 2017, the percentage of trips made by automobile, including for-hire vehicles, has not changed substantially over the last five years.[6] Because vehicle trips are a component of overall person trips, correspondingly, the noise and air quality effects related to vehicle trips would also be less severe than anticipated.

6) Appellant has not demonstrated that the Project would make a considerable contribution to a significant cumulative environmental impact.

The Appellant has provided no evidence that the 2918-2924 Project, with its 75 dwelling units, would have a considerable contribution to a significant cumulative environmental impact.

[5] Two-bedroom residential unit sizes vary, but this analysis is assuming 1,000 square feet per two-bedroom residential units as a proxy. This assumption is based by a Planning Code allowance for these size units: section 151.1 allows one car per dwelling unit in certain use districts, including Eastern Neighborhoods, that include at least two bedrooms and at least 1,000 square feet. Even if average two-bedroom residential unit sizes were lower (e.g., 600 or 800 square feet), the estimated number of trips for non-residential uses would still be higher than that estimated for residential uses.

[6] Fehr & Peers, 2013-2017 Travel Decision Survey Data Analysis and Comparison Report, Prepared for SFMTA, July 2017. Available at https://www.sfmta.com/sites/default/files/reports/2017/Travel_Decision_Survey_Comparison_Report_2017.pdf

Conclusion

On page 3 of the Appeal Letter, the Appellant states: "The City is engaging in a pattern and practice of approving residential projects in the Mission based on a Community Plan Exemption that improperly tiers off of an out of date Eastern Neighborhoods Area Plan EIR instead of conducting project level environmental review." This is incorrect. The Planning Department properly relies upon CEQA Guidelines section 15183 to determine if additional environmental review is required for projects that are consistent with the development density established under existing zoning, community plans, or general plan policies, including the Eastern Neighborhoods Plan, for which an EIR was certified. In accordance with this provision of the CEQA Guidelines, additional environmental review **shall not** be required for such projects except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the Project or its site and which were not addressed in as significant impacts in a prior EIR, or which substantial new information shows will be more significant than described in that EIR. Here, the project-level environmental review in the CPE Initial Study determined that the Project would not result in significant effects that are peculiar to the Project or its site that were not previously disclosed in the Eastern Neighborhoods PEIR, and that there was no substantial new information to show that such impacts would be more significant than described in the PEIR.

The Appellant does not demonstrate that the Planning Commission's determination that the Project would not result in significant effects that are peculiar to the project or its site and that were not previously disclosed in the Eastern Neighborhoods PEIR is not supported by substantial evidence.

Concern 2: The CEQA findings did not take into account the potential impacts of the Proposed Project on the Calle 24 Latino Cultural District (LCD), which was not designated at the time the PEIR was prepared. Potential impacts due to gentrification and displacement to businesses, residents, and nonprofits within the LCD, including impacts to cultural and historic resources, health and safety and increased traffic due to reverse commutes and shuttle busses have not been considered. Previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects.

Response 2: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission's approval of the Conditional Use Authorization for the Project are not subject to appeal under the San Francisco Administrative Code. Further, under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts. The CPE Initial Study and additional Planning Department analysis have considered and do not identify adverse physical environmental effects due to gentrification and displacement of businesses, residents, or nonprofits.

Under San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3), the grounds for appeal of an environmental determination are limited to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings made as a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Any challenge to the CEQA findings must be

included as part of an appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

Regardless, there is no substantial evidence in the record showing that the Project will cause adverse physical environmental impacts due to gentrification and displacement of existing residents and businesses. In fact, as discussed below, substantial evidence shows that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes.

Gentrification and Displacement

The Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The Department is actively engaging with the community, the Board, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls Interim Zoning Controls for Restaurants and Storefront Mergers in the Mission Interim Controls Area, the Calle 24 Special Use District, Mission Action Plan 2020 ("MAP2020"), and a broader citywide analysis of socioeconomic trends.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission Interim Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the Latino Cultural District, and 24th Street in particular.

The most robust effort to date, the MAP2020 is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past three years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to implement and advance its specific strategies through programs and legislation through the summer of 2018.

In addition, the Planning Department is working on a Community Stabilization and Anti-Displacement Strategy to undertake a broader analysis of displacement and gentrification issues citywide with a focus on equity working with UC Berkeley's Urban Displacement Project. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

However, the Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2918-2924 Mission Street project are responsible for residential or commercial displacement. As shown in the attached analysis (Attachment A prepared for the 2675 Folsom Street CEQA appeal, the Appellant's contention that the proposed Project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern Neighborhoods rezoning and area plans. Neither these analyses nor the literature provides empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement (see Attachment C for the ALH technical study). Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

The issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues,

examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan-level and project-level CEQA documents under the relevant resource topics such as population and housing, transportation, air quality, noise, parks and open space, and public services. The appellant asserts that gentrification and displacement would result in impacts to cultural and historic resources, health and safety, and increased traffic due to reverse commutes and shuttle busses, and that these impacts have not been considered; however, no evidence of these purported impacts has been provided. These topics are discussed individually below.

Cultural and Historic Resources

The Calle 24 Latino Cultural Heritage District was identified in 2014,[7] subsequent to certification of the Eastern Neighborhoods PEIR. The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The CPE Initial Study (page 15) indicates that the Project site is not within the Calle 24 Latino Cultural Heritage District; the western boundary of the district is across Mission Street from the Project site. As discussed, a cultural heritage district is defined as a region and a community linked together by similar cultural or heritage assets, and offering visitor experiences that showcase those resources.[8] The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed Project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

Therefore, the CPE Initial Study correctly determined that the Project would not contribute to the significant historic resource impact identified in the Eastern Neighborhoods PEIR and that the

[7] Board of Supervisors Resolution, File No. 140421, May 28, 2014.

[8] Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf, accessed June 8, 2016.

designation of the Calle 24 Latino Cultural District does not constitute significant new information that would result in a new significant historic resource impact or change the conclusions set forth in the Eastern Neighborhoods PEIR.

Health and Safety

Because the Appeal Letter provides no supporting evidence, it is unclear how the Appellant believes gentrification and displacement within the LCD would result in impacts to health and safety. The CPE Initial Study discusses health and safety concerns related to various environmental topics: pedestrian safety (page 21); noise (pages 23 and 24); air quality and health risks (pages 25 to 28); seismic and geologic hazards (pages 36 to 37); flooding risks (page 39); and hazards and hazardous materials (pages 40 and 41). Further discussion of this topic is provided below under Concern 4. The Appeal Letter does not provide any analysis connecting gentrification and displacement with public health and safety impacts.

Traffic

The Appellant claims that there is increased traffic due to reverse commutes and shuttle busses since certification of the Eastern Neighborhoods PEIR, which was not considered. At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, as discussed in the CPE Initial Study (pages 11 and 17,) automobile delay, as described solely by level of service or similar measures of traffic congestion is no longer considered a significant impact on the environment under CEQA in accordance with CEQA section 21099 and Planning Commission Resolution 19579. Accordingly, the CPE evaluates whether the proposed project would result in significant impacts on vehicle miles traveled (VMT).

Even though, as discussed above, the CPE Initial Study establishes that the proposed Project would not have significant impacts either individually or cumulatively related to increased VMT, additional Planning Department analysis - based on updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission - presented in the 2675 Folsom Street Appeal Response (Attachment A) rebuts the Appellant's claim that increased commute distances by displaced workers are causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR. As shown in the 2016 transportation study and April 2017 traffic counts (Attachment B), observed traffic volumes and the percentage of estimated development completed were generally *lower* than expected in the Eastern Neighborhoods PEIR; this indicates traffic volumes similar to or slightly below PEIR projections. Further, environmental review for the commuter shuttle program concluded that the program reduces the number of commuters who drive alone to work, reducing regional VMT, and would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading. Thus, the available evidence demonstrates that new or substantially more severe transportation impacts on the Latino Cultural District are not occurring as a result of increased traffic.

Other

The Appeal letter claims that "previous reports as required by the Board of Supervisors were hastily and shoddily prepared, and was [sic] erroneous in numerous respects." The Appellant provides no support whatsoever for this general assertion and has specified neither which reports, nor in what respects the reports are erroneous, hence no further response is given.

Conclusion

Available evidence refutes the Appellant's contention that development under the Eastern Neighborhoods Rezoning and Area Plans is responsible for gentrification and displacement affecting the Calle 24 Latino Cultural District. Moreover, gentrification and displacement are socioeconomic impacts that are not within the scope of CEQA environmental review. Because the Calle 24 Latino Cultural District is not a historic resource under CEQA, any potential impacts would be considered social or economic effects, and not impacts on the physical environment subject to CEQA analysis. The Appellant's claim that impacts to the Calle 24 Latino Cultural District were not considered with respect to cultural and historic resources, health and safety, and transportation is not supported by the record. Not only were these topics considered, the environmental analysis is supported by substantial evidence. The Appellant has not provided any information to the contrary.

Concern 3: The claimed community benefits of the Eastern Neighborhoods Area Plan, outlined in the 2008 PEIR, its approvals and the Statement of Overriding Considerations have not been fully funded, implemented, or are underperforming and the determinations and findings for the proposed Project that rely on the claimed benefits to override impacts outlined in the PEIR are not supported. The City should have conducted Project level review based upon up to date data and the actual community benefits that have accrued since the adoption of the 2008 plan and did not.

Response 3: The Appellant's contentions concerning community benefits are not valid grounds for an appeal of the CPE because they do not demonstrate that the Project would result in significant effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, or which substantial new information shows will be more significant than described in the PEIR.

As stated above, CEQA section 21083.3 and CEQA Guidelines section 15183 mandate that projects that are consistent with the development density established under existing zoning, community plans, or general plan policies for which an EIR was certified shall not require additional environmental review except as might be necessary to examine whether there are project-specific significant effects that are peculiar to the project or its site and that were not addressed as significant effects in the prior EIR, or which substantial new information shows will be more significant than described in the prior EIR. The Appellant's contentions concerning the funding and implementation of community benefits do not demonstrate that the Project would result in significant environmental effects that are peculiar to the Project or its site that were not disclosed in the Eastern Neighborhoods PEIR, nor do they demonstrate substantial new information showing that impacts would be more significant than described in the PEIR.

Therefore, these contentions do not present a valid ground for an appeal of the determination that the project qualifies for a CPE.

For informational purposes, however, the following discussion about the status of the community benefits identified in the CEQA findings and Statement of Overriding Consideration for the adoption of the Eastern Neighborhoods Area Plans is provided.

The Appellant does not specify which community benefits "have not been fully funded, implemented or are underperforming..." or which findings and determinations for the Project "rely on the claimed benefits to override impacts outlined in the PEIR." Regardless, as the following discussion indicates, community benefits are being provided under the Eastern Neighborhoods Plan through an established process.

The Eastern Neighborhoods Plan included, as an informational item considered by the Planning Commission at the time of the original Eastern Neighborhoods Plans approvals in 2008, a Public Benefits Program detailing a framework for delivering infrastructure and other public benefits as described in an Implementation Document titled Materials for Eastern Neighborhoods Area Plans Initiation Hearing.[9] The Public Benefits Program consists of:

1) an Improvements Program that addresses needs for open space, transit and the public realm, community facilities and affordable housing;
2) a Funding Strategy that proposes specific funding strategies and sources to finance the various facilities and improvements identified in the Improvements Plan, and matches these sources to estimated costs; and
3) a section on Program Administration that establishes roles for the community and City agencies, provides responsibilities for each, and outlines the steps required to implement the program.

Some of the benefits were to be provided through requirements that would be included in changes to the Planning Code. For example, Planning Code section 423 (Eastern Neighborhoods Community Infrastructure Impact Fee) fees are collected for "Transit", "Complete Streets", "Recreation and Open Space", "Child Care", and in some portions of the Mission District and the South of Market Area, "Affordable Housing". Other benefits were to be funded by fees accrued with development and through other sources of funding. The Public Benefits Program was not intended to be a static list of projects; rather, it was designed to be modified by a Citizens Advisory Committee as needs were identified through time.

[9] San Francisco Planning Department, *Materials for Eastern Neighborhoods Area Plans Initiation Hearing,* Case No. 2004.0160EMTUZ. April 17, 2008. Available at: http://sf-planning.org/sites/default/files/FileCenter/Documents/1507-VOL3_Implementation.pdf, accessed July 14, 2017.

The Appellant's assertion that "the claimed benefits to override impacts outlined in the PEIR are not supported," stating that benefits have not been have not been fully funded, implemented, or are underperforming, is incorrect.

In terms of the process for implementing the Public Benefits Program, new development within the Eastern Neighborhoods Plan area, including the Project, are required to pay development impact fees upon issuance of the "first construction document" (either a project's building permit or the first addendum to a project's site permit), which fees are collected to fund approximately 30 percent of the infrastructure improvements planned within the Eastern Neighborhoods Plan area. Additional funding mechanisms for infrastructure improvements are identified through the City's 10-year Capital Plan. Eighty percent of development impact fees must go towards Eastern Neighborhoods priority projects, until those priority projects are fully funded. The fees are dispersed to fund infrastructure improvements within the entirety of the Eastern Neighborhoods Plan area, on a priority basis established by the Eastern Neighborhoods Citizen Advisory Committee (CAC) and the City's Interagency Plan Implementation Committee (IPIC). The IPIC works with the CAC to prioritize future infrastructure improvements. Additionally, the Planning Department and Capital Planning Program are working with the implementing departments to identify additional state and federal grants, general fund monies, or other funding mechanisms such as land-secured financing or infrastructure finance districts to fund the remaining emerging needs. Impact fees are distributed among the following improvement categories: open space, transportation and streetscape, community facilities, childcare, library, and program administration. As stated in the January 2016 Planning Department's Interagency Plan Implementation Committee Annual Report,[10] the Planning Department forecasts that pipeline projects, including the proposed project, would contribute approximately $79.1 million in impact fee revenue within the Eastern Neighborhoods Plan area between fiscal years 2017 and 2021.

Infrastructure projects that are currently underway are also listed in the Planning Department's Interagency Plan Implementation Committee Annual Report. These include various streetscape, roadway, park, and childcare facility improvements. Additionally, a Transportation Sustainability Fee was adopted in November 2015 (BOS File Number 150790) and expenditures of the revenue generated through this fee are allocated according to Table 411A.6A in the Ordinance, which gives priority to specific projects identified in different area plans. These processes and funding mechanisms are designed to provide for implementation of infrastructure improvements to keep pace with development and associated needs of existing and new residents and businesses within the area. The CPE Initial Study provides further information regarding improvements within the Eastern Neighborhoods Plan Area. Regarding transit, as discussed on pages 20 and 21 of the CPE Initial Study, Mitigation Measures E-5

[10] *City and County of San Francisco, Interagency Plan Implementation Committee Annual Report*, January 2016. Available at http://www.sf-planning.org/ftp/files/plans-and-programs/plan-implementation/2016_IPIC_Report_FINAL.pdf, accessed July 14, 2017.

through E-11 in the Eastern Neighborhoods PEIR were adopted as part of the Eastern Neighborhoods Area Plans with uncertain feasibility to address significant transit impacts. While these plan-level measures are not applicable to the Project, each is in some stage of implementation (see discussion on pages 20 and 21 of the CPE Initial Study). Regarding recreation, the funding and planning for several Eastern Neighborhoods parks and open space resources are discussed on pages 32 and 33 of the CPE Initial Study.

Thus, based on the available evidence, the public benefits included in the Public Benefits Program are in the process of being provided under the Eastern Neighborhoods Area Plans. As is generally the case with development fee-based provision of community benefits, capital facilities are constructed as fees are collected and are rarely provided in advance of development.

Concern 4: The CEQA findings did not take into account the potential impacts on the Zaida T. Rodriguez school and the school's children with respect to shadow; noise impacts on the Speech and Learning School; transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children; and overall health and safety of the children.

Response 4: The CEQA findings adopted by the Planning Commission on December 15, 2017 as part of the Commission's approval of the Conditional Use Authorization for the Project are not subject to appeal under San Francisco Administrative Code. The CPE Initial Study considered and did not identify significant environmental impacts peculiar to the Project or its site on the Zaida T. Rodriguez School or its students.

San Francisco Administrative Code section 31.16(c)(3), (d)(3), and (e)(3) limits the grounds for appeal of an environmental determination to whether the **environmental determination** is adequate under CEQA. The CEQA findings are findings are a part of the Project approval action, which is not before the Board of Supervisors in this appeal of the CPE. Challenging the CEQA findings would appropriately be part of any appeal of the Project's approval action, which was a Conditional Use Authorization. Regardless, neither state law nor Chapter 31 of the Administrative Code requires that any CEQA findings be made when a project is approved in reliance on a CPE. Detailed CEQA findings are required to be made only when an EIR has been prepared, there are significant unmitigated environmental impacts associated with the project, and the agency decides to approve the project despite those impacts, pursuant to CEQA Guidelines section 15091.

The CPE Initial study identified the Zaida T. Rodriguez School adjacent to the Project site and considered the potential environmental effects of the Project on the school and the school's children, as further described below.

Shadow

The Eastern Neighborhoods PEIR determined shadow impacts to be significant and unavoidable, as the feasibility of complete mitigation for potential new shadow impacts of unknown proposals could not be determined at that time that the PEIR was certified. The CPE Initial Study examined potential site-specific

shadow impacts of the Project in accordance with the City's Initial Study Checklist criterion for shadow, which considers whether a project would "create new shadow in a manner that substantially affects outdoor recreation facilities or other public areas." Shadow effects on schoolyards are not considered an environmental impact under CEQA (unless those outdoor recreation facilities are open to the public, such as through the San Francisco Shared Schoolyard Project). Thus, any shadow effects on the Zaida T. Rodriguez schoolyards would not result in a significant environmental impact under CEQA. Regardless, the Planning Department's preliminary shadow fan analysis indicates that the Project would not cast any shadows on the schoolyard of the Zaida T. Rodriguez schoolyard adjacent to the south (2950 Mission Street), as stated on CPE Initial Study, page 31. It is possible that the Project would cast shadows on the schoolyard across Osage Alley to the west (421 Bartlett Street) in the early morning hours; however, these shadows would retreat as the sun moves to the south and west during the day.

Noise

As discussed in the CPE Initial Study (pages 23 and 24), construction of the Project would result in temporary elevated noise levels at nearby residences and schools, including the Zaida T. Rodriguez Early Education School. Accordingly, Eastern Neighborhoods PEIR Mitigation Measure F-2 would apply to the Project, and the project sponsor has prepared a noise and vibration mitigation plan.[11] According to the noise mitigation plan, ambient noise and construction noise measurements would be taken at noise sensitive locations in the vicinity of the Project site during construction. Construction noise reduction may be achieved by various methods of equipment source noise reduction, noise barriers, and sensitive receptor noise reduction. These methods could include the following: providing intake and exhaust mufflers on pneumatic impact tools and equipment; using noise-attenuating shields, shrouds or portable barriers; using electric instead of diesel or gasoline-powered equipment; providing enclosures for stationary items of equipment and noise barriers around particularly noisy areas at the project site; minimizing noisy activities during the most noise sensitive hours; installing noise control curtains; and installing removable secondary acoustic window inserts to existing windows in sensitive receptor buildings. As stated in the CPE Initial Study and consistent with the PEIR noise impact analysis, compliance with this mitigation measure would result in a less-than-significant impact with regard to construction noise.

In addition, and as stated in the CPE Initial Study, all construction activities for the proposed project would be subject to the San Francisco Noise Ordinance which includes enforceable standards limiting construction noise.

The CPE Initial Study correctly concluded that there are no peculiar site-specific conditions that would result in new or substantially more severe noise impacts than considered in the Eastern Neighborhoods

[11] Clearwater Group, *Site Mitigation Plan, 2918-2924 Mission Street*, May 26, 2016.

PEIR. The PEIR considered that new developments would be constructed near noise-sensitive receptors, such as residences and schools; the presence of the Zaida T. Rodriguez School adjacent to the site is not a peculiar or unforeseen circumstance. Construction activities occur routinely in the City adjacent to noise-sensitive receptors, subject to noise regulations and similar noise mitigation measures as the Project. The Appeal Letter does not demonstrate that the CPE Initial Study did not consider the noise impacts on students at the Zaida T. Rodriguez School or that the conclusions in the CPE concerning noise impacts on the school are not supported by substantial evidence.

Transportation, traffic, and circulation impacts with respect to parents picking up and dropping off their children

The Planning Department considered the transportation impacts of the Project with respect to parents picking up and dropping off their children at the Zaida T. Rodriguez School. Initial plans for the Project submitted to the Department in June 2015 included an 18-car garage with the entrance on Osage Alley. Comments received on the Planning Department's *Notice of Project Receiving Environmental Review* distributed in September 2016 identified community concerns with regard to pedestrian safety for parents picking up and dropping off their children at the school, and for students and teachers crossing Osage Alley between the two school campuses. Based on these concerns, the project sponsor modified the Project to eliminate the parking garage, to remove the existing curb cuts and restore the sidewalk, and to incorporate a passenger loading zone in front of the building lobby on Mission Street, well separated from the school's passenger loading zone to the south of the Project site. With incorporation of these design changes, the Department determined that the Project would not have any significant transportation and circulation impacts, including pedestrian safety impacts on students and parents dropping off and picking up at the adjacent school.

Health and Safety

The CPE Initial Study considers the health and safety of the public, including students at the adjacent Zaida T. Rodriguez School, under several environmental topics. CPE Initial Study pages 26 to 28 evaluate the health and safety impacts related to air quality, such as exposure to construction dust, criteria air pollutant emissions, and health risks associated with air pollutants, such as those generated by construction vehicles and equipment. As discussed, compliance with the Construction Dust Control Ordinance would protect the health of the students through a combination of construction best management practices such as watering disturbed areas, covering stockpiled materials and haul trucks, prohibiting soil disturbing activities when wind speeds are great enough to create visible dust emissions outside the work zone, and street and sidewalk sweeping. In addition, the Project sponsor has prepared a *Site Mitigation Plan* for project construction, which has been reviewed and approved by the San Francisco Department of Public Health in accordance with Article 22A of the Health Code. The Site Mitigation Plan includes a detailed dust control plan that would entail installation of wind screens on the perimeter security fences to reduce potential dust migration to off-site areas and a dust monitoring program that triggers additional engineering controls or halting work if dust levels in excess of action levels (250 micrograms per cubic meter for each 10-minute average reading) or visible dust are observed. According

to the site mitigation plan's dust monitoring protocols, dust levels would be measured at nine station locations around the site perimeter using direct-reading instruments for particulate matter. Monitoring would be conducted once per hour for the first two days of new activity involving dust-generating activities; if no exceedances occur, the sampling frequency could be reduced. Records of dust mitigation daily inspections and dust monitoring results would be recorded on a daily log.[12] The regulations and procedures set forth would ensure that construction dust impacts would not be significant.

The CPE evaluates whether the Project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE Initial Study, this up-to-date, project-specific analysis demonstrates that the Project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The scale of the Project is well below the Bay Area Air Quality Management District's screening levels for criteria pollutants. Thus, construction and operation of the Project would not have a significant criteria air pollutant impact, as discussed on CPE Initial Study page 27.

Potential health risks to the public, including students of the Zaida T. Rodriguez school, were also considered in the CPE Initial Study, pages 27 and 28. As noted, the Project site is not within the Air Pollutant Exposure Zone, established by Health Code Article 38, and therefore does not require special consideration to determine whether project construction or operation would expose sensitive receptors to substantial air pollutant concentrations or add emissions to areas already adversely affected by poor air quality. Standard air quality methodologies used in the analysis are protective of all sensitive receptors, including residents and schoolchildren. As explained in the BAAQMD's *CEQA Air Quality Guidelines*: "Due to the variable nature of construction activity, the generation of toxic air contaminant emissions in most cases would be temporary, especially considering the short amount of time such equipment is typically within an influential distance that would result in the exposure of sensitive receptors to substantial concentrations. In addition, current models and methodologies for conducting health risk assessments are associated with longer-term exposure periods of 9, 40, and 70 years, which do not correlate well with the temporary and highly variable nature of construction activities." Although on-road heavy-duty diesel vehicles and off-road equipment would be used during the 20-month construction duration, emissions would be temporary and variable in nature and would not be expected to expose sensitive receptors to substantial air pollutants. The CPE Initial Study conclusion regarding potential health risks to nearby sensitive receptors is based on current guidance used for projects throughout the City, based on substantial evidence. The appellant has not shown any evidence to the contrary.

[12] San Francisco Department of Public Health, Environmental Health, SFHC Article 22a Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco. EHB-SAM Case No: 1296, June 15, 2016.

CPE Initial Study section 15, pages 40 to 42, evaluates potential hazards to the public, including students at the Zaida T. Rodriguez School, due to exposure to hazardous materials that could be released during construction from demolition of the existing building and during excavation and removal of contaminated soil. Hazardous building materials addressed in the Eastern Neighborhoods PEIR include asbestos, lead-based paints, polychlorinated biphenyls, and fluorescent lights containing mercury, which could present a public health risk if improperly handled during demolition. As discussed, compliance with state and local regulations and implementation of PEIR Mitigation Measure L-1 would ensure that building materials are handled appropriately to minimize the potential for exposure to hazardous building materials and, accordingly, to reduce potential health risks to a less-than-significant level. In addition, the CPE Initial Study discloses that the Project site was formerly used as an automobile service station and that contaminants present in soil and groundwater would be encountered during excavation and, if not properly handled, could result in releases that may expose the public to those hazardous materials and potentially result in adverse health effects. However, as discussed, article 22A of the Health Code, also known as the Maher Ordinance, routinely addresses development on sites with potentially hazardous soil or groundwater in order to protect public health and safety. In compliance with the Maher Ordinance, the project sponsor has submitted a 161-page site mitigation plan[13] that presents the specific protocols for removing or managing the contaminants found in soil and groundwater. These include eight specific mitigation plans for the following: waste management and disposal; dust control (described in more detail above under the first paragraph in this section regarding health and safety); stormwater pollution protection; soil management and handling procedures; health and safety plan; vapor screening procedures; excavation management and waste; noise and vibration mitigation. As discussed in the CPE Initial Study, the Department of Public Health, Environmental Health has reviewed the site mitigation plan and determined that it is compliant with article 22A.[14] The CPE correctly concludes that the Project would not result in any significant impacts related to hazardous materials that were not identified in the Eastern Neighborhoods PEIR.

Conclusion

The CPE Initial Study considered and did not identify significant environmental impacts of the Project on the public, including the students at the Zaida T. Rodriguez school. The Appellant does not demonstrate that the Planning Commission's determination that the Project would not result in significant effects that are peculiar to the Project or its site on the Zaida T. Rodriguez School and the school's children with respect to a shadow, noise, transportation, and overall health and safety is not supported by substantial

[13] Clearwater Group, Site Mitigation Plan, San Francisco Health Code Article 22A, Maher Ordinance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, May 26, 2016.

[14] Stephanie Cushing, Director, Environmental Health, San Francisco Department of Public Health, SFHC Article 22A Compliance, Wash Club Laundry and Mini-Mart, 2918-2924 Mission Street, San Francisco, June 15, 2016.

evidence. Further, the Eastern Neighborhoods PEIR and the CPE Initial Study did consider the effects of development on adjacent land uses and sensitive receptors as a result of the rezoning options considered and found those impacts to be less-than-significant. As discussed above, "the effect of a project on the environment shall not be considered peculiar to the project or the parcel…if uniformly applied development policies or standards have been previously adopted by the city or county with a finding that the development policies or standards will substantially mitigate that environmental effect when applied to future projects." As referenced, these include the Construction Dust Control Ordinance, the Noise Ordinance, Article 22A of the Health Code, and Bay Area Air Quality Management District CEQA Guidelines. The presence of the Zaida T. Rodriguez School adjacent to the Project site does not result in a new significant environmental effect or increased severity of an environmental effect analyzed in the Eastern Neighborhoods PEIR, or substantial new information showing that the impacts analyzed in the PEIR would be more significant than described in the PEIR, such that a project-specific EIR would need to be prepared.

Concern 5: The Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan.

Response 5: The Project is consistent with the development density established under the Eastern Neighborhoods Area Plan, and would not result in significant impacts on the physical environment due to conflicts with the General Plan or the Mission Area Plan that are peculiar to the project or the project site.

On page 3 of the Appeal Letter, the Appellant states "The Proposed Project, when considered cumulatively, is inconsistent with the General Plan and the Mission Area Plan." The Appeal Letter provides no evidence in support of this claim.

Topic 1(b) in the "Land Use and Land Use Planning" section of the CPE Initial Study limits review of the Project's conflicts with any applicable land use plan, policy, or regulation to those "adopted for the purpose of avoiding or mitigating an environmental effect." Project-related policy conflicts and inconsistencies do not constitute, in and of themselves, impacts on the physical environment under CEQA. As discussed in the Initial Study CPE, the Project is consistent with the development density established in the Eastern Neighborhoods Area Plans, and thus implementation of the proposed project would not result in significant impacts that were not identified in the PEIR related to land use and land use planning.

While not relevant to this appeal, it should be noted that the consistency of the Project with those General Plan and Mission Area Plan policies that do not relate to physical environmental effects were considered by the Planning Commission as part of its determination of whether to approve, modify, or disapprove the Project.

The Planning Department's Citywide Planning and Policy Analysis Division determined that the Project was consistent with the General Plan and with the bulk, density, and land uses as envisioned in the Mission Area Plan, under the State Density Bonus Law. The determination further states:

> "Objective 1.2 of the Mission Area Plan calls for maximizing development potential in keeping with neighborhood character. The proposed project is consistent with this objective by providing 75 dwelling units and utilizing the State Density Program. The project also includes 2 bedroom and 1 bedroom units to satisfy a unit mix, consistent with Objective 2.3; ensure that new residential developments satisfy an array of housing needs with respect to tenure, unit mix and community services…The proposed project's bulk and density are consistent with that permitted under the Mission Street NCT zoning with the State Density Bonus Law."

The Citywide determination concludes:

> "For the purposes of the Citywide Planning and Policy Analysis division, the project is eligible for consideration of a Community Plan Exemption under California Public Resources Code Sections 21159.21, 21159.23, 21159.24, 21081.2, and 21083.3, and/or Section 15183 of the California Environmental Quality Act (CEQA) Guidelines."

As a general matter, the determination of whether a project is consistent with a specific plan or policy can be subjective, and is best made with a broad understanding of the often-competing policy objectives in a planning document. Consequently, policy consistency determinations are ultimately made by the City's decision-making bodies such as the Planning Commission and the Board of Supervisors independent of the environmental review process, as part of the decision to approve or reject the project. In its approval of the Project's Conditional Use Authorization, the Planning Commission determined that the project is generally consistent with the objectives and policies of the General Plan, including the Mission Area Plan.

Accordingly, the Project would not result in significant impacts on the physical environment due to inconsistency with the General Plan, the Eastern Neighborhoods Plan, or the Mission Subarea Plan that are peculiar to the Project or the project site.

CONCLUSION:

The Appellant has not demonstrated nor provided substantial evidence to support a claim that the CPE fails to conform to the requirements of CEQA for a community plan evaluation pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183. The Planning Department conducted necessary studies and analyses, and provided the Planning Commission with the information and documents necessary to make an informed decision, based on substantial evidence in the record, at a noticed public hearing in accordance with the Planning Department's CPE Initial Study and standard procedures, and pursuant to CEQA and the CEQA Guidelines. Therefore, the Planning Department respectfully recommends that the Board of Supervisors uphold the Department's determination for the CPE and reject Appellant's appeal.

Attachment A

Appeal of Community Plan Exemption for 2675 Folsom Street

Socioeconomic Analysis

March 13, 2017

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APPEAL OF COMMUNITY PLAN EXEMPTION
2675 FOLSOM STREET PROJECT

DATE:	March 13, 2017
TO:	Angela Calvillo, Clerk of the Board of Supervisors
FROM:	Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
	Chris Kern, Senior Environmental Planner – (415) 575-9037
	Joy Navarrete, Senior Environmental Planner – (415) 575-9040
	Justin Horner, Environmental Coordinator – (415) 575-9023
RE:	File No. 161146, Planning Department Case No. 2014.000601ENV – Appeal of the Community Plan Exemption for the 2675 Folsom Street Project. Block/Lot: 3639/006, 007
PROJECT SPONSOR:	Muhammad Nadhiri, Axis Development Corporation – (415) 992-6997
APPELLANT:	J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council – (415) 317-0832
HEARING DATE:	March 21, 2017
ATTACHMENTS:	Appendix A – Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA
	Appendix B – Eastern Neighborhoods / Mission District Transportation and Demographic Trends

1 INTRODUCTION

This memorandum and the attached documents are supplements to the Planning Department's (the "Department") November 29, 2016 responses to letters of appeal to the Board of Supervisors (the "Board") regarding the Department's issuance of a Community Plan Exemption ("CPE") under the Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report ("Eastern Neighborhoods PEIR or PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA")

[1] The Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

for the 2675 Folsom Street project. Specifically, this memorandum expands on the Planning Department's previous response to the appellant's contentions concerning socioeconomic impacts.

On October 21, 2016, J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council ("the appellant"), filed an appeal of the Planning Department's CEQA determination for the proposed project. On November 28, 2016, the Planning Department provided a response to the CEQA appeal. On November 29, 2016, the Board of Supervisors opened a hearing on the appeal of the CPE and continued the hearing to December 13, 2016, to allow additional time for the Department to prepare an analysis of potential socioeconomic effects of the proposed project within the Calle 24 Latino Cultural District.[2] The Board voted on December 13, 2016, to continue the appeal hearing to January 10, 2017, and on January 10, 2017, the Board continued the hearing to March 21, 2017, to provide additional time to allow the Department to complete the aforementioned socioeconomic impact analysis.

The decision before the Board is whether to uphold the Planning Department's determination that the proposed project is exempt from further environmental review (beyond what was conducted in the CPE Checklist) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183[3] and deny the appeal, or to overturn the Department's CPE determination for the project and return the CPE to the Department for additional environmental review.

[2] The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue.

[3] 14 Cal. Code of Reg. Section 15000 *et seq*, (CEQA Guidelines). The CEQA Guidelines are state regulations, developed by the California Office of Planning and Research and adopted by the California Secretary for Resources. They are "prescribed by the Secretary for Resources to be followed by all state and local agencies in California in the implementation of the California Environmental Quality Act." (CEQA Guidelines Section 15000.)

Contents

2 EXECUTIVE SUMMARY

This memorandum addresses concerns about gentrification of the Calle 24 Latino Cultural District and related displacement of existing residents and local businesses. The Planning Department acknowledges that gentrification and displacement are occurring in the Mission District and other San Francisco neighborhoods, and is devoting substantial resources aimed at addressing these socioeconomic issues with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts. However, these socioeconomic effects are generally beyond the scope of the CEQA[4] environmental review process. Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts.

CEQA mandates streamlined review for projects like the 2675 Folsom Street project that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an environmental impact report ("EIR") was certified. Accordingly, additional environmental review for such projects shall not be required except to examine whether there are project-specific significant impacts that are peculiar to the project or its site. Pursuant to CEQA Guidelines section 15183(a): "This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." As such, the additional analysis presented in this memorandum is limited to examining whether the project would cause or contribute to socioeconomic effects that would in turn lead to significant physical impacts beyond those identified in the Program EIR certified for the adoption of the Eastern Neighborhoods Rezoning and Area Plans ("Eastern Neighborhoods PEIR").

The Eastern Neighborhoods PEIR included an extensive analysis of the socioeconomic effects of the area plans and rezoning generally concluding that: (1) the rezoning would have secondary socioeconomic effects, (2) these effects would be more severe without the rezoning, and (3) these socioeconomic effects would not in turn lead to significant physical environmental impacts. The PEIR identifies improvement measures to address less than significant effects of potential displacement of some neighborhood-serving uses. Thus, the concerns about the socioeconomic effects of development under the area plans and rezoning are not new and were not overlooked by the plan-level EIR.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern

[4] California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq*.

Neighborhoods rezoning and area plans. Neither these analyses nor the literature establishes empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement.

The department also conducted additional analysis to evaluate whether the proposed project would cause or contribute to significant impacts on the physical environment related to population growth, such as transportation, air quality, and greenhouse gas emissions, beyond those identified in the Eastern Neighborhoods PEIR. This analysis, like that previously provided in the community plan exemption ("CPE") prepared for the project, is based on current data and modelling and uses the Planning Department's latest environmental impact analysis standards and methodologies. The analysis includes a report prepared by transportation consultant Fehr & Peers assessing transportation and demographic trends in the Mission District. This analysis shows that cumulative impacts on traffic congestion are the same or slightly less severe than anticipated in the Eastern Neighborhoods PEIR. In addition, current data provided by the San Francisco Municipal Transportation Agency ("SFMTA") show that transit capacity on most lines serving the Eastern Neighborhoods is better than previously anticipated. This is due largely to SFMTA's implementation of a number of major transportation system improvements that were assumed to be infeasible at the time that the Eastern Neighborhoods PEIR was certified. Thus, there is no evidence that transportation and related air quality, greenhouse gas, and other impacts in the Eastern Neighborhoods plan areas are substantially more severe than the Eastern Neighborhoods PEIR disclosed.

In conclusion, the Planning Department's determination that the 2675 Folsom Street project would not result in new or substantially more severe significant effects on the physical environment than were already disclosed in the Eastern Neighborhoods PEIR is valid. The department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

3 BACKGROUND

The central issues raised by the appellant focus on gentrification of the Mission and displacement of both Mission residents and local small businesses.[5] As discussed in this supplemental appeal response, these socioeconomic issues, while real, are largely beyond the scope of CEQA environmental impact analysis.

Because the intent of CEQA is to provide information about the physical environmental impacts of a proposed action, public agencies have very limited authority under CEQA to address the non-physical effects of an action, such as social or economic effects, through the CEQA environmental review process.

The basic purposes of CEQA are to[6]:

1. Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.
2. Identify the ways that environmental damage can be avoided or significantly reduced.
3. Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
4. Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

These objectives are achieved through the preparation of informational reports for review by the public and adoption by public agencies. A public agency's adoption of a CEQA environmental review document (e.g., certification of a final environmental impact report or adoption of a community plan evaluation) is the agency's determination that the informational requirements of CEQA have been satisfied, but is neither a judgement of the merits of the subject project, nor an approval of the project itself. Rather, the adoption of a CEQA document is an agency's determination that the document provides sufficient information about the potential environmental effects of a project to inform subsequent discretionary actions on the project, such as consideration of whether to grant a conditional use permit for the project.

The focus of CEQA is on *physical* environmental impacts, such as impacts of a project on air quality, water quality, or wildlife habitat. CEQA Guidelines section 15131(a) states:

> Economic or social effects shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.

Moreover, CEQA section 21082.2 states, in part:

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[5] *Gentrification* is a process associated with increased investment in existing neighborhoods and the related influx of residents of higher socioeconomic status and increased property values. The effects of gentrification on residential, cultural, social, and political displacement have been the subject of substantial economic and planning research and analysis in the U.S. since at least the 1970s.

[6] CEQA Guidelines section 15002.

(a) The lead agency shall determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record.
(b) The existence of public controversy over the environmental effects of a project shall not require preparation of an environmental impact report if there is no substantial evidence in light of the whole record before the lead agency that the project may have a significant effect on the environment.
(c) Argument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment, is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

[Emphasis added.]

CEQA Guideline section 15360 defines the term *environment* as follows:

> "Environment" means the physical conditions which exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved shall be the area in which significant effects would occur either directly or indirectly as a result of the project. The "environment" includes both natural and man-made conditions.

Neither the CEQA statute nor the CEQA Guidelines provide an express definition of non-physical effects such as social or economic effects. However, the Planning Department understands non-physical social and economic effects under CEQA to include for example changes in demographics, changes in property ownership or occupancy, and changes in the types of retail businesses in a neighborhood. Such changes are not impacts on the physical environment as defined in CEQA Guidelines section 15360.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission 2016 Interim Zoning Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the LCD, and 24th Street in particular.

The most robust effort to date, the Mission Action Plan 2020 ("MAP2020") is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past two years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to advance its specific strategies through legislation in the spring and summer of 2017.

In addition, the Planning Department is undertaking a broader socioeconomic analysis of displacement and gentrification issues citywide with a focus on equity. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

4 APPROACH TO ANALYSIS

The analysis provided in this memorandum examines whether the proposed project would cause, either individually or cumulatively, socioeconomic changes within the Calle 24 Latino Cultural District that would in turn lead to significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. The analysis consists of three parts.

The first part of this analysis examines whether the proposed project would *cause* gentrification or displacement, either individually or cumulatively. It is not enough under CEQA to show only that economic or social changes are occurring in the project area. Rather, the analysis must examine whether the project, either individually or in combination with other past, present, and reasonably foreseeable future projects, would cause these socioeconomic effects. The analysis need proceed further only if it establishes, based on substantial evidence, that the proposed project would cause the socioeconomic effects claimed by the appellant.

If the analysis determines that the project would cause gentrification or displacement, either individually or cumulatively, then the analysis must consider the second question: Would the economic or social effects attributable to the project result in a significant adverse physical impact on the environment? Changes in the types of businesses, cost of housing, or demographics in a project area are not considered physical environmental impacts under CEQA. These are examples of social and economic effects, not physical environmental impacts. As stated above, the focus of CEQA is on physical environmental impacts. Examples of physical impacts that could be linked to social or economic effects include impacts on transportation and related air quality, greenhouse gas, and noise impacts where such impacts are a direct or indirect result of social or economic changes.

Finally, if the analysis traces a chain of cause and effect establishing that the proposed project would result in significant adverse physical environmental impacts as a direct or indirect result of socioeconomic changes, the analysis must consider whether such impacts would constitute new or substantially more severe significant impacts than were identified in the Eastern Neighborhoods PEIR.

Because the proposed project is consistent with the development density established for the project site under the Eastern Neighborhoods area plans and rezoning, consideration of the potential socioeconomic impacts of the proposed project must be limited to significant physical impacts that are peculiar to the project or the project site in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

CEQA Guidelines section 15183 states, in part:

> (a) CEQA mandates that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there

are project-specific significant effects which are peculiar to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

(b) In approving a project meeting the requirements of this section, a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:

(1) Are peculiar to the project or the parcel on which the project would be located,

(2) Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent,

(3) Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or

(4) Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

Accordingly, the analysis below examines whether socioeconomic effects of the proposed project would result in significant adverse impacts on the physical environment that:

- Are peculiar to the project or the parcel on which the project would be located
- Were not analyzed as significant effects in the Eastern Neighborhoods PEIR
- Are potentially significant off-site impacts and cumulative impacts which were not discussed in the Eastern Neighborhoods PEIR, or
- Are previously identified significant effects which, as a result of substantial new information which was not known at the time the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR

5 EASTERN NEIGHBORHOODS PLAN-LEVEL SOCIOECONOMIC EFFECTS

To evaluate whether socioeconomic effects that might be caused or exacerbated by the proposed project would result in new or more severe significant environmental impacts than were previously identified in the Eastern Neighborhoods PEIR, it is necessary to first review how such effects are addressed in the PEIR. The Eastern Neighborhoods PEIR included a thorough analysis of the socioeconomic effects of the rezoning and area plans. Specifically, the Population, Housing, Business Activity, and Employment section of the PEIR examines whether adoption of the area plans and rezoning would cause or substantially contribute to gentrification and the displacement of existing residents and businesses in the Eastern Neighborhoods plan areas, and if so, whether such effects would result in significant adverse

impacts on the physical environment[7]. A socioeconomic impact study prepared as a background report to the PEIR[8] provides the basis for this analysis.

The PEIR determined that the adoption and implementation of the area plans and rezoning would induce substantial growth and concentration of population in San Francisco. In fact, one of the four citywide goals that serve as the "project sponsor's objectives" for the Eastern Neighborhood Rezoning and Area Plans is:

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

Notably, unlike other sections of the PEIR that base their analysis on *projected* growth through 2025, the Population, Housing, Business Activity, and Employment section considers the *total* housing supply potential of up to 26,500 new housing units on undeveloped parcels and soft sites under the rezoning. The analysis of potential gentrification and displacement effects in the PEIR is based on this full build out scenario, which assumes substantially greater population growth than the 2025 projections used to assess potential impacts on transportation, air quality and other growth-related impacts on the physical environment.[9]

The PEIR determined that the increase in population expected as a secondary effect of the rezoning and area plans would not, in itself, result in adverse physical effects, and would serve to advance some key City policy objectives, such as decreasing the air quality impacts of development by coordination of land use and transportation decisions (General Plan Air Quality Element Objective 3); provision of new housing, especially permanently affordable housing, in appropriate locations that meets identified housing needs and takes into account the demand for affordable housing created by employment demand (Housing Element Objective 1); encouragement of higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households (Housing Element Policy 1.1); identification of opportunities for housing and mixed-use districts near downtown and former industrial portions of the City (Housing Element Policy 1.2); identification of opportunities for housing and mixed use districts near downtown and former industrial portions of the City (Housing Element Policy 1.3); establishment of public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality (Transportation Element Objective 11); and giving first priority to improving transit service throughout the city, providing a convenient and efficient system as a preferable alternative to automobile use (Transportation Element Objective 20).

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[7] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 175-252, August 7, 2008.

[8] Hausrath Economics Group, *San Francisco's Eastern Neighborhoods Rezoning – Socioeconomic Impacts,* March 29, 2007.

[9] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 240-241, August 7, 2008.

Moreover, the PEIR concluded that implementation of the plans would result in more housing options and a broader range of housing prices and rents, compared to conditions under the No-Project scenario. The PEIR determined that the rezoning and area plans could result in a better match between housing supply and demand in San Francisco than would otherwise be the case without the rezoning while potentially providing benefits such as a reduction in traffic and vehicle emissions if San Francisco workers could live closer to their jobs. The PEIR anticipated that the population increase expected from the rezoning could also generate economic growth by increasing demand for neighborhood-serving retail and personal services, although some existing businesses could be displaced by other businesses that might better serve new residents. The PEIR also determined that the additional population would increase demand for other City services (parks, libraries, health care and human services, police and fire protection, schools, and childcare).[10]

Second, the PEIR determined that none of the proposed rezoning options would result in the direct displacement of residents, given that the rezoning would not lead to the demolition of existing residential development and would result in a substantial increase in residential units throughout the plan areas. As stated above, the PEIR determined that the rezoning would result in less displacement because of housing demand than otherwise expected under the No-Project scenario, because the addition of more new housing in the Eastern Neighborhoods would provide some relief for housing market pressures without directly affecting existing residents.

However, the PEIR recognized that residential displacement is not solely a function of housing supply, and that adoption of the area plans and rezoning could result in indirect, secondary effects on neighborhood character—through gentrification—that could result in some displacement of existing residents over time. The PEIR disclosed that the replacement of former industrial uses with housing could result in gentrification of existing nearby residential areas and displacement of lower income households. The PEIR also observed, however, that the rezoning could help to ameliorate the potential effects of residential displacement by increasing the supply of affordable dwelling units sized to accommodate families.

The PEIR also disclosed that as a result of the rezoning and area plans, the real estate market would favor residential, retail, and other higher-value uses, leading to PDR displacement, either to other locations in the city or outside San Francisco, and to some business closures. While this was an existing trend prior to adoption of the area plans and rezoning, the PEIR anticipated that this trend would accelerate in areas rezoned for non-PDR uses. The PEIR further anticipated that displacement of PDR businesses would result in some San Franciscans, including Eastern Neighborhoods residents, with limited education, skills, and language abilities losing opportunities for local, higher wage jobs, which in turn could increase demand for affordable housing in San Francisco.

The PEIR concluded that adoption and implementation of the area plans and rezoning would not create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply. As stated above, the PEIR determined that adoption of the area plans and rezoning would not substantially increase the overall economic growth potential in San Francisco and would not result in

[10] Ibid. p. 240-250

substantially more primary employment growth than otherwise expected in the city or the region, because most of the employment growth that would result from new housing in the Eastern Neighborhoods would be in neighborhood-serving retail and services, which are employment categories that tend to respond to increased population, not employment that precedes or leads to population growth.

Instead, the PEIR determined that implementation of the rezoning and area plans would increase the housing supply potential in the Eastern Neighborhoods and citywide, compared to conditions under the No-Project scenario without implementation of the proposed rezoning and area plans. The PEIR determined that by increasing housing supply relative to demand, more housing choices, and more (relatively) affordable housing units would be developed than without the rezoning, and that the Inclusionary Affordable Housing Program would require below-market-rate units to be developed in conjunction with market-rate projects. Therefore, housing prices and rents for both new and existing housing would generally be lower than would be the case with the more limited housing supply potential in these areas under the prior zoning and continuation of existing market trends. Additionally, the PEIR determined that the area plans and rezoning would reduce pressure to convert existing rental housing stock to relatively affordable for-sale housing (such as through condominium conversions and the tenants-in-common process), compared to No-Project conditions.

Still, the PEIR anticipated that for-sale housing in the Eastern Neighborhoods (and citywide) is likely to remain too expensive for most residents, underscoring the importance of providing and maintaining below-market-rate housing. A possible secondary impact of the area plans and rezoning would be a reduction in the number of sites where City-funded and other subsidized affordable housing units could be built, particularly on new development sites. The PEIR determined however, that maintaining the previous less-restrictive zoning would result in continued increase in land values in the Eastern Neighborhoods, which would also result in elimination of potential affordable housing sites, albeit on a more *ad hoc* basis. Nevertheless, the PEIR included Improvement Measure D-2: Affordable Housing Production and Retention, to reduce the less-than-significant physical effects of potential displacement of existing residents as a secondary effect of the rezoning.

The PEIR also determined that the rezoning would result in economic impacts that could displace existing neighborhood-serving businesses because, despite potential increases in business activity, some smaller, marginally profitable, and locally owned businesses would be likely to be displaced as economic conditions change, landlords begin to increase commercial rents, and more strongly capitalized businesses seek to locate in higher-priced neighborhoods. The PEIR identified improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving uses (i.e., Improvement Measure D-1: Support for Local, Neighborhood-Serving Businesses; Improvement Measure D-2: Affordable Housing Production and Retention; Improvement Measure D-3: Affordable Housing Sites; Improvement Measure D-4: Support for PDR Businesses; Improvement Measure D-5: Support for PDR Workers). The PEIR also notes that physical environmental impacts resulting from the growth under the rezoning and area plans are addressed under the relevant sections of the PEIR, such as transportation, air quality, noise, parks and open space, and public services.[11]

[11] Ibid p. 239

In summary, the Eastern Neighborhoods PEIR identified the potential effects of the rezoning and area plans on housing supply and affordability, gentrification, displacement, locally owned businesses, and PDR use, and evaluated whether these socioeconomic effects would result in significant impacts on the physical environment consistent with the requirements of CEQA. The appellant's contention that these socioeconomic effects represent new information or changed circumstances that the Eastern Neighborhoods PEIR failed to consider is therefore incorrect.

6 PROJECT-LEVEL SOCIOECONOMIC EFFECTS

The proposed project at 2675 Folsom Street would demolish three existing warehouses and construct a mixed-use building with 100 market rate and 17 below market rate residential units (15 percent) and 5,200 square feet of PDR space. Because it would not directly displace any existing residents, the proposed project would not result in any related socioeconomic effects.[12]

The appellant contends, however, that even in the absence of direct displacement the project would have indirect displacement effects on existing residents and businesses as a result of gentrification pressures in the Calle 24 Latino Cultural District. As discussed above, the Eastern Neighborhoods PEIR analyzed the possibility that the increase in market rate housing anticipated under the area plans and rezoning could result in indirect displacement of existing residents and businesses as a secondary effect of gentrification and found that these socioeconomic effects would not result in significant physical environmental impacts. Because, as discussed in Section 5 above, the Eastern Neighborhoods PEIR identified potential cumulative gentrification and displacement effects of development under the rezoning and area plans, any such effects attributable to the proposed project would not be peculiar to the project or its site.

In the appellant's letter, the argument that market rate development may cause displacement through gentrification in the Latino Cultural District is primarily supported in two ways. The appellant asserts that displacement of "mom and pop Latino owned and operated concerns" with "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," (p. 7) along Valencia Street was caused by new market rate development. The appellant also argues that a research brief by UC Berkeley's Institute for Governmental Studies ("IGS") supports the position that market rate development causes displacement.

6.1 COMMERCIAL GENTRIFICATION

The first part of the appellant's argument—the assertion that the project would contribute to or accelerate the "Valenciazation" (p. 7) of the Calle 24 District—is presented only as a theoretical possibility, without

[12] As reported in the project-specific CPE, the proposed project would result in the net loss of 25,322 square feet of warehouse (PDR) space, which represents a considerable contribution to the significant unavoidable cumulative impact on land use within the Eastern Neighborhoods plan areas resulting from the loss of PDR space.

empirical evidence as to the causes of the changes along Valencia Street. The transition of Valencia Street to a regional shopping, dining, and entertainment destination has been underway at least since the early 2000s, predating the recent uptick in residential development in the corridor. The types of "gentrifying" businesses cited by the appellants, such as "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," have been in operation along Valencia Street since well before the adoption of the Mission Area Plan. For example, the French bistro Garcon opened in 2005, the flagship store of the Weston boutique has been on Valencia Street since 2003, and the Yoga Tree studio opened in 2002. During the five-year period preceding the opening of Garcon (2001-2005), the number of market-rate units on Valencia increased by 108 (2.5% above the number of units in 2001) while the housing stock citywide expanded by 3.4%. While it is clear that the mix of businesses along Valencia has changed in recent decades, there is no evidence that market rate residential development caused the displacement of "mom and pop" businesses with upscale shopping and dining establishments.

The relatively slow pace of residential development on Valencia (compared to the rest of the city) is also evident over a longer time period. Market rate units along Valencia Street increased by 318 between 2001 and 2015, or roughly 7.9 percent, while the growth of market rate units citywide during the same period has been roughly 9.1 percent. A 2015 report by the City's Office of Economic Analysis finds, through the analysis of census microdata, that 97 percent of all high-income households new to San Francisco move into existing housing.[13] As the stock of new market rate housing units on the Valencia corridor has only expanded by roughly 0.5 percent each year over the past 15 years, it is more likely that the shift towards higher end retail along the corridor was caused by an influx of higher income residents into the existing housing stock. Therefore, appellant's position that new market rate units caused the changes in that corridor and that the project would contribute to a similar process in the Calle 24 District is not supported by empirical evidence.

Although the appellant does not provide evidence in support of the contention that the proposed project would lead to the displacement of Latino-owned businesses, the Planning Department engaged ALH Urban & Regional Economics to evaluate the potential effects of new development under the Eastern Neighborhoods rezoning and area plans on existing businesses in the Calle 24 District.[14] The results of this analysis are summarized below, and the full report is attached as Appendix A.

ALH found that there is little existing literature or study of commercial gentrification effects of new development, but cites a 2016 case study analysis in New York City, which indicates that: "The results of gentrification are mixed and show that gentrification is associated with both business retention and

[13] City and County of San Francisco Office of the Controller, "Potential Effects of Limiting Market-Rate Housing in the Mission", September 10, 2015.

[14] Amy Herman, ALH Urban & Regional Economics, *Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA*, February 2017.

disruption."[15] The study further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in non-gentrifying neighborhoods."[16] The study concludes that: "The fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[17] These findings are similar to the conclusions in the Eastern Neighborhoods PEIR as discussed in Section 5 above.

Based on this study, ALH suggests that it is reasonable to conclude that commercial displacement is no more likely to occur in the Calle 24 District than in other San Francisco neighborhoods not experiencing gentrification. ALH also notes that the study suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally, recognizing, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[18]

ALH observes that this latter point is similar to the appellant's concern about the "Valenciazation" of the Calle 24 District. However, as discussed above, the changes in the commercial character of the Valencia Street corridor occurred during a period with a limited amount of new market rate development on or near Valencia Street. This suggests that other factors may be more directly associated with commercial gentrification in the Mission than market rate residential development. Thus, in the absence of evidence, and supported by the limited existing academic literature, ALH does not accept the appellant's premise that market rate residential development causes gentrification of commercial space.

Nevertheless, at the Planning Department's direction, ALH conducted an analysis of the effects of development anticipated under the Eastern Neighborhoods rezoning and area plans on retail supply and demand within the Calle 24 District. The results of this analysis are summarized below, and the complete analysis is presented in Appendix A.

ALH's analysis considers entitled projects and projects in the pipeline (i.e., projects with filed permit applications but not yet approved) within a three to four block radius of the Calle 24 District. ALH

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[15] Rachel Meltzer, *Gentrification and Small Business: Threat or Opportunity?,* Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.

[16] Ibid.

[17] Ibid p. 80.

[18] Ibid.

conservatively estimates[19] demand for retail services that could be generated by new residential development within this study area. Although the focus of the appellant's concern is on market rate development, the analysis estimates retail demand of all residential development, both market rate and below market rate.

ALH estimates that new residential development within the study area would generate demand for a total of 34,400 square feet of neighborhood-oriented retail and commercial space, representing 3.6 percent of the existing approximately 480,000 square feet of commercial base within the Calle 24 District. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores), and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. ALH notes that a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area. ALH also observes that because residents of new development within the study area would not likely shop and dine exclusively within the Calle 24 District, some portion of new demand for neighborhood-oriented services would be expressed outside of the study area.

New development under the Eastern Neighborhoods rezoning and area plans would create a total of approximately 30,400 square feet of net new retail space within the study area. Thus, there is essentially equilibrium between the amount of neighborhood-oriented retail demand and net new retail space resulting from anticipated development within the study area. Because not all neighborhood-oriented demand is likely to be expressed for only the retail space in the Calle 24 District, there would likely be a relative surplus of net new neighborhood-oriented retail space relative to new demand. ALH therefore concludes that demand for retail services generated by new residential development within the study area would not result in substantial pressure on the existing retail base in the Calle 24 District.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the Calle 24 District as well as the larger Mission District as a whole. As noted above, the Calle 24 District is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[20] Demand analysis for existing households in the Mission and Calle 24 District indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases (see Exhibits 10 through 13 of Appendix A). The demand analysis for each area was prepared using the same methodology and assumptions as for the Calle 24 District pipeline households.

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[19] The ALH retail demand estimate is considered conservative for purposes of this analysis because assumptions made in the analysis (e.g., average household income and spending patterns) are more likely to result in overestimation rather than underestimation of the actual retail demand that could be generated.

[20] San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011- 2015,* Table 2.1.1, page 9.

The retail demand analyses are summarized in **Table 1**, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing Calle 24 District households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 1: Retail Inventory and Demand
Mission and Calle 24 Latino Cultural District

		Square Feet Supported		Supply Multiplier	
Area	Retail Inventory	Total	Neighborhood Oriented	Total	Neighborhood Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
Calle 24 District	480,000	325,500	141,500	1.5	3.4

Sources:
San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011-2015*, Table 2.1.1, page 9
ALH Urban & Regional Economics

These demand estimates indicate that the supply of retail in the Mission as a whole and the Calle 24 District outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the Calle 24 District, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case considering that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

The San Francisco Controller's Office peer reviewed the ALH report, and concurred with its conclusions, stating: "There is no reason to believe that development in the pipeline would increase commercial rents in the neighborhood, considering that new development in the pipeline would raise the neighborhood's supply of commercial space, as well as demand."[21]

In summary, neither the relevant literature, nor the available evidence support the appellant's contention that the proposed project would result, either individually or cumulatively, in commercial gentrification within the Calle 24 Latino Cultural District.

6.2 RESIDENTIAL DISPLACEMENT

ALH reviewed numerous studies and papers to identify the existing published research that best address the relationships between housing production, housing cost, and displacement. Based upon this review of the literature and related studies, five papers stand out in regards to their consideration of this issue.

[21] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015. http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016). http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

Appendix A includes a synopsis of the findings from each of these studies most specifically addressing housing production and housing costs, with an emphasis, if possible, on rental housing, as this is most applicable to the Calle 24 District and San Francisco.

The findings from the five studies identified above support the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering[22], new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, with affordable housing having double the protective effect of market-rate housing, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

[22] *Filtering* is the process by which the cost of older market rate housing stock is suppressed through the increased availability of newer market rate development.

The appellant references one of the studies reviewed by ALH (the Zuk and Chapple brief) to argue that the proposed project would cause displacement. However, as further discussed in Appendix A, the Zuk and Chapple brief does not support this conclusion. As the appellant's letter itself highlights, the brief stresses the importance of building both market rate and subsidized housing in order to ease displacement pressures at the regional scale. The report finds "that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013",[23] and states further: "These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions."[24] Another way of phrasing these findings is that if the project was not built, displacement pressures in the city and region would increase, as the project includes both market rate and affordable units, both of which have an attenuating effect on displacement, according to the study. Zuk and Chapple find that the effect at finer grained scales (such as the census block group level) is "insignificant"[25], meaning that neither a positive nor a negative impact could be detected. Thus, the Zuk and Chapple brief does not support the appellant's contention that development like the proposed project causes displacement.

The San Francisco Controller's Office concurred with ALH's analysis, stating: "There is no reason to believe that new housing increases the market rents of vacant rental units or the sales prices of for-sale units."[26]

In addition to ALH's review of the relevant research, the Planning Department undertook exploratory analysis to test the proposition that market rate development has caused displacement at a finer grained scale (the census tract) in San Francisco over the past 15 years and has similarly found no clear cause and effect relationship. A statistical simple correlation analysis between new units added between 2000 and 2015 by census tract and eviction notices served between 2011 and 2015 shows only a weak *negative* correlation, that is census tracts with *more* development saw *fewer* evictions.[27][28] This analysis uses the

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[23] Miriam Zuk & Karen Chapple, *Housing Production, Filtering and Displacement: Untangling the Relationships*, University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 6.

[24] Ibid p. 3.

[25] Ibid p. 7.

[26] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

[27] The Planning Department analyzed both "no fault" and "for cause" evictions, since "for cause" evictions currently make up a majority of all cases. This relationship holds for both types of evictions.

[28] This analysis standardized evictions in census tracts across the city by dividing them by the total number of rental units in the census tract in order to compare relative rates of evictions between tracts and not to compare absolute numbers of evictions, since tracts with greater amounts of rental housing would be assumed to have a proportionately greater absolute number of evictions.

frequency of eviction notices as an appropriate proxy and indicator for overall displacement pressure. In order to detect whether new market rate housing "signals" the desirability of neighborhoods and attracts high-income residents in a later period, staff correlated eviction notices given between 2011 and 2015 with new market rate units built during four periods (2001 to 2005, 2006 to 2010, 2011 to 2015, and 2001 to 2015). Each showed a weak and non-statistically significant correlation between evictions and new development and a very low "goodness of fit", meaning that to the extent that a correlation exists, new market rate development explains very little of the variability of evictions across neighborhoods. In the absence of a statistically significant correlation between these two variables, the causal relationship between new market rate development and evictions/displacement claimed by the appellants is extremely speculative (if not unlikely) and is not supported by any empirical evidence in the record.

6.3 CONCLUSION

Neither the relevant published research nor available data support the appellant's contention that the proposed project would result, either individually or cumulatively, in indirect displacement of existing residents or businesses as a secondary effect of gentrification. Moreover, even if the proposed project could have these effects, this would not represent a new or more severe impact that is peculiar to the project or its site because the Eastern Neighborhoods PEIR included a detailed analysis of this topic. Finally, to the extent that the proposed project would cause or contribute to gentrification or displacement effects identified in the Eastern Neighborhoods PEIR, these socioeconomic effects would not in and of themselves constitute environmental impacts under CEQA.

7 PHYSICAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA Guidelines section 15131(a): "[a]n EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes." Accordingly, the following analysis examines the appellant's claim that the proposed project would result in *physical* changes to the environment as a consequence of gentrification and displacement that were not analyzed as significant effects in the Eastern Neighborhoods PEIR.

As discussed above, the Eastern Neighborhoods PEIR determined that adoption and implementation of the area plans and rezoning would result in economic impacts that could potentially displace existing businesses and residents, and identifies improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving businesses and residents. Although the PEIR did not establish a causal link between potential displacement effects and significant physical environmental impacts, the PEIR did identify physical environmental impacts related to growth under the area plans and rezoning. The PEIR analyses the physical environmental impacts caused by

growth anticipated under the area plans and rezoning in the relevant resource topic sections, such as transportation, air quality, noise, and parks and open space.

The appellant claims that the proposed project would cause or contribute to socioeconomic effects that would in turn cause significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Specifically, the appellant contends that the proposed project, through gentrification and displacement, would have significant cumulative impacts on traffic, parking, health and safety, and greenhouse gasses, and on aesthetic, historic, and cultural aspect of the Calle 24 Latino Cultural District. Since, as shown above, there is no evidence to support the appellant's claim that the proposed project would cause or contribute to gentrification or displacement effects, it follows that there is also no evidence to establish a causal link between gentrification and displacement and physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Notwithstanding the above, the following analysis tests the appellant's claims by examining whether, regardless of the cause, physical impacts are occurring within the Calle 24 Latino Cultural District beyond those anticipated in the Eastern Neighborhoods PEIR.

7.1 TRANSPORTATION

Pursuant to the requirements of CEQA section 21083.3 and CEQA Guidelines section 15183, the CPE checklist prepared for the 2675 Folsom Street project evaluates whether the proposed project would result in significant impacts on transportation, either individually or cumulatively, beyond those identified in the Eastern Neighborhoods PEIR.[29] This analysis is supported by a 222-page project-specific transportation impact study, that evaluates the project-level and cumulative impacts of the proposed project on vehicle miles traveled, transit, bicycle and pedestrian safety (including pick up and drop off at the nearby Cesar Chavez Elementary School), loading, and emergency services and access.[30] Contrary to the appellant's contentions, the project-specific transportation impact analysis does not rely on "outdated" information. Instead, the analysis uses the latest transportation models, forecasting, and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE determines that the proposed project would not result in significant impacts on transportation beyond those identified in the Eastern Neighborhoods PEIR.

Even though the analysis provided in the CPE fully satisfies the requirements of CEQA and no further analysis of the transportation impacts of the proposed project is required, the Planning Department worked with transportation consultants at Fehr & Peers to explore the appellant's claims that the proposed project would cause or contribute to new or substantially more severe transportation impacts than were identified in the Eastern Neighborhoods PEIR due to new information or changed

[29] San Francisco Planning Department, *2675 Folsom Street Project Community Plan Exemption Checklist*, pp. 17-21, September 20, 2016.

[30] Fehr & Peers, *2675 Folsom Street Transportation Impact Study*, April 2016.

circumstances not previously considered. This analysis compares the transportation impacts anticipated in the Eastern Neighborhoods PEIR with up-to-date transportation impact data and models. As summarized below and further detailed in Appendix B, the results of this analysis demonstrate that current transit and traffic conditions are generally better than the Eastern Neighborhoods PEIR anticipated would be the case by this time. The PEIR anticipated there would be less transit capacity and correspondingly higher capacity utilization (crowding) on the Muni lines serving the Mission and estimated that a slightly higher percentage of new trips would be made by private vehicles than current data demonstrate. In addition, while the Mission has undergone significant demographic and economic change, residents on average still own around the same number of vehicles, and use non-auto modes at similar rates as they did prior to adoption of the rezoning and area plans.

7.1.1 Transit

The Eastern Neighborhoods PEIR determined that population growth under the rezoning and area plans would result in significant cumulative impacts on transit. Specifically, the PEIR anticipated that daily transit trips between 2000 and 2025 would increase by approximately 254,000 trips or about 20 percent over baseline conditions within San Francisco as a whole and by approximately 28,000 daily trips or approximately 38 percent in the Eastern Neighborhoods. The PEIR determined that without increases in peak-hour capacity, population growth in the Eastern Neighborhoods would result in significant cumulative impacts on transit capacity. The PEIR identified Mitigation Measures E-5 through E-11 to address impacts and transit capacity. These measures call for:

- Transit corridor improvements (e.g., along Mission Street between 14th and Cesar Chavez streets, 16th Street between Mission and Third streets, Bryant Street or other parallel corridor between Third and Cesar Chavez streets, a north-south corridor through portions of SoMa west of Fifth Street, and service connecting Potrero Hill with SoMa and downtown)
- Implementing service recommendations from the Transit Effectiveness Project, Better Streets Plan and Bicycle Plan when available and as feasible
- Providing additional funding for Muni maintenance and storage facilities
- Increasing passenger amenities, such as expanded installation of the Next Bus service and new bus shelters
- Expanding use of transit preferential street technologies to prioritize transit circulation, and
- Expanding the Transportation Demand Management program to promote the use of alternate modes of transportation.

The PEIR determined that while these measures would reduce operating impacts and improve transit service within the Eastern Neighborhoods, the adverse effects to transit could not be fully mitigated. Also, given the inability to determine the outcome of the Transit Effectiveness Program, Better Streets Plan, Bicycle Plan, and other plans and programs that were in process at the time that the PEIR was certified and uncertainty regarding future funding of these plans and programs, the PEIR determined that the feasibility of these mitigation measures could not be assured. Thus, the PEIR determined that cumulative impacts on transit under the rezoning and area plans would be significant and unavoidable.

Since the certification of the Eastern Neighborhoods PEIR, the City has implemented many of the plans, programs, and improvements identified in Eastern Neighborhoods PEIR Mitigation Measures E-5 through E-11 as summarized below.

In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that go towards funding transit and complete streets projects. In addition, the Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).[1] The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. With respect to Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management, on February 7, 2017 the Board of Supervisors adopted amendments to the planning code, referred to as the Transportation Demand Management Program.[2] Additionally, SFMTA has sought grants through local Proposition A funds directly supporting the 14 Mission Rapid Project, the Potrero Avenue Project for the 9 San Bruno and 9R San Bruno Rapid routes (currently under construction), and the 16th Street Transit Priority Project for the 22 Fillmore (expected construction between 2017 and 2020). The SFMTA also pursued funding from the Federal Transit Administration and the Metropolitan Transportation Commission for the transit corridor projects for the 14 Mission along Mission Street and for the 22 Fillmore along 16th Street. In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing NextBus, Customer First, and the Transit Effectiveness Project, which was approved by the SFMTA Board of Directors in March 2014. There are about 850 NextBus displays throughout the City with strong coverage throughout the Mission District. Customer First improved lighting and shelters at stops. The Transit Effectiveness Project is now called Muni Forward and includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency.

In addition, Muni Forward also includes transit service improvements to various routes with the Eastern Neighborhoods Plan area the service improvements include the creation of new routes such as the implementation of Route 55 on 16th Street between the intersection of 16th and Mission Streets and Mission Bay, changes to route alignment such as for the 27 Bryant, the elimination of underused existing routes or route segments, changes to the frequency and hours of transit service, changes to the transit vehicle type on specific routes, and changes to the mix of local/limited/express services on specific routes. Many of the service improvements analyzed as part of Muni Forward in the Transit Effectiveness Project EIR have been implemented, but some are receiving further study.

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[1] Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

[2] San Francisco Board of Supervisors. 2017. BOS File 160925. Available online at https://sfgov.legistar.com/LegislationDetail.aspx?ID=2830460&GUID=EFCB06B2-19CB-4777-B3A5-1638670C3A2C accessed February 21, 2017. Additional information is available at the Planning Department web page for TDM at http://sf-planning.org/shift-transportation-demand-management-tdm accessed February 21, 2017.

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Street. The minor improvements consist of a toolkit of treatments implemented on an as-needed basis to support bicycling in the city such as shared lane markings called sharrows and the provision of bicycle parking within the public right-of-way including bicycle racks on sidewalks and on-street bicycle corrals. Most near-term improvements have been implemented as indicated above. With the implementation of bicycle facilities as part of the Bicycle Plan and envisioned as part of the 2013 Bicycle Strategy, San Francisco has experienced an increase in bicycle ridership. Since 2006, the SFMTA has conducted annual bicycle counts during peak commute hours at various intersections throughout the city.[31] While the bicycle counts at any one intersection may fluctuate from year to year, the most recent counts from 2015 demonstrate that the overall the number of bicyclists in the city, including in the Mission District, have increased over the counts from 2008, when the Eastern Neighborhoods PEIR was certified. For example, at the intersection of 17th and Valencia Streets in the p.m. peak there were 485 cyclists in 2008 compared with 1,219 in 2015, and at the intersection of 23rd Street and Potrero Avenue in the p.m. peak there were 50 cyclists in 2008 compared with 106 in 2015.

The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in section 138.1 of the planning code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size.

Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan areas include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

Overall, compared to the transit service analyzed in the Eastern Neighborhoods PEIR, current transit service has increased by 8 percent in the a.m. peak hour, 14 percent during midday, and 6 percent in the p.m. peak hour. As a result, the significant impacts identified in the Eastern Neighborhoods PEIR on transit capacity have not materialized. The following analysis compares the impacts on transit capacity anticipated in the Eastern Neighborhoods PEIR with current and projected future transit conditions in light of the transit system improvements described above.

The SFMTA Board has adopted an 85-percent capacity utilization performance standard for transit vehicle loads, meaning that Muni transit lines should operate at or below 85 percent of transit vehicle capacity. This performance standard more accurately reflects actual operations and the likelihood of "pass-ups" (i.e., vehicles not stopping to pick up more passengers). The Planning Department applies this

[31] SFMTA. 2009-2016. Bike Reports Available online at https://www.sfmta.com/about-sfmta/reports/bike-reports. Accessed February 21, 2017.

standard as a CEQA threshold of significance for determining peak period transit demand impacts to the SFMTA lines. **Table 2** shows the capacity utilization for the 11 Muni lines serving the Eastern Neighborhoods plan areas under the 2000 CEQA baseline and the 2025 no project and with project cumulative scenarios as reported in the Eastern Neighborhoods PEIR. The last two columns of the table show 2013 capacity utilization on these same lines based on SFMTA data and the SF-CHAMP[32] 2040 cumulative scenario based on current model inputs. As shown in **Table 2**, capacity utilization on the Muni bus and light rail lines serving the Eastern Neighborhoods is generally lower than the PEIR baseline conditions, and the anticipated 2040 cumulative conditions are better than the anticipated 2025 cumulative conditions.

[32] The San Francisco Chained Activity Modeling Process ("SF-CHAMP") is a regional travel demand model designed to assess the impacts of land use, socioeconomic, and transportation system changes on the performance of the local transportation system. The San Francisco County Transportation Authority developed SF-CHAMP to reflect San Francisco's unique transportation system and socioeconomic and land use characteristics. It uses San Francisco residents' observed travel patterns, detailed representations of San Francisco's transportation system, population and employment characteristics, transit line boardings, roadway volumes, and the number of vehicles available to San Francisco households to produce measures relevant to transportation and land use planning. Using future year transportation, land use, and socioeconomic inputs, the model forecasts future travel demand.

Table 2: Muni Capacity Utilization at Maximum Load Point
Weekday PM Peak Hour Inbound/Outbound

Line	EN PEIR 2000 Baseline	EN 2025 No Project	EN 2025 Option A	EN 2025 Option B	EN 2025 Option C	SFMTA Fall 2013	SF-CHAMP 2040
9-San Bruno	94%/110%	120%/151%	134%/151%	135%/149%	148%/165%	57%/68%	61%/84%
12-Folsom	94%/30%	109%/42%	112%/42%	113%/41%	120%/52%	73%/57%	N/A[1]
14-Mission	47%/86%	60%/113%	62%/113%	63%/112%	69%/122%	49%/40%	39%/76%
22-Fillmore	82%/85%	95%/102%	98%/102%	100%/101%	107%/109%	61%/58%	68%/83%
26-Valencia	26%/76%	33%/89%	33%/89%	33%/90%	35%/94%	N/A[2]	N/A[2]
27-Bryant	86%/57%	111%/78%	118%/78%	119%/77%	126%/84%	60%/46%	63%/55%
33-Stanyan	68%/56%	87%/74%	89%/74%	91%/73%	97%/81%	53%/42%	63%/55%
48-Quintara	87%/72%	112%/94%	113%/94%	115%/93%	119%/100%	57%/65%	67%/63%
49-Van Ness-Mission	73%/93%	85%/112%	89%/112%	91%/111%	100%/121%	48%/47%	N/A[3]
53-Southern Heights	27%/31%	34%/44%	35%/44%	35%/43%	37%/48%	N/A[4]	N/A[4]
67-Bernal Heights	67%/68%	86%/88%	87%/88%	87%/88%	88%/88%	15%/46%	22%/66%

[1] Under Muni-Forward, the 12-Folsom may be replaced by the 10 Sansome on a portion of the route and by the 27 Bryant on the remainder of the route.
[2] The 26-Valencia route was eliminated in December 2009.
[3] The 49-Van Ness-Mission will change to limited stop/rapid service at the time that the Van Ness BRT service commences.
[4] The 53-Southern Heights route was eliminated in December 2009.

Bold text denotes significant impact based on exceedance of 85-percent capacity utilization significance threshold.

Sources:
Eastern Neighborhoods PEIR p. 282
San Francisco Planning Department, *Transit Data for Transportation Impact Studies*, May 15, 2015.
SFCTA, *SF-CHAMP model run for Central Corridor 2040 Cumulative Scenario*, November 12, 2013.

In conclusion, as a result of substantial increases in transit capacity, the cumulative impacts on transit resulting from growth under the Eastern Neighborhoods rezoning and area plans is *less* severe rather than more severe than anticipated in the PEIR. As such, it is evident that the demographic changes occurring in the Mission have not resulted in significant impacts on transit service that were not anticipated in the Eastern Neighborhoods PEIR. Therefore, the proposed project would not result in significant impacts, either individually or cumulatively, on transit beyond those identified in the PEIR.

7.1.2 Traffic Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, in 2013, the state legislature amended CEQA adding Chapter 2.7: Modernization for Transportation Analysis of Transit Oriented Infill Projects. Accordingly, CEQA section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the state CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that promote the "reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." CEQA section 21099(b)(2) states that upon certification of the revised CEQA Guidelines for determining transportation impacts pursuant to

section 21099(b)(1), automobile delay, as described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*[33] (proposed transportation impact guidelines) recommending that transportation impacts for projects be measured using a vehicle miles traveled ("VMT") metric. VMT measures the amount and distance that a project might cause people to drive, accounting for the number of passengers within a vehicle.

OPR's proposed transportation impact guidelines provides substantial evidence that VMT is an appropriate standard to use in analyzing transportation impacts to protect environmental quality and a better indicator of greenhouse gas, air quality, and energy impacts than automobile delay. Acknowledging this, San Francisco Planning Commission Resolution 19579, adopted on March 3, 2016:

- Found that automobile delay, as described solely by LOS or similar measures of vehicular capacity or traffic congestion, shall no longer be considered a significant impact on the environment pursuant to CEQA, because it does not measure environmental impacts and therefore it does not protect environmental quality.
- Directed the Environmental Review Officer to remove automobile delay as a factor in determining significant impacts pursuant to CEQA for all guidelines, criteria, and list of exemptions, and to update the Transportation Impact Analysis Guidelines for Environmental Review and Categorical Exemptions from CEQA to reflect this change.
- Directed the Environmental Planning Division and Environmental Review Officer to replace automobile delay with VMT criteria which promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses; and consistent with proposed and forthcoming changes to the CEQA Guidelines by OPR.

Planning Commission Resolution 19579 became effective immediately for all projects that had not received a CEQA determination as of March 3, 2016, and for all projects that have previously received CEQA determinations, but require additional environmental analysis. Therefore, the CPE for the proposed project does not consider whether the proposed project would have significant impacts either individually or cumulatively on traffic congestion as measured by LOS. Instead, in accordance with CEQA section 21099 and Planning Commission Resolution 19579, the CPE evaluates whether the proposed project would result in significant impacts on VMT. As stated in the CPE checklist and supported by the project-specific transportation impact study, the proposed project would not have a significant impact either individually or cumulatively on VMT. As noted above, this analysis uses the latest transportation models and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE concludes that the project would not have a significant impact on traffic that is peculiar to the project or

[33] This document is available online at: https://www.opr.ca.gov/s_sb743.php.

the project site, and that no further environmental review of the project's effects on traffic congestion is required in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

Even though, as discussed above, the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the following analysis further examines the appellant's contentions that the project would have substantially more severe impacts on traffic than were identified in the Eastern Neighborhoods PEIR.

7.1.3 Travel Behavior

The appellant contends that gentrification and displacement that the proposed project would contribute to are resulting in increased traffic due to "reverse commutes," stating:

> "The PEIR did not anticipate the "advanced gentrification" of the neighborhood, along with the extensive displacement of Latino families and businesses, the reverse commute to distant areas, and that impact on greenhouse gas emissions and on traffic congestion… Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances was [sic] not contemplated in the PEIR for the Eastern Neighborhoods."

As presented in Appendix B and summarized below, updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission do not support the appellant's claim that increased commute distances by displaced workers is causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR.

Many factors affect travel behavior, including land-use density and diversity, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development located in areas with poor access to non-private vehicular modes of travel generate more automobile travel compared to development located in urban areas, where a higher density mix of land uses and travel options other than private vehicles are available. Given these travel behavior factors, San Francisco has a lower ratio of VMT per household than the San Francisco Bay Area regional average.

The San Francisco County Transportation Authority uses the SF-CHAMP model to estimate VMT by private automobiles and taxis for different land use types. The SF-CHAMP model assigns all predicted trips within, across, and to or from San Francisco onto the roadway network and the transit system by mode and transit carrier for a particular scenario. For example, the 2040 SF-CHAMP model run assigns trips to and from each of the 981 transportation analysis zones across San Francisco based on the land use development that is projected. Trips that cross San Francisco, but do not have an origin or destination in the city are projected using inputs from the regional transportation model. SF-CHAMP models travel behavior based on the following inputs:

- Projected land use development (based on the Planning Department's pipeline) and population and employment numbers – as provided by the Planning Department, based on the Association

of Bay Area Governments ("ABAG") Projections (currently the Projections 2013 (Sustainable Communities Strategy).

- Observed behavior from the California Household Travel Survey 2010-2012
- Census data regarding automobile ownership rates and county-to-county worker flows
- Observed vehicle counts and transit boardings.

Neither SF-CHAMP nor the regional travel model[34] explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth[35]. Based on the model inputs, which as noted above include development in the Planning Department's pipeline, both regional average and local San Francisco VMT is expected to decrease in the future.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute distances. However, the model indicates that overall aggregate regional growth is expected to reduce the average distance that a typical worker travels between home and work. The Transportation Authority estimates that existing average VMT per household is 17.2 for the region and 5.9 for the project area (Transportation Analysis Zone 170). VMT per household is expected to decrease to 16.1 for the region and to 5.3 for the project area by 2040[36]. Employment data shows that the share of Bay Area residents living more than 10 miles from their employer increased from 2004 to 2014; over the same period, the absolute number of individuals living more than 10 miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data. Moreover, the Eastern Neighborhoods PEIR anticipated traffic impacts due to increased vehicle trips associated with population growth.

The Eastern Neighborhoods PEIR determined that increased vehicle trips resulting from population growth and development under the rezoning and area plans would result in level of service impacts at representative intersections in the Mission. Of the 13 study intersections in the Mission, the PEIR determined that significant LOS impacts would occur at three intersections during the weekday p.m. peak hour under rezoning Option A, five under Option B, and four under Option C. The PEIR also

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[34] SF-CHAMP is built using the regional travel model, and adding additional detail to TAZs located within San Francisco.

[35]For additional detail on the process of developing the travel model, see the MTC documentation at: http://mtcgis.mtc.ca.gov/foswiki/Main/Development

[36] Schwartz, Michael, Coper, Drew, *Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research*, February 2016. Kosinski, Andy, *VMT Analysis for 2675 Folsom Street, Case No 2014-000601*, April 2016.

determined that three additional intersections in the Mission would operate at unacceptable levels of service under both the no project and each of the three rezoning options by 2025.

To test the appellant's assertion that traffic conditions in the Mission are worse than anticipated in the PEIR, Fehr & Peers worked with Planning to select four of the intersections studied in the Mission for the Eastern Neighborhoods PEIR and conduct one-day p.m. peak hour turning movement counts in December 2016[37]. In order to present a representative count of vehicles, these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the level of traffic expected in the PEIR based on the total change in housing units constructed in the Mission from 2011 to 2015. Full turning movement volumes and estimated calculations are included in Appendix B.

As shown in Appendix B, on average, observed traffic volumes in 2016 were around 5 to 10 percent *lower* than expected in the Eastern Neighborhoods PEIR and the percentage of estimated development completed; this indicates traffic volumes similar to or slightly below PEIR projections[38]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR.

7.1.4 Private Car Ownership and Driving Rates in the Mission

The appellant contends that gentrification and displacement are also resulting in increased traffic and related impacts because higher income correlates with higher private car ownership and driving rates. Again, available evidence does not support the underlying premise that the proposed project would cause or contribute to gentrification or displacement in the first place. Moreover, the appellant's claim that the rate of private car ownership in the Mission has increased, and that this is causing significant cumulative traffic and greenhouse gas impacts beyond those anticipated under the Eastern Neighborhoods PEIR is not supported by the available evidence.

Partially due to the in-migration of higher income earners, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000. Median annual income increased from around $67,000 to around $74,000 during that time (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

[37] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[38] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

However, although the typical household has a higher income, automobile availability on a per capita basis has not increased over the same period. The same percentage of households have zero cars available (39 percent to 40 percent of households), and the average number of vehicles available per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 percent to 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, the Eastern Neighborhoods PEIR transportation impact analysis accounted for this growth, and as discussed above, observed traffic volumes in 2016 were around 5 to 10 percent lower on average than expected in the Eastern Neighborhoods PEIR.

In addition to census data, the Planning Department has conducted three case studies at residential developments built in the past ten years in the Mission neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, market-rate housing, although 555 Bartlett Street and 1600 15th Street each include between 15 and 20 percent onsite below market rate units. Surveys at these sites were conducted in 2014 and 2015 during the extended a.m. and p.m. peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 4**.

Table 3: Comparison of Shifts in Income and Automobile Travel Indicators Mission Residents

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	0.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	0.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	0.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

Source: Decennial Census, 2000, Tables H044, P030, DP3; American Community Survey, 5-year averages, 2009 & 2014, Tables S1901, S0802, B25044; Fehr & Peers, 2016.

Table 4: Observed Mode Splits at Residential Developments in the Mission								
Address	**Drive Alone**	**Carpool**	**Walk**	**Taxi / TNC**	**Bike**	**SF Muni**	**BART**	**Private Shuttle**
1600 15th St[1] (596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street[2] (183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street[3] (288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

[1] Survey conducted August 13, 2014.

[2] Survey conducted August 27, 2014.

[3] Survey conducted July 9, 2015.

Based on trips made between 7 a.m. – 10 a.m. and 3 p.m. – 7 p.m. on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone mode share that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 3**). The total auto mode share (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto mode share for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[39] Thus, the available evidence demonstrates that new or substantially more severe impacts on the Latino Cultural District are not occurring as a result of increased private vehicle ownership.

7.1.5 Commuter Shuttles

The appellant states that the increase in commuter shuttles since the Eastern Neighborhoods PEIR was certified constitutes substantial new information and/or changed circumstances that "render the current PEIR obsolete," stating:

[39] SF-CHAMP auto mode share is based on the Central SoMa 2012 Baseline model run; the presented mode shares are for the analysis zones where each of the case study developments is located.

> "The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such we have high earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no fault evictions."

CEQA Guidelines section 15183(b)(4) provides that in conducting the streamlined environmental review mandated for projects that are consistent with the development density established under an adopted community plan or zoning, a public agency must limit its examination of environmental effects to those which the agency determines are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR. Accordingly, the increase in the use of commuter shuttles since the certification of the Eastern Neighborhoods PEIR is relevant only to the extent that the proposed project, either individually or cumulatively, would result in more severe adverse impacts than were identified in the Eastern Neighborhoods PEIR because of the increase in shuttles. Thus, whether or not commuter shuttles cause or exacerbate displacement as the appellant contends, which is a matter of substantial debate[40], is not relevant to determining if the proposed project would have new or more severe impacts on the physical environment than previously identified. Nevertheless, by increasing the supply of both market rate and below market rate housing, the proposed project along with other housing development under the Eastern Neighborhoods rezoning and area plans would serve to alleviate market pressures from any increased demand for housing attributable to commuter shuttles. Regardless, as discussed above, any such effects are socioeconomic in nature, and are not in and of themselves significant impacts on the physical environment.

7.1.5.1 San Francisco Commuter Shuttle Program

The number of privately operated shuttles in San Francisco has grown in recent years. Numerous employers, educational institutions, medical facilities, office buildings, and transportation management associations offer shuttle service to their employees, students, and clients. Some development projects are required to provide shuttle services as part of their conditions of approval (and the impacts of their shuttle services are considered within the development project's environmental review), and an employer may comply with San Francisco's Commuter Benefits Ordinance and the Bay Area's Commuter Benefits Program by offering a free commute shuttle to employees. The majority of the commuter shuttles are closed systems that provide service to a specific population and are not open to the general public. Most shuttles are provided for free to employees (or students, tenants, etc.). There are two distinct markets within the shuttle sector: those that operate within San Francisco (intra-city) and those that operate between San Francisco and another county (inter-city regional). Shuttles support local San Francisco and regional goals by decreasing single occupancy vehicle trips, vehicle miles traveled, and private vehicle ownership.

[40] According to rider surveys conducted as part of the environmental review for SFMTA's Commuter Shuttle Program, only 5 percent of shuttle riders would move closer to their jobs if shuttles were unavailable.

Prior to August 2014, San Francisco did not regulate commuter shuttle activity on city streets. Shuttles operated throughout the city on both large arterial streets, such as Van Ness Avenue and Mission Streets, and smaller residential streets. Shuttles loaded and unloaded passengers in a variety of zones, including passenger loading (white) zones, Muni bus stops (red) zones, and other vacant curb space. When curb space was unavailable, shuttles often would load or unload passengers within a travel lane. The lack of rules and guidelines for where and when loading and unloading activities were permitted, and the lack of vacant space in general, resulted in confusion for shuttle operators and neighborhood residents, inconsistent enforcement, and real and perceived conflicts with other transportation modes.

To address these issues, in January 2014, the SFMTA Board of Directors approved an 18-month pilot program to test sharing of designated Muni zones and establish permitted commuter shuttle-only passenger loading (white) zones for use by eligible commuter shuttles that paid a fee and received a permit containing the terms and conditions for use of the shared zones. The pilot program began in August 2014, and created a network of shared stops for use by Muni and commuter shuttle buses that applied to participate, and restricted parking for some hours of the day in certain locations to create passenger loading (white) zones exclusively for the use of permitted commuter shuttles.

Based on information collected through the pilot program, SFMTA developed and adopted a Commuter Shuttle Program effective February 2016. As required under CEQA, the Planning Department conducted a detailed evaluation of the potential environmental effects of the Commuter Shuttle Program prior to its adoption.[41] The environmental review for the shuttle program concluded that the program would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading, air quality, greenhouse gas emissions, and noise. According to this review, the availability of commuter shuttles:

- Reduces the number of commuters who drive alone to work
- Reduces regional VMT
- Reduces regional emissions of ROG, PM_{10}, and $PM_{2.5}$
- Increases regional NOx emissions, but not in excess of the applicable CEQA significance threshold
- Reduces greenhouse gas emissions
- Increases health risk from exposure to diesel exhaust, but not in excess of the applicable CEQA significance thresholds
- Increases traffic noise but not in excess of applicable CEQA significance thresholds

Thus, the available evidence demonstrates that the increased use of commuter shuttles has not resulted in new or substantially more severe significant impacts on transportation than previously identified in the Eastern Neighborhoods PEIR.

[41] San Francisco Planning Department, Case No. 2015-007975ENV, October 22, 2015.

7.1.6 Parking

In accordance with CEQA section 21099 parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the appellant's concerns regarding impacts of the proposed project on parking are not subject to review under CEQA.

7.1.7 Conclusion

Based on the evidence and analysis presented above, the transportation impacts resulting from planned growth under the Eastern Neighborhoods rezoning and area plans appear to be less severe than expected in the Eastern Neighborhoods PEIR. Therefore, socioeconomic effects of the proposed project would not result in an increase in the severity of previously identified significant impacts on transportation as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified.

7.2 AESTHETIC IMPACTS

In accordance with CEQA section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the environmental review for the proposed project does not consider aesthetic effects.

7.3 HISTORIC AND CULTURAL IMPACTS

The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The district is defined as a region and community linked together by similar cultural or heritage assets, and offering a visitor experiences that showcase those resources.[42]

[42] Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf, accessed June 8, 2016.

The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

The appellant incorrectly characterizes economic and social effects as physical environmental impacts, stating:

> "Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciazation [sic] of the LCD. Here, mom and pop Latino owned and operated concerns are at risk of being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment…"

As discussed above in Section 5.1 Commercial Gentrification, the appellant's claim that the proposed project would cause or contribute to commercial gentrification is not supported by empirical evidence. However, even if the project would lead to such effects, this would not constitute a physical environmental impact. The replacement of existing retail businesses with other retail businesses that the appellant claims the project would cause may constitute a change in the character of the 24th Street commercial corridor. Contrary to the appellant's assertion, such a change is an economic and social effect that shall not be treated as a significant effect on the environment per CEQA Guidelines section 15131(a) (see Section 3.0 Approach to Analysis above).

7.4 GREENHOUSE GAS IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant greenhouse gas impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding greenhouse gas impacts.

Moreover, unlike the PEIR, which was certified prior to the addition of greenhouse gas impacts to the Planning Department's CEQA initial study checklist, the CPE includes an assessment of the proposed project's greenhouse gas emissions. This analysis uses the Planning Department's current greenhouse gas impact assessment methodology, which evaluates projects for conformity with San Francisco's *Strategies*

to Address Greenhouse Gas Emissions.[43] The analysis presented in the CPE demonstrates that the proposed project would not result in a significant impact either individually or cumulatively due to greenhouse gas emissions not previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

7.5 AIR QUALITY IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant air quality impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding air quality impacts.

The CPE evaluates whether the proposed project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE checklist, this up-to-date, project-specific analysis demonstrates that the proposed project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

8 CONCLUSION

The Planning Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The department is actively engaging with the community, the Board of Supervisors, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls, the Calle 24 Special Use District, MAP2020, and a broader citywide analysis of socioeconomic trends.

However, the Planning Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 2675 Folsom Street project are responsible for residential or commercial displacement. As shown in the above analysis, the appellant's contention that the proposed project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence. Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban

[43] San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco,* November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

Finally, the issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan level and project level CEQA documents under the relevant resource topics such as transportation, air quality, noise, parks and open space, and public services. The appellant has not demonstrated that the department's CEQA determination for the 2675 Folsom Street project is not supported by substantial evidence. The Planning Department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination for the proposed project in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

Attachment B

1. Fehr & Peers, Eastern Neighborhoods / Mission District Transportation and Demographic Trends, January 12, 2017

2. Fehr & Peers, Updated Eastern Neighborhoods Traffic Counts, April 17, 2017

FEHR PEERS

January 12, 2017

Chris Kern
Senior Environmental Planner
1650 Mission Street, Suite 400
San Francisco, CA 94103

Subject: Eastern Neighborhoods / Mission District Transportation and Demographic Trends

Dear Chris:

Fehr & Peers has prepared this letter summarizing key transportation trends that have occurred since the adoption of the Eastern Neighborhoods Plan in August 2008, focusing on the Mission District. Specifically, San Francisco Planning staff identified three key questions regarding the transportation analysis prepared for the Eastern Neighborhoods Plan environmental review process and subsequent effects on the transportation network due to new development:

- If new construction based on the Eastern Neighborhoods Plan results in displacement of lower income workers, do these workers then move to distant suburbs and increase the number of automobile commute trips and regional VMT compared to the Eastern Neighborhoods Plan EIR?
- Does new housing in the Eastern Neighborhoods plan area attract higher income residents, who own more cars and are therefore adding additional automobile trips than were accounted for in the Eastern Neighborhoods Plan EIR?
- Do commuter shuttles have transportation impacts not considered in the Eastern Neighborhoods Plan EIR?

Overall, Fehr & Peers has found that the Eastern Neighborhoods Plan EIR took a fairly conservative approach to transportation analysis and findings. The EIR generally estimated that a slightly higher percentage of new trips would be made by private vehicles than recent traffic counts as well as census travel survey data would suggest are occurring. On a more detailed level, Fehr & Peers found that while the Mission has undergone significant demographic and economic

change, residents on average still appear to own around the same number of vehicles, and use non-auto modes at similar rates as in the period from 2000 – 2009.[1]

With regards to the effects of potential displacement of lower-income households, data tracking individuals or households who move out of the neighborhood is not available, limiting our ability to state with certainty whether displacement of lower income workers is leading those same workers to increase their vehicle travel. Collecting this data would require a long-term focused survey effort on a different horizon that which is available for the preparation of this letter report .

In absence of this data, Fehr & Peers has conducted an analysis and review of the regional models used to develop the travel demand estimates for the Eastern Neighborhoods Plan EIR and, more generally, the role that they play in planning/CEQA efforts. This review of the travel model focuses on available data, and how that data can be used to answer the questions posed above. The regional model uses available data, such as existing mode share, trends in travel time to work, and current research on travel behavior to assess how changes in population or employment affect vehicle travel on our transportation facilities. The growth in households and jobs included in the model is based on regional and local planning efforts such as Plan Bay Area, City general plans, and specific plans such as the Eastern Neighborhoods Plan.

The growth in the share of households and jobs located in dense, urban areas (as planned for in Plan Bay Area and the Eastern Neighborhoods Plan) is expected to generally decrease regional vehicle miles traveled per capita between now and 2040. In the short term, the distance between Bay Area residents and their places of employment has increased slightly from 2004 to 2014; this has not, however, been accompanied by a similar increase in the share of regional commuting by single-occupant vehicle.

In addition to these demographic and economic variables, several new technologies and programs have affected transportation in the Eastern Neighborhoods area. Commuter shuttles to campuses in the Peninsula and South Bay have grown in amount and ridership, and some members of the community are concerned they may be negatively affecting traffic or public transit operations. Fehr & Peers has not found any evidence that their effects have not been contained in the envelope of traffic effects analyzed in the Eastern Neighborhoods Plan EIR.

[1] Fehr & Peers has attempted to maintain consistency across data sources. Census data is used from the 2000 decennial census, and from the 2004 – 2009 and 2009 – 2014 five-year average reports of the American Community Survey. Non-Census data may use other base years.

With regards to non-automotive travel, Planning and SFMTA have both undertaken substantial citywide efforts to encourage non-auto modes of travel, including MuniForward and Planning's Transportation Sustainability Program (TSP); these provide mechanisms for encouraging shifts to sustainable modes of travel, although it is still too early in their implementation to provide detailed analysis on their efficacy. These programs would be expected to have the effect of decreasing overall vehicular travel, and perhaps increasing transit ridership.

Background and Literature on Factors Surrounding Travel Behavior

While this letter focuses on the interplay between jobs and housing and the effect that relationship has on local and regional travel patterns, these elements are only one potential factor in individual travel behavior. Regional traffic and travel patterns are the combination of many different factors that influence individual decisions; these factors include items related to the built environment, local land use, regional distributions of housing and jobs, household socioeconomic factors, roadway network design and capacity, and availability of alternative transportation services such as transit.

When used in travel demand models, these variables can be sorted into four groups: socioeconomic characteristics, travel options, local land use characteristics, and regional land use characteristics, all of which influence total regional travel[2]. The below narrative discusses how these complicated factors are reflected in the variables selected for use in the regional model; these variables rely on data that is readily available, and broad enough for regional use. Many other individual circumstances are not reflected in the model, even though they may influence decisions with respect to residential location, employment, and household formation. Instead, the model focuses on the outcomes of these decisions, and uses past trends to predict future changes in variables that can more easily be included in the model. The following is a summary of some of the factors used in modeling travel behavior, and definitions or explanations of each for reference.

Socioeconomic Characteristics

For modeling purposes, several variables are used as proxies for socioeconomic characteristics that influence travel. These variables include the number of workers and non-workers in each

[2] Hu, H., Choi, S., Wen, F., Walters, G., & Gray, C. J. (2012, February). Exploring the Methods of Estimating Vehicle Miles of Travel. In *51th Annual Meeting of the Western Regional Science Association*.

household, the age of household members, and median household income. Generally, larger households make more trips by all modes; people between ages 16 – 64 are more likely to drive, and higher income individuals are more likely to own a car; as such, analysis areas with populations meeting these characteristics tend to generate a larger number of vehicle trips in the model. Other individual traits, including English proficiency, ability to obtain a driver's license, and ability or disability may also influence travel decisions at this level, but are too generalized to be included in a regional travel demand model, despite their importance to individual decisions.

Travel Options

Travel options variables include considerations of transit access, transit quality, and access to a vehicle. Each of these factors can determine the mode an individual chooses to make a given trip. Generally, individuals will choose the most efficient mode among those that they have access to. Efficiency can include considerations such as cost, estimated travel time, comfort, wait times, or convenience, among other concerns. In travel models, these factors are considered through proxy variables such as car ownership, distance from transit, and the frequency at which nearby transit operates.

Local Land Use and Built Environment

Local land use variables include variables often referred to as "the D's": density of jobs and housing, diversity of land uses, design of roadway facilities and the urban environment, and similar elements. These factors help to create urban environments that are more walkable, and tend to have a lower automobile modeshare[3]. The academic literature surrounding the effects of land use on transportation choices has shown fairly consistently that dense, mixed-use neighborhoods with strong regional access have the lowest levels of vehicle trip-making.[4] When used in travel models, these are usually translated into measures of density for a given area, such as the number of dwelling units or jobs per acre.

Regional Land Use and Built Environment

Regional land use patterns determine travel patterns mostly as a function of where people live versus places they typically travel to; the most common example of this is the relationship

[3] Cervero, R., & Kockelman, K. (1997). Travel demand and the 3Ds: density, diversity, and design. *Transportation Research Part D: Transport and Environment*, *2*(3), 199-219.

[4] Ewing, R., & Cervero, R. (2010). Travel and the built environment: a meta-analysis. *Journal of the American planning association*, *76*(3), 265-294.

between a person's home and workplace. Regional accessibility, such as the availability of longer distance transportation options (including regional transit such as BART and Caltrain, as well as freeways and major arterials) also plays a key role in transportation decisions. Ongoing jobs-housing imbalances have been shown to have a substantial effect on the distance households travel to work, while regional accessibility (as measured by the mix of destinations easily accessible by a household) also tends to encourage non-auto trips[5,6,7].

Number of Long-Distance Commute Trips

In addressing the question of whether the new residential construction in the Eastern Neighborhoods plan displaces lower income workers and therefore leads to longer commute trips from distant suburbs, Fehr & Peers focused on available data which includes regional data on inter-county commutes, and data showing the regional distance between a worker's home and workplace. While speculation exists that individuals that move out of the Mission commute longer distances to existing jobs, the literature on job change following residential relocation is very limited. As such, it cannot be ascertained whether individuals moving from the Mission to outlying areas keep or change their job location.

In addition to the potential for longer commute trips, households moving from the Mission to areas with fewer non-auto transportation options may increase their use of private vehicles for non-work trips. This increase in trips may be offset by individuals who move into denser neighborhoods and then use private vehicles less often, particularly if new housing growth is concentrated in these denser neighborhoods.

As an example of how residential location affects commute patterns, **Table 1** summarizes the number of commuters who both live and work in the same Bay Area County, the number who live and work in different counties and drive alone to work, and the median rent by county to serve as a proxy for cost of living. Counties that have a lower than average share of residents who drive alone to work in another county are Santa Clara County, Sonoma County, and San Francisco County, while counties with the largest share of residents who drive alone to work in another county are San Mateo, Contra Costa, and Solano Counties.

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[5] Ewing, R. (1995). Beyond density, mode choice, and single-purpose trips. *Transportation Quarterly*, *49*(4), 15-24.

[6] Levinson, D. M. (1998). Accessibility and the journey to work. *Journal of Transport Geography*, *6*(1), 11-21.

[7] Cervero, R. (1996). Jobs-housing balance revisited: trends and impacts in the San Francisco Bay Area. *Journal of the American Planning Association*, *62*(4), 492-511.

Based on these figures, we would assume that a net movement of households from San Francisco to counties such as Contra Costa County and Solano County without a corresponding movement in jobs would result in a higher share of individuals driving longer distances to work. However, job and housing growth projections prepared by ABAG indicate that population growth will be concentrated in areas that, in general, have fewer individuals driving alone to work across county lines.[8]

TABLE 1: COMMUTERS LIVING AND WORKING IN DIFFERENT COUNTIES, 2010[1]

County	Employed Residents	Residents Working in Same County	Percentage Working in Same County	Drove Alone to Another County for Work	Percentage Drive Alone to Another County	2010 Median Rent[2]
Santa Clara	817,000	712,000	87%	85,000	10%	$1,471
Sonoma	226,000	188,000	83%	29,000	13%	$1,227
San Francisco	432,000	331,000	77%	68,000	16%	$1,446
Napa	62,000	48,000	77%	12,000	19%	$1,218
Alameda	693,000	468,000	68%	142,000	20%	$1,233
Marin	121,000	79,000	65%	29,000	24%	$1,563
Contra Costa	466,000	281,000	60%	121,000	26%	$1,311
San Mateo	349,000	205,000	59%	101,000	29%	$1,525
Solano	184,000	109,000	59%	55,000	30%	$1,199
Grand Total	**3,350,000**	**2,421,000**	**72%**	**642,000**	**19%**	**$1,353**

1. VitalSigns does not provide data prior to 2010.
2. Median rents are based on self-reported rents paid by current residents across a variety of unit types, and do not reflect the rent accepted by new residents. Amounts shown are adjusted for inflation to 2014 dollars.
Source: Metropolitan Transportation Commission VitalSigns, 2016; Fehr & Peers, 2016

To study the total *future* change in vehicle trips and vehicle miles traveled due to demographic shifts and changing development patterns, a travel model is typically employed studying conditions both with and without a demographic change.

[8] ABAG projections are taken from Plan Bay Area 2013.

Fehr & Peers performed a brief review of the model data used in developing the future year VMT and travel forecasts used for CEQA purposes, and found that they do account for changes in the number of households by income level, as well as changes in the number of jobs throughout the region. Travel models are used to forecast future year conditions, as well as changes in traffic due to major land use changes (such as the adoption of the Eastern Neighborhoods Plan). These models are designed to use research on current travel patterns to estimate how changes in roadway configurations, population locations, and jobs can affect vehicle travel as well as travel by other modes. The San Francisco specific model, SF-CHAMP, uses the same data as the regional model, but reassigns growth within San Francisco to reflect local planning efforts. Individual model runs can provide estimates of traffic levels on individual roadways, and as noted above are often used for portions of the traffic and VMT analyses prepared for CEQA purposes.

In order to provide these estimates, SF-CHAMP estimates travel behavior at the level of transportation analysis zones (TAZs). There are 981 TAZs within San Francisco that vary in size from single city blocks in the downtown core, to multiple blocks in outer neighborhoods, to even larger geographic areas in historically industrial areas like the Hunters Point Shipyard. It also includes zones outside of San Francisco, for which it uses the same geography as the current MTC Model: "Travel Model One". For each TAZ, the model estimates the travel demand based on TAZ population and employment assumptions developed by the Association of Bay Area Governments (ABAG). Essentially, the model does its best to represent average travel choices and patterns of "people" (the daytime service population) that represent all travelers making trips to and from each TAZ the entire day[9].

Neither SF-CHAMP nor the regional travel model explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth. Future concentrations of jobs and housing are based on the most recent regional planning documents prepared by ABAG.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute

[9] Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

distances. However, the model does indicate that overall aggregate regional growth is expected to help reduce the average distance that a typical worker travels between home and work. The SFCTA has estimated that existing average VMT per household is 17.2 for the region and 8.4 in San Francisco. The regional VMT per household is expected to decrease to approximately 16 7.5 by the year 2040[10]. Employment data shows that the share of Bay Area residents living more than ten miles from their employer increased from 2004 to 2014 (See **Table 2**); over the same period, the absolute number of individuals living more than ten miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data.

TABLE 2: DISTANCE FROM HOME CENSUS BLOCK TO WORK CENSUS BLOCK[1], BAY AREA RESIDENTS, 2004 - 2014

Distance	2004[2]		2014	
	Number of Workers	Share of Workers	Number of Workers	Share of Workers
Less than 10 miles	1,507,000	52%	1,600,000	47%
10 to 24 miles	800,000	27%	944,000	28%
25 to 50 miles	351,000	12%	445,000	13%
Greater than 50 miles	255,000	9%	390,000	12%
Drive-Alone Commute Modeshare	79%		76%	

1. LEHD data uses payroll and other labor information; distances may not represent an employee's typical workplace, but rather the location of their employer's office for labor reporting purposes.
2. 2004 base year is used due to data from 2000 not being available
Source: Longitudinal Employer-Household Dynamics, 2016; MTC VitalSigns, 2016; Fehr & Peers, 2016

Vehicle Trip Rates and Demographics of New Residents

While data are unavailable for households moving away from the Mission, a look at ACS data shows some insight on households that have recently moved to the Mission from elsewhere.

[10] Schwartz, Michael, Coper, Drew. (2016, February). Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research. And Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

Around 15 percent of Mission residents had moved within the past year; of these, around half moved to the Mission from outside of San Francisco (**Table 3**). New residents, particularly those moving from outside of California, tend to have higher incomes than existing residents.

TABLE 3: MIGRATION STATUS OF MISSION RESIDENTS[1] IN PAST YEAR AND MEDIAN INDIVIDUAL INCOME

Year		Did not move in past year	Moved; within San Francisco	Moved; from different county in CA	Moved; from different state	Moved; from abroad
2004-2009	% of Residents	86%	9%	2%	2%	1%
	Median Income (2014 Dollars)	$37,000	$40,000	$32,000	$40,000	$15,000
2009 -2014	% of Residents	86%	8%	3%	2%	1%
	Median Income (2014 Dollars)	$35,000	$43,000	$32,000	$76,000	$46,000

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S0701, 5-year averages, 2004-2009, 2009-2014; Fehr & Peers, 2016

Generally, higher income households tend to have more vehicles per household, and also tend to drive more (See **Table 4**). However, a preliminary look at trends studied in the Census and American Community Survey (ACS) indicate that this effect has had a minimal effect on overall vehicular use in the Mission district from 2000 to 2014.

TABLE 4: DRIVE ALONE MODESHARE BY INCOME GROUP, MISSION RESIDENTS[1] (2009- 2014)

Worker Earnings	% Driving Alone to Work
<$15,000	16%
$15,000 – $25,000	21%
$25,000 - $50,000	24%
$50,000 – $75,000	28%
>$75,000	29%
Average, All Incomes	**27%**

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S1901, 5-year averages, 2009-2014; Fehr & Peers, 2016

Partially due to the in-migration of higher income earners shown in **Table 3**, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000 (see **Table 5**). Median annual income increased from around $67,000 to around $74,000 during that time period (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

However, although the typical household has a higher income, vehicles per househols has not increased over the same time period. The same percentage of households have zero cars (39 – 40 percent of households), and the average number of vehicles per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 – 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, this growth is in line with past trends, and does not exceed the level of vehicle travel projected in the Eastern Neighborhoods EIR, as discussed below.

In addition to census data, Planning has conducted three case studies at residential developments built in the past ten years in the Mission Neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, largely market-rate housing, although 555 Bartlett Street and 1600 15th Street each have between 15 and 20 percent of units set aside as below market rate housing. Surveys at these sites were conducted during the extended AM and PM peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 6**.

TABLE 5: COMPARISON OF SHIFTS IN INCOME AND AUTOMOBILE TRAVEL INDICATORS, MISSION RESIDENTS[1]

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: American Community Survey, Tables B25044, B08130, S1901, 5-year averages, 2004 – 2009 and 2009 - 2014 ; Decennial Census, Tables H044, P030, DP3, 2000; Fehr & Peers, 2016

TABLE 6: OBSERVED MODE SPLITS AT RESIDENTIAL DEVELOPMENTS IN THE MISSION								
Address	**Drive Alone**	**Carpool**	**Walk**	**Taxi / TNC**	**Bike**	**SF Muni**	**BART**	**Private Shuttle**
1600 15th St (162 market rate units, 40 BMR units, 596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street (49 market rate units, 9 BMR units, 183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street (114 market rate units, 288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

Based on trips made between 7AM – 10AM and 3PM – 7PM on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone modeshare that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 5**). The total auto modeshare (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto modeshare for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[11]

Transit Modeshare Over Time

The share of Mission residents commuting via transit has remained fairly steady from 2000 to 2014, based on ACS journey to work data (see **Table 7**). Transit modeshare has decreased slightly in recent years, from a high of 46 percent in 2004 – 2009; most of this shift has been to bicycling and "other means" (which may include trips made by TNC). This fluctuation is well within a typical margin of error, and includes a period of decreased Muni transit service during the Great Recession; service was restored in 2015.

[11] SF-CHAMP auto modeshare is based on the Central SoMa 2012 Baseline model run; the presented modeshares are for the analysis zones where each of the case study developments are located.

TABLE 7: MISSION RESIDENT TRANSIT MODESHARE TRENDS, 2000 – 2014 (COMMUTE TRIPS ONLY)				
Year	**Total Transit Modeshare**	**Muni Bus or Rail[1]**	**BART[2]**	**Caltrain[3]**
2000	42%	24%	16%	1%
2004 – 2009	46%	29%	16%	1%
2009 – 2014	44%	24%	18%	3%

1. "Bus or trolley bus" and "Streetcar or trolley car" categories
2. "Subway or elevated" category
3. "Railroad" category

Source: ACS 2014; Fehr & Peers, 2016

Expected and Observed Peak Hour Vehicle Traffic Growth

The Eastern Neighborhoods Transportation Impact Study (TIS) and EIR analyzed several intersections within the Mission District. Fehr & Peers worked with Planning to select four of these intersections and conduct one-day PM peak hour turning movement counts in December 2016[12]; these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 – 2015. Full turning movement volumes and estimated calculations are included in **Attachment A**.

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2016 relative to the 2025 projections), and around 10 percent complete[13] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission. **Table 8** shows a summary of observed and estimated traffic volumes for the intersections analyzed.

[12] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[13] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

On average, observed traffic volumes in 2016 were around 5 - 10 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[14]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods Plan. The observed traffic counts also include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

TABLE 8: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2016 To Date Projected Volume[1]	2016 Observed Volume	Net Difference (2016 Observed – 2016 Projected)	% Difference
Guerrero / 16th	2,704	2,895	2,729	2,628	-101	-4%
S. Van Ness / 16th	2,513	2,682	2,534	2,692	158	6%
Valencia / 16th	1,848	2,168	1,885	1,572	-313	-17%
Valencia / 15th	2,287	2,438	2,311	1,913	-398	-17%
				Average	-164	-7%

1. 2016 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.
Source: Fehr & Peers, 2016; Eastern Neighborhoods TIS, 2008

[14] While not shown in Table 8, projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

Policy and Program Changes since Adoption of Eastern Neighborhoods Plan

The above analysis represents a look at how 2016 compares to conditions considered in the Eastern Neighborhoods Plan TIS and EIR. However, since the adoption of the Eastern Neighborhoods Plan, the City has embarked on several projects and programs designed to better accommodate sustainable growth. Future transportation investments are anticipated to align with these goals, and include a focus on transit capital and operational investments, bicycle infrastructure, and pedestrian safety. Many of these improvements may be financed by fees collected from new developments.

San Francisco Bicycle Plan

The 2009 San Francisco Bicycle Plan was adopted shortly after the adoption of the Eastern Neighborhoods Plan. It identifies specific bicycle route improvement projects, and is intended to foster a safe and interconnected bicycle network that supports bicycling as an attractive alternative to driving. This plan identified sixty total bicycle projects and bicycle route improvements, several of which are located within the Eastern Neighborhoods Plan area. In the Mission, this includes facilities on 17th Street and 23rd Street, as well as potential long-term improvements on Shotwell Street and Capp Street.

Better Streets Plan

The Better Streets Plan, adopted in 2010, includes streetscape policies and guidelines that outline streetscape requirements for new development, as well as generally guide the design of new street improvement projects. It seeks to enhance the pedestrian environment, and includes guidelines for width and design of sidewalks, crosswalks, and general enhancements to the pedestrian environment, including street trees, lighting, and other elements. New developments are expected to bring relevant streetscape elements near their project into compliance with the Better Streets Plan as part of the development review process.

Muni Forward

Muni Forward is an adopted plan following the findings of the Transit Effectiveness Project (TEP). The TEP was an in-depth planning process that sought to evaluate and enhance the Muni system; in 2014, the SFMTA Board of Directors adopted many of these recommendations, which included an overall 12 percent increase in Muni service citywide. Major projects affecting the Mission include the installation of red bus-only lanes on Mission Street, as well as service improvements

on the 14 and 14R buses, which provide a key connection for Mission residents to sites along the Mission Street corridor.

Vision Zero

Vision Zero, adopted in 2014, represents an action plan for building better and safer streets, with the goal of having zero traffic fatalities by the year 2024. This goal utilizes a "safe systems" approach to protect people from serious injury or death when a crash occurs by creating safe roads, slowing speeds, improving vehicle design, educating people, and enforcing existing laws. Part of this process includes identifying high injury corridors, where people are more likely to experience serious injury or death as a result of automobile collisions. Guerrero Street, Valencia Street, Mission Street, South Van Ness Avenue, Harrison Street, 15th Street, 16th Street, 17th Street, 24th Street, Cesar Chavez Street, and segments of 18th Street and Dolores Street are all included in the Vision Zero High Injury Network. High priority projects to address these issues in the Mission include the installation of bus-only lanes on Mission Street, as well as installation of pedestrian countdown signals at key intersections on Guerrero Street and S. Van Ness Avenue.

Propositions A and B (2014)

In 2014, San Francisco voters passed Propositions A and B, both of which provided additional funding for transportation projects, almost all of which was designated for transit, pedestrian, and bicycle improvements. Proposition A authorized $500 million in general obligation bonds for transportation infrastructure needs citywide. Funds were earmarked for specific project types that focused on transit, bicycle, and pedestrian improvements, including construction of transit-only lanes and separated bikeways, transit boarding islands, escalator upgrades, new pedestrian signals, sidewalk improvements, and Muni maintenance facilities. Proposition B required that the City's contributions to SFMTA increase based on population growth, including both the daytime and night-time populations. Additionally, Proposition B required the 75 percent of any population-based increase be used to improve Muni service, and 25 percent be used for improving street safety.

Transportation Sustainability Program

The Transportation Sustainability Program (TSP) reflects plans to adopt smart planning and investment practices to improve and expand on the existing transportation system. They include requiring new developments to adopt comprehensive transportation demand management (TDM) programs (anticipated to be in effect early 2017) in order to reduce the number of trips

made by automobile, as well as adoption of the new Transportation Sustainability Fee for new developments, and environmental review guidance that prioritizes smart growth in the form of infill development near quality transit service.

Commuter Shuttle Program

The SFMTA implemented a formal Commuter Shuttle Program in 2014 to regulate how long-distance commuter shuttles utilize public roadways and public curb space, including bus stops. An October 2015 review found that the program was eligible for a categorical exemption (Case No. 2015-007975ENV). The analysis used for this determination also examined the total number of shuttles and shuttle stop incidents. This study found that shuttle vehicles would remain less than 10 percent of vehicles traveling on arterials with shuttle stop locations, and that this increase was not expected to substantially affect traffic operations on arterial roadways. As shown in **Table 8**, current levels of traffic within the Mission remain below expected volumes based on the amount of development completed under the Eastern Neighborhoods Plan.

On-Demand Smartphone Ride Companies

At the time of the Eastern Neighborhoods EIR, transportation network companies (TNCs) such as Lyft, Uber, and Chariot did not exist. In recent years, this method of transportation has grown significantly. However, many details regarding how these companies fit into the larger transportation picture in San Francisco is unclear. To date, no holistic study has examined whether TNC users are making trips they would not otherwise make, or substituting a Lyft or Uber ride for either a public transit trip or private vehicle trip. Based on the surveys conducted at newer residential developments, the combination of Taxi and on-demand / smartphone-based transportation represents between three and eight percent of all trips. These trips have not led to growth in traffic at Eastern Neighborhoods study intersections that exceed what was predicted, based on actual intersection-level counts, and can reasonably be considered to fall within the envelope of transportation effects identified in the Eastern Neighborhoods EIR.

Sincerely,

FEHR & PEERS

Eric Womeldorff, P.E.
Principal

Teresa Whinery
Transportation Planner

Attached:

Attachment A

Option A Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option A Plan Total (Delta from Baseline)	104,400	37,200	422,021	-448,753	114,000	0	782
Progress	-24%	41%	26%	46%	35%	100%	65%

Progress: Non-Residential & Non-PDR	20%
Progress: Residential	65%
Percent Complete, Option A	**40%**

Option C Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option C Plan Total (Delta from Baseline)	609,480	49,448	2,214,011	-3,370,350	598,323	10,274	2,054
Progress	-4%	31%	5%	6%	7%	0%	25%

Progress: Non-Residential & Non-PDR	4%
Progress: Residential	25%
Percent Complete, Option C	**10%**

No Project Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN CNP Total (Delta from Baseline)	134,700	36,900	551,400	-513,185	144,000	1	420
Progress	-19%	41%	20%	40%	28%	100%	120%

Progress: Non-Residential & Non-PDR	16%
Progress: Residential	120%
Rounded Estimate Complete, No Project	**70%**
Time Estimate Complete, No Project (2016 - 2000) / (2025 - 2000)	**64%**

Attachment A - Turning Movement (Option A)

		2000 Baseline	2025 NP	2025 Option A	2016 NP Estimate	2016 Option A To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Observed	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	86	78	78	2,789	16	2,628	-161	
	NBT	649	721	761	695	694		599			
	NBR	60	67	72	64	65		52			80%
	SBL	50	52	53	51	51		10			
	SBT	748	784	760	771	753		815			
	SBR	43	45	44	44	43		76			106%
	EBL	16	17	18	17	17		8			
	EBT	301	314	305	309	303		291			
	EBR	61	64	68	63	64		64			95%
	WBL	81	87	87	85	83		55			
	WBT	537	572	571	559	551		521			
16th & Guerrero	WBR	85	91	91	89	87		121			97%
	NBL	0	0	0	0	0	2,591	70	2,692	101	
	NBT	530	578	567	561	545		656			
	NBR	96	104	104	101	99		67			123%
	SBL	0	0	0	0	0		65			
	SBT	575	587	616	583	591		689			
	SBR	39	40	42	40	40		44			126%
	EBL	0	0	0	0	0		9			
	EBT	448	476	474	466	458		295			
	EBR	52	64	74	60	61		71			72%
	WBL	0	0	0	0	0		7			
	WBT	674	727	728	708	696		653			
S. Van Ness & 16th	WBR	99	106	105	103	101		66			91%

3150

	NBL	59	63	71	62	64	2,018	39	1,572	-446	
	NBT	442	480	535	466	479		417			
	NBR	0	0	0	0	0		0			84%
	SBL	0	0	0	0	0		2			
	SBT	549	553	557	552	552		407			
	SBR	199	218	224	211	209		162			75%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	108	93	87		54			
	WBT	443	632	655	564	528		396			
Valencia & 16th	WBR	83	118	123	105	99		95			76%
	NBL	49	50	51	50	50	2,376	40	1,913	-463	
	NBT	398	433	497	420	438		323			
	NBR	73	74	78	74	75		71			77%
	SBL	70	74	77	73	73		43			
	SBT	499	530	535	519	513		364			
	SBR	50	53	54	52	52		48			71%
	EBL	28	30	29	29	28		36			
3151	EBT	318	336	334	330	324		272			
	EBR	65	69	67	68	66		44			84%
	WBL	58	62	63	61	60		52			
	WBT	604	647	645	632	620		549			
Valencia & 15th	WBR	75	80	81	78	77		71			89%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

Attachment A - Turning Movement (Option C)

		2000 Baseline	2025 NP	2025 Option C	2016 NP Estimate	2016 Option C To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Total Count	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	87	78	74	2,729	16	2,628	-101	
	NBT	649	721	776	695	662		599			
	NBR	60	67	72	64	61		52			84%
	SBL	50	52	52	51	50		10			
	SBT	748	784	772	771	750		815			
	SBR	43	45	44	44	43		76			107%
	EBL	16	17	18	17	16		8			
	EBT	301	314	301	309	301		291			
	EBR	61	64	70	63	62		64			96%
	WBL	81	87	88	85	82		55			
	WBT	537	572	585	559	542		521			
16th & Guerrero	WBR	85	91	92	89	86		121			98%
	NBL	0	0	0	0	0	2,534	70	2,692	158	
	NBT	530	578	589	561	536		656			
3152	NBR	96	104	107	101	97		67			125%
	SBL	0	0	0	0	0		65			
	SBT	575	587	598	583	577		689			
	SBR	39	40	41	40	39		44			130%
	EBL	0	0	0	0	0		9			
	EBT	448	476	457	466	449		295			
	EBR	52	64	78	60	55		71			74%
	WBL	0	0	0	0	0		7			
S. Van Ness &	WBT	674	727	741	708	681		653			
16th	WBR	99	106	108	103	100		66			93%

	NBL	59	63	69	62	60	1,885	39	1,572	-313	
	NBT	442	480	518	466	450		417			
	NBR	0	0	0	0	0		0			89%
	SBL	0	0	0	0	0		2			
	SBT	549	553	583	552	552		407			
	SBR	199	218	230	211	202		162			76%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	99	93	76		54			
	WBT	443	632	603	564	459		396			
Valencia & 16th	WBR	83	118	113	105	86		95			88%
	NBL	49	50	53	50	49	2,311	40	1,913	-398	
	NBT	398	433	477	420	406		323			
	NBR	73	74	79	74	74		71			82%
	SBL	70	74	77	73	71		43			
	SBT	499	530	550	519	504		364			
	SBR	50	53	55	52	51		48			73%
3153	EBL	28	30	29	29	28		36			
	EBT	318	336	326	330	319		272			
	EBR	65	69	67	68	65		44			85%
	WBL	58	62	63	61	59		52			
	WBT	604	647	657	632	609		549			
Valencia & 15th	WBR	75	80	82	78	76		71			90%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

FEHR PEERS

MEMORANDUM

Date: April 17, 2017

To: Chris Kern, San Francisco Planning Department

From: Teresa Whinery and Eric Womeldorff, Fehr & Peers

Subject: Updated Eastern Neighborhoods Traffic Counts

SF16-0908

Fehr & Peers recently contracted with a traffic count firm to perform additional vehicle counts at key intersections studied in the Eastern Neighborhoods Plan Environmental Impact Report (EIR). These counts were used for analysis of transportation trends presented in a January 12, 2017 letter discussing Eastern Neighborhoods / Mission District Transportation and Demographic Trends.

Traffic counts were originally performed on Tuesday, December 13, 2016 due to the need to provide analysis prior to the appeal hearing for 2675 Folsom Street. While traffic counts are not generally conducted in December, care was taken to perform the counts while local schools were in session, on a day with average weather. The additional counts, taken on Tuesday, April 4, 2017 and on Tuesday, April 11, 2017 are intended to supplement the original counts, and provide a second data point taken in a typical spring month. San Francisco schools were in session on both of the April count dates.

The amended **Table 8** below shows the vehicle counts collected in April. Three of the four intersections are within three percent of PM peak hour traffic volumes collected in December. At the fourth intersection (Valencia / 16th), total PM peak hour vehicle volumes were around eight percent higher, though still within an industry-accepted daily fluctuation level of 10 percent during peak hours. Updating the prior analysis concerning contributions and expected vehicle volumes with these new April counts does not result in any substantive differences in findings presented in Fehr & Peers' January 2017 letter.

TABLE 1: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2017 To Date Projected Volume[1]	2017 Observed Volume[2]	Net Difference (2017 Observed – 2017 Projected)	% Difference
Guerrero / 16th	2,704	2,895	2,729	2,652	-77	-3%
S. Van Ness / 16th	2,513	2,682	2,534	2,688	154	6%
Valencia / 15th	1,848	2,168	1,885	1,616	-269	-14%
Valencia / 16th	2,287	2,438	2,311	2,089	-222	-10%
				Average	-104	-4%

1. 2017 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.

2. Observed volumes are from traffic counts conducted at three intersections on April 4, 2017, and at Guerrero/16th on April 11 2017. Counts at Guerrero were rescheduled due to vandalism of the count equipment.

Source: Fehr & Peers, 2017; Eastern Neighborhoods TIS, 2008

Attachment C

ALH Urban & Regional Economics

Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco

March 2017

Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Prepared for:

The City and County of San Francisco
Planning Department

Prepared by:

ALH | ECON
ALH Urban & Regional Economics

March 2017

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March 1, 2017

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Calle 24 Latino Cultural District (LCD). The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to a Board of Supervisor's November 2016 request.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,

Amy L. Herman
Principal

ALH Econ\2016 Projects\1623\Report\1623.r03.doc

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

There are many market-rate residential apartment projects proposed in San Francisco's Mission District, and specifically within the Calle 24 Latino Cultural District (LCD). Locally, some concern has been raised about the adequacy of environmental analysis prepared for these projects, specifically regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues. In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

- 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.

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRS for well over ten years, and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with the Pipeline residential projects in or near the LCD finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts, such as the displacement of existing commercial establishments. The amount of neighborhood-oriented demand generated by residents of the pipeline projects in and near the LCD (e.g., 34,400 square feet) is approximately equivalent to the amount of net retail space planned in those projects (e.g., 30,447 square feet). It is therefore not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects. Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.

Retail supply and demand analysis for the Mission and the LCD demonstrate that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents.

This indicates three issues: (1) broad socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood; (2) new residential development in the LCD plays an insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20 years. Over this time, average rents for investment grade properties with 50 or more units increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco tapered off, characterized by relatively flat increases in rental rates overall, with some neighborhood variability. Historic market trends suggest that increases in rents will continue to occur; however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur. Moreover, during 2016, the San Francisco entered a slower period of rent increases, including relative to nationwide trends in rent appreciation.

ALH Economics reviewed academic and related literature to probe whether market-rate apartment production in the LCD will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic literature does not support the concern that gentrification associated with new LCD market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or

economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL GENTRIFICATION

ISSUE OVERVIEW

Concern has been raised about the ***commercial*** gentrification impacts of new residential development in the Calle 24 Latino Cultural District LCD, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies. There is little existing literature or study of commercial gentrification effects of new development, however, a 2016 study published by Rachel Meltzer, Assistant Professor of Urban Policy at the Milano School of International Affairs, Management, and Urban Policy at The New School, cited that case study analysis in New York City indicated that "[t]he results of gentrification are mixed and show that gentrification is associated with both business retention and disruption."[1] Meltzer further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in nongentrifying neighborhoods."[2] These are findings derived from citywide analysis of business displacement and replacement in New York City, and from three neighborhoods with both gentrifying and nongentrifying census tracts. These neighborhoods are East Harlem, Astoria, and Sunset Park. While the results vary by neighborhood, Meltzer concludes by stating that "[t]he fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[3]

The Mission District, specifically the LCD, is a vibrant neighborhood retail market, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other ethnic restaurants, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Based on Meltzer's paper, it is therefore reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification. Meltzer suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally. Meltzer also recognizes, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[4]

This latter point is similar to concerns expressed regarding the potential for new development in the LCD to result in changes similar to what has been seen in the Valencia Street Corridor – a commercial area that has experienced significant change in past decades. As demonstrated by City of San Francisco research, the change in the Valencia Street Corridor occurred despite the relative lack of new residential development, which suggests that other factors may be more directly associated with

[1] Rachel Meltzer, "Gentrification and Small Business: Threat or Opportunity?," Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.
[2] Ibid.
[3] Ibid, page 80.
[4] Ibid.

commercial gentrification in San Francisco than new area residential development. Thus, based on the evidence presented and existing academic literature, ALH Economics does not agree that new residential development causes gentrification of commercial space.

In reaching this conclusion, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects in the LCD, and other projects near the LCD whose residents could potentially generate retail and services demand in the LCD. The analysis estimates the amount of space likely to be supported by the Pipeline households, and assess if this could result in a change of the composition of the commercial base in the LCD. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes other ethnic restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores, laundromats, a variety of other neighborhood-oriented businesses, and a limited number of commercial vacancies.

The analysis finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, there is no basis to suggest that existing commercial establishments will be displaced because of the Pipeline projects in or near the LCD.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for 2016 Q3[5] was examined to identify proposed residential projects in and near the LCD. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Project that are under construction

Projects in the LCD were identified based on the LCD's boundaries, while other projects near but outside the LCD were identified within about a 3-4-block radius of the LCD's boundaries. There may be yet other projects close to this area, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to the LCD. The projects and their net unit counts and net new retail square footage are listed in Table 1 on the following page.

Information extracted from the Development Pipeline, and supplemented by the Planning Department, indicates a total of 1,019 net new housing units. This includes 705 market rate units, comprising 298 in the LCD and 407 near the LCD, and 314 affordable housing units, comprising 158 in the LCD and 156 near the LCD (i.e., 35% affordable in the LCD and 28% affordable near the LCD, totaling 31% affordable overall). Most of the affordable housing units are rental, but a small number are owner units. In total, there are 456 units planned in the LCD and 563 units planned near the LCD. In addition, these projects include 10,735 net new square feet of retail space in the LCD and another 19,712 square feet near the LCD. This is a total of 30,447 square feet of net new retail space.

This residential pipeline reflects a significant increase over past housing production in the Mission District. Based upon the City's Housing Inventory reports, a total of 2,132 net new housing units were

[5]See https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq for the database.

built in the Mission between 2001 and 2015. This is equivalent to an average of 143 units per year.[6] The specific share of these units in and around the LCD is indeterminate, but this low number for the Mission suggests the LCD had a much lower amount of development in this timeframe, which likely contributed to rising rents due to limited supply. With so more units planned on a relative basis, rents could contribute to soften as they did in 2016 (see next report section on rent trends).

Table 1. Pipeline Projects
By Location, Approvals Status, Type of Housing Units, and Net New Retail

	Housing Unit Composition					
	Market	Affordable		Senior		Net New
Project Status and Location	Rate	Rental	Owner	Affordable	Total	Retail
LCD Projects						
Entitled						
2600 Harrison St	20	0	0	0	20	0
Non-entitled						
1296 Shotwell St	0	0	0	96	96	0
2675 Folsom St	94	23	0	0	117	0
1515 South Van Ness Ave	118	39	0	0	157	5,241
2782 Folsom St	4	0	0	0	4	0
3314 Cesar Chavez St (1)	50	0	0	0	50	1,740
2799 24th Street	7	0	0	0	7	-269
3357 26th Street	5	0	0	0	5	4,023
Sub Total LCD Projects	*298*	*62*	*0*	*96*	*456*	10,735
Projects Near but Outside the LCD						
Entitled						
1198 Valencia St	43	0	6	0	49	5,050
1050 Valencia St	12	0	0	0	12	1,900
2000 Bryant Street	191	3	0	0	194	1,087
Non-entitled						
2070 Bryant Street (2)	0	0	136	0	136	0
2632 Mission St	14	0	2	0	16	7,766
1278 - 1298 Valencia St	35	0	0	0	35	3,737
2918 Mission St	48	7	0	0	55	-500
3620 Cesar Chavez St	24	0	0	0	24	672
3659 20th St	5	0	0	0	5	0
3700 20th St	1	0	0	0	1	0
606 Capp St	18	2	0	0	20	0
987 Valencia St	8	0	0	0	8	0
2610 Mission	8	0	0	0	8	0
Sub Total Projects Near LCD	*407*	*12*	*144*	*0*	*563*	19,712
Total Pipeline	**705**	**74**	**144**	**96**	**1,019**	**30,447**

Sources: San Francisco Development Pipeline, 2016, Q3; City and County of San Francisco Planning Department; and ALH Urban & Regional Economics.
(1) Affordable unit count as yet unknown.
(2) Unit range 99-136. Analysis assumes 136. Analysis also conservatively assumes units will be owner units, but the tenure has not yet been determined.

[6] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2015.

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and maximum income requirements for the affordable units, and percent of household income spent on housing. Since most of the Pipeline projects are planned and are not in lease up phase, project rents for all units are not available. However, preliminary pricing and unit mix for the proposed Axis Development Group project at 2675 Folsom Street, which includes 40% 2+ bedroom units, indicates average monthly rents of $4,100 for market rate units.[7] To support the analysis, this rate is assumed for all the identified market rate Pipeline apartment units. This assumption and the assumption for all the planned Pipeline units by location and type are presented in Exhibit 1. For the affordable rental units (excluding the senior units), households are assumed to comprise a 3-person household at 55% of Area Median Income (AMI). This results in an annual household income assumption of $53,300 for 2016. The assumption for the senior households is $41,450 a year, which is the 55% of AMI income for 1-Person households for 2016. This may be high, and thus conservative for the purpose of this analysis, as approximately 20% of the affordable senior housing units will be targeted to formerly homeless individuals. Finally, the affordable owner units are assumed to be occupied by 4-person households at 80% of AMI. This annual household figure is $86,150.

The average household income for the market rate units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of $148,000 for the market rate units. In San Francisco, the rent burden is often much greater, but the analysis ***conservatively*** assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. In like manner, the rents or monthly mortgage payments for the affordable units are assumed to comprise one-third the household incomes, divided over a 12-month period. Thus, rents or mortgage payments are equivalent to $1,481 to $2,393 per month. These figures might be conservative because they do not consider utility or other monthly costs, and because of the unlikely one-third of income spent on housing costs assumption.

The amount households spend on retail goods varies by household income. Date published by the U.S. Bureau of Labor Statistics, 2015 Consumer Expenditures Survey, provides information regarding

[7] Provided to ALH Urban & Regional Economics. The market rate rent is generally consistent with average San Francisco rents for investment-grade properties. Through most of 2016, rents averaged approximately $2,830 for a studio, $3,370 for a one-bedroom unit, $3,620 to $4,715 for a two-bedroom unit, and $4,580 for a three-bedroom unit, with an overall average of $3,570. These rates are pursuant to RealAnswers, a real estate resource that tracks apartment rents in major markets.

household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to upon ALH Economics estimates of the percentage of income spent on retail goods based on the type of retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the $40,000 to $49,999 annual income range, with an average household income of $44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results range from 26% of income for the market rate units to 42% for the senior affordable rental units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent. These figures total per household retail spending ranging from $19,900 for the households in the affordable rental units to $39,100. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.[8] Therefore, given the occupancy assumptions, the total demand comprises $14.0 million for the households in the Pipeline LCD units and $19.3 million for the households in the Pipeline near LCD households. The grand total is $33.3 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the more comparable to the type of retail goods located in the LCD.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2014 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.2% on home furnishings & appliances to a high of 17.1% on food & beverage stores (e.g., grocery stores). Other key categories include 13.5% on general merchandise (e.g., department and discount stores), 12.2% on food services & drinking places (e.g., restaurants and bars), and 12.4% on other retail, which includes drug stores, electronics, health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods. By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 2, on the following page.

[8] Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties is 95.3%, which rounds to 95%.

Table 2. Assumed Percentage of Pipeline Residents Spending at Neighborhood-Oriented Outlets

Retail Cateogry	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	50%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	25%
General Merchandise Stores	25%
Food Services & Drinking Places	75%
Other Retail Group (6)	33%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 36% of retail spending by Pipeline households comprises neighborhood-oriented spending.

The aggregated retail demand estimates for the occupied LCD and near LCD pipeline households were converted to supportable square feet based upon the following: industry average assumptions regarding store sales performance; an adjustment to allow for a modest vacancy rate; and an allocation of additional space for services, such as banks, personal, and business services. The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2016 sales estimates. The resulting sales per square foot figures, presented in Exhibit 4, range from a low of $309 per square foot for general merchandise stores to a high of $669 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. While 36% of overall retail spending is assumed to comprise support for neighborhood outlets, a factor of 75% was incorporated for services to recognize the more neighborhood orientation of these services.

The Pipeline projects include those located in the LCD and those located near but not in the LCD, typically within a 3-4 block radius. Much of the neighborhood-oriented demand generated by LCD households could be directed at commercial operations located in the LCD, but some could also be directed to commercial operations within walking distance of the LCD or beyond, and thus outside the LCD. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households near but outside the LCD could be directed to commercial operations in the LCD. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the LCD, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline

households is likely to be directed to businesses located in the LCD, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

LCD Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the LCD indicate estimated support for 14,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the two largest market-rate projects includes the following: the 117-unit proposed project by Axis Development Group at 2675 Folsom Street with 4,100 square feet (see Exhibit 8) and the 157-unit proposed project by Lennar at 1515 South Van Ness with 5,300 square feet (see Exhibit 8). This means the remaining, smaller Pipeline LCD projects are estimated to generate demand for 5,100 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the LCD, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the LCD, thus not all the 14,300 square feet of demand may be directed at LCD establishments.

Near LCD Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the near LCD Pipeline projects indicate estimated support for 19,900 square feet of neighborhood-serving retail and commercial space (see Exhibit 8). This includes projects located outside the boundaries of the LCD, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the near the LCD projects, with only a portion likely directed toward LCD operations. Thus, only a portion of the 19,900 square feet of demand could comprise demand for retail and services located in the LCD.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline is presented in Exhibit 9, and summarized below in Table 3. The figures total 25,493 square feet of retail space, 8,900 square feet of service space, resulting in a rounded total of 34,400 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located in the LCD. Moreover, a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction in the LCD at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area.

Table 3. Pipeline Projects Neighborhood-Oriented Commercial Square Feet of Demand

Retail Category	Square Feet Supported (1) LCD	Near LCD	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	1,140	1,566	2,705
Building Materials and Garden Equip.	289	397	686
Food and Beverage Stores	3,018	4,146	7,164
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	662	909	1,571
General Merchandise Stores	1,615	2,219	3,834
Food Services and Drinking Places	2,667	3,664	6,331
Other Retail Group	1,349	1,853	3,202
Subtotal	10,739	14,754	25,493
Additional Service Increment	3,749	5,151	8,900
Total	14,489	19,905	34,393
Total Rounded to Nearest 100	**14,500**	**19,900**	**34,400**
Net New Retail Planned	**10,735**	**19,712**	**30,447**

Sources: Exhibits 5, 8, and 9; and Table 1.

The summary in Table 3 also includes the net new retail space planned in the LCD and near the LCD. As noted earlier, this totals 10,735 square feet in the LCD and 19,712 square feet near the LCD, for a combined total of 30,447 square feet. ***As these figures indicate, there is almost equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in both the LCD and near the LCD.*** Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in the LCD and Near LCD. Thus, ***it is not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects.*** This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes gentrification of commercial space.

Moreover, even without the net new addition of retail space in the Pipeline projects the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the LCD. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the LCD has approximately 480,000 square feet of retail space.[9] If, say, 75% of the LCD demand and 33% of the Near LCD demand were specifically directed to LCD establishments, this would equate to just about 17,500 square feet of space, or 3.6% of the existing commercial base in the LCD. This is a relatively small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, this analysis is moot, as the Pipeline projects will instead be increasing the retail base, therefore eliminating any risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.***

[9]See https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q for the database.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the LCD as well as the Mission District. As noted above, the LCD is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[10] Demand analysis for existing households in the Mission and LCD indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases. This is demonstrated by the analysis in Exhibits 10 through 13, with Exhibit 10 presenting the household counts and weighted average household incomes for area households in 2015.[11] These household counts and average household incomes are 15,062 and $103,551 in the Mission, respectively, and 4,083 and $109,587 in the LCD, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the LCD pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 12 and 13 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 4, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing LCD households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 4. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

Area	Retail Inventory	Square Feet Supported (1)		Supply Multiplier	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
LCD	480,000	325,500	141,500	1.5	3.4

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 12 and 13; and ALH Urban & Regional Economics.

These demand estimates indicate that the supply of retail in the Mission as a whole and the LCD outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the LCD, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

[10] See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q.

[11] The household count and income figures for the LCD are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the LCD. These shares were estimated by ALH Economics based upon the visual overlap of the LCD physical boundary with the census tract boundaries.

This analysis demonstrates that the Mission and the LCD are both regional shopping destinations, and that broad socioeconomic change (i.e., citywide, regionally) is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the LCD exceeds the demand from existing residents and is largely supported by persons living beyond the LCD, new residential development within the LCD does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units in the LCD will be delivered.

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the increase in housing market costs has trended not in a straight line but more in a "boom and bust" pattern. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), has tracked these trends generally for the San Francisco apartment market, including for the past 20 years. RealAnswers, however, only includes "investment grade" properties with 50 or more units, which, as of December 2016, is 24,066 units, or about 11% of San Francisco's rental housing stock.[12] This is only a portion of San Francisco's rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco's rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco's large number of rental units that are subject to rent control.

Exhibit 14 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco's rents increased at an average annual rate of 5.5%. In absolute terms, this represents a near tripling of rents, from an average of $1,235 in 1996 to $3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.[13] Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some boom periods (1996-1997, 1999-2000, 2010-2014), as well as a few bust years (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual rent increase of 6.6% (not adjusted for inflation). [14] While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.

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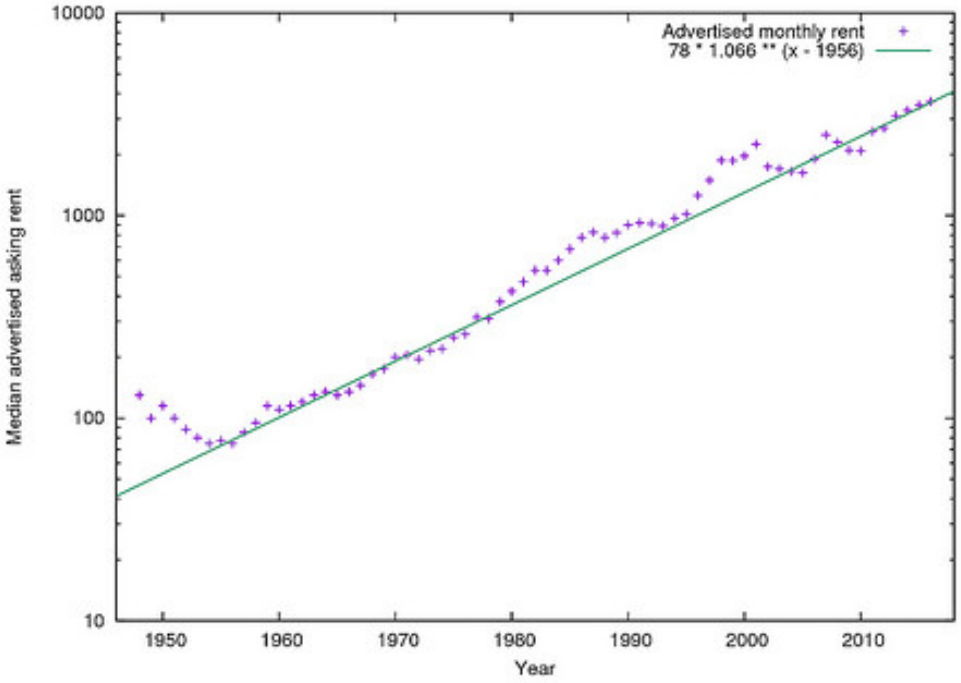
[12] Based on a count of approximately 220,500 rental units in 2014 per City and County of San Francisco estimates.

[13] Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers. November 15, 2016.

[14] https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html



Currently, as shown by the RealAnswers data in Exhibit 14, San Francisco appears to be entering once again into a bust period with the rate of recent rent increases for investment grade units slowing down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This recent slowdown in the rental market for investment grade rental units represented is mirrored in other rental real estate sources, including Zumper, a rental real estate web site, which reports that rents for one-bedroom units citywide declined by 4.9% in 2016.[15]

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reported a recent slowdown in rent increases in San Francisco, with a 0.4% increase in 2016, matching the RealAnswers data trend.[16] Pursuant to the Yardi Matrix, the 2016 rental rate increase in San Francisco was a fraction of the 4.0% national rental rate increase, based on 119 markets, and was actually the second lowest rate of increase nationally, surpassing only Houston, which indicated an actual rent decline.[17] This varies somewhat from historical trends, wherein over just the past eight years, the unadjusted rate of increase in San Francisco rents was 4.8% (per data presented in Exhibit 14), compared to the year over year national rate of increase of 2.3% over the same time period reported by the Yardi Matrix.[18] Thus, San Francisco's current market rate

[15] https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/, as reported in http://sf.curbed.com/2016/12/21/14039464/rent-prices-san-francisco-2016-bayview

[16] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

[17] Ibid.

[18] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

residential rental market is experiencing a marked deviation from local and comparative historical trends. Despite the recent slowdown in rental rate increases, however, San Francisco has maintained its position as ***the most expensive market in the country*** with a one-bedroom rent of $3,330 per month.[19]

Looking at the neighborhood level, Zumper found that ***most*** neighborhoods experienced a decline in rents in 2016, but that median rents for one-bedroom units in Bayview increased 11.5% and rents in the Mission increased less than 5%. This increase in rents in the Mission is lower than the increases measured in 2015, which were 5% to 10% for one- bedroom units.[20]

Based on evidence reviewed, San Francisco rents have tapered off, with 2016 characterized by relatively flat increases in rental rates overall, averaging declines in some neighborhoods and modest increases in others, such as the Mission District. Increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, but at this moment in time the San Francisco market appears to be entering a slower period of rent increases. As noted above, however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production in the LCD will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, five papers (including document links) stand out in regards to their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.
http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).
http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

[19] https://www.zumper.com/blog/2016/12/zumper-national-rent-report-december-2016/
[20] https://www.zumper.com/blog/2015/12/see-how-san-francisco-rent-prices-changed-in-2015-2/

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.
http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

The findings from the five studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline in the San Francisco's LCD in the Mission. The key findings of each study are highlighted.

California Legislative Analyst's Office

March 2015 Study. Taylor's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

> "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains

> new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."[21]

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

> "after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."[22]

Thus, the Taylor study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of his 2015 study, Taylor's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by Taylor:

> "Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.
>
> Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."[23]

[21] Mac Taylor, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.
[22] Ibid, page 12.
[23] Mac Taylor, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.

In this paper, Taylor presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs;
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households (e.g., filtering).

Further, Taylor cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. Taylor additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, ***Taylor's paper concludes that more private development is associated with less displacement.***[24] Taylor cites that his analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, his study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, his findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).[25] Taylor theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.[26] In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, Taylor also found displacement was more than twice as likely than in low-income census tracts with high construction levels.[27] This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

City and County of San Francisco, Office of Economic Analysis

In 2015, Supervisors Mark Farrell and Scott Wiener requested the Office of Economic Analysis (OEA) to prepare a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a

[24] Taylor defines a census tract as having experienced displacement if (1) ifs overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see Taylor, page 13).
[25] Ibid, page 9.
[26] Ibid.
[27] Ibid, page 10.

moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

> "lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city's ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium." [28]

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

> "market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable."[29]

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.[30] Finally, and perhaps most on point regarding market-rate housing production impacts on pricing, the study stated:

> "We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. 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." [31]

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that ***new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period***.[32]

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by Taylor in "Perspectives on Helping Low-Income

[28] City and County of San Francisco, Office of the Controller-Office of Economic analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," September 10, 2015, page 1.
[29] Ibid, page 28.
[30] Ibid.
[31] Ibid.
[32] Ibid page 26.

Californians Afford Housing" (February 2016), wherein Taylor's study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of Taylor's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if Taylor's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."[33] They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that "***neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.***"[34] They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"[35] and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.[36]

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

> "Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how

[33] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.
[34] Ibid, page 7.
[35] Ibid, page 10.
[36] Ibid, page 1.

> limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."[37]

Monkkonen states that "constraining the supply of housing increases rents."[38] He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that through filtering, new housing units can improve overall housing affordability at the metropolitan level. He further states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise by inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."[39] He further states that the filtering process is a "crucial element to stave off increases in housing rents," and cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."[40] Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that ***increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement. In conclusion, Monkkonen states "Not building housing in some parts of the city pushes the pressure for development, along with any negative impacts, to neighborhoods with fewer resources to resist."***[41]

Applied San Francisco Research and Findings

To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify readily available data points local to San Francisco, the Mission District, and the LCD. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then

[37] Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.
[38] Ibid, page 5.
[39] Ibid page 6.
[40] Ibid.
[41] Ibid, page 7.

be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as $0 - $499, $500-$999, $1,000-$1,499, $1,500- $1,999, and $2,000+. The rent range band tops out at $2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the $2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco, the census tracts defining the Mission District, and thus also the census tracts that most correspond with the LCD, pursuant to the American Community Survey (ACS).[42] Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as RealAnswers, with the latter tracking prices and price changes for a 20-year period, from 1996 to 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco, the Mission District, and the LCD. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District and LCD suggesting that housing production has an impact on apartment rents, including increases in rent or rent suppression.*** While not the result of a rigorous study, this finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as Mac Taylor, et. al. for the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between

[42] To support this analysis, the census tracts comprising the LCD were identified. For census tracts only partially in the LCD, estimates were prepared regarding the percentage of each census tract's housing units that are located in the LCD.

housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases.

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco, the Mission District, and LCD is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed many papers comprising the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification because how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development ***cause*** gentrification and displacement?

ALH Economics identified 11 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with ***public policy tools*** available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income

households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development in the LCD will cause displacement ***is not supported by the evidence in the academic literature***. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

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." Most specifically, the CEQA Guidelines state that:

> "[e]conomic or social effects of a project shall not be treated as significant effects on the environment."[43] CEQA defines the "[e]nvironment" as "*physical* conditions,"[44] and impacts analyzed under CEQA must be "related to a physical change."[45]

Under the CEQA guidelines, however, ***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***.[46] There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.[47]

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.[48]

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

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[43] CEQA Guidelines, § 15131, subd. (a)
[44] Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.
[45] Guidelines, §15358(b).
[46] CEQA Guidelines §15064(e)
[47] The primary case is Bakersfield Citizens for Local Control v City of Bakersfield (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include Anderson First Coalition v City of Anderson (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and Gilroy Citizens for Responsible Planning v City of Gilroy (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.
[48] These case is Gray v County of Madera (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.[49] Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.[50]

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

[49] Representative cases include Preserve Poway v. City of Poway (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not "include such psychological, social, or economic impacts on community character;" and Cathay Mortuary, Inc. v. San Francisco Planning Com. (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not "related to any environmental issue."

[50] See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study "economic displacement"; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; and Group 4 Architecture, Research + Planning, Inc.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, commercial market analysis, economic development and

redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's Home Improvement Warehouse, or Target store. The studies have also been conducted for

large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007
- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006

- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April, 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, anticipated opening 2017
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opening anticipated early 2017
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, broke ground in 2015
- Sacramento Entertainment and Sports Center, mixed-use entertainment complex with 682,500 square feet of retail space
- San Francisco, Warriors Arena, groundbreaking January 2017

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Fresno, Fresno 40, totaling 209,650 square feet
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center (groundbreaking on transportation improvements April 2013)
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

Projects In Progress/Engaged in the Public Process

- Chico, Walmart expansion, expansion of an existing Walmart store plus addition of three development parcels including a fueling station, restaurant, and retail space
- Davis, Davis Innovation Center, an innovation center with 4.0 million square feet of planned space, including tech office, laboratory, R&D, assembly, industrial flex space, ancillary retail space, and a hotel.
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center
- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

ALH | ECON
ALH Urban & Regional Economics

PROFESSIONAL PROFILE

AMY L. HERMAN
PRINCIPAL

ALH Urban & Regional Economics
Berkeley, California

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OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- Environmental Science Associates
- First Carbon Solutions
- General Electric Company
- Gresham Savage Nolan & Tilden
- Kaiser Permanente
- Lawrence Berkeley National Laboratory
- Lennar
- City of Los Banos
- Merlone Geier Partners
- Michael Brandman Associates
- Mills Corporation
- City of Mountain View
- Port of San Francisco
- The Presidio Trust
- Pulte Homes
- Ronald McDonald House
- Santa Clara Valley Transportation Authority
- City of Santa Rosa
- Shea Properties
- Sheppard Mullin Richter & Hampton LLP
- Simon Property Group
- The Sobrato Organization
- Southbay Development
- City of Sunnyvale
- Sunset Development Co.
- Westfield Corporation

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Howard Hughes Corporation. Managed economic impact and fiscal impact analysis for a large-scale master planned development in Honolulu, including residential, commercial, and industrial land uses.

FISCAL IMPACT ANALYSIS

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

San Francisco Mayor's Office of Economic Development. Conducted fiscal and economic impact analysis of redevelopment and expansion of San Francisco's Parkmerced residential community, including assessing the project's impacts on the San Francisco Municipal Transportation Agency.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts.

DEVELOPMENT FEASIBILITY

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles

ChevronTexaco. Conducted a regional market analysis of an 8,400-acre oil field retired from active oil production in the New Orleans, Louisiana metropolitan area.

City of San Jose. Managed alternative City Hall location analysis, focused on recommending a long-term occupation strategy for the City. Following relocation of City Hall conducted a study examining the feasibility of redeveloping the City's former City Hall location and nearby parking facilities for residential, retail, and civic land uses.

General Motors Corporation. Managed reuse studies for closed manufacturing facilities in Indiana (250 acres, 14 sites) and New Jersey (80 acres). Studies focused on the long term reuse and redevelopment potential of the closed manufacturing sites.

CORPORATE LOCATION ANALYSIS

Toyota Motor Corporation. Conducted a location analysis study for a distribution facility in the San Francisco Bay Area, designed to minimize travel time distance to the majority of area dealerships.

Cisco Systems. Managed multiple corporate location studies for Cisco Systems, headquartered in San Jose, California. These studies focused on the formulation of both a regional and a North American location strategy.

Starbucks Coffee Company. Directed analysis examining alternative locations for a new coffee roasting plant in the Western United States. A variety of economic, business, and labor market data were collected. The roasting plant was successfully sited in Sparks, Nevada.

Sacramento Regional Transportation District (RTD). Managed a consultant team assisting the RTD in planning for its immediate and long-term administrative office space needs, and in developing a strategy for maximizing the value of the existing RTD complex.

Hines. Managed comparative analysis highlighting business and employee costs associated with business locations in three competitive Bay Area locations.

AMY L. HERMAN
Principal

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Total Estimated Income and Spending on Retail from New Project Households
2016 Dollars

Residential Land Use	Average Monthly Rent Assumption (1)	Estimated Average Household Income (2)	Number of Households (3)	Percent Income Spent on Retail (4)	Per Household Retail Spending (5)	Total Retail Demand (5)
Project						
Axis - Market Rate	$4,100	$148,000	89	26%	$39,100	$3,476,200
Axis - Affordable Rental (6)	$1,481	$53,300	23	37%	$19,900	$458,400
Subtotal			*112*			$3,934,600
Other LCD Projects						
Entitled Market Rate	$4,100	$148,000	19	26%	$39,100	$742,100
Entitled Affordable Rental (Senior) (7)	NA	$41,450	96	42%	$17,600	$1,686,800
Not Entitled Market Rate	$4,100	$148,000	176	26%	$39,100	$6,874,400
Not Entitled Affordable Rental (6)	$1,481	$53,300	39	37%	$19,900	$777,300
Subtotal			*330*			$10,080,600
Total LCD						$14,015,200
Near LCD Projects						
Entitled Market Rate	$4,100	$148,000	233	26%	$39,100	$9,100,700
Entitled Affordable Rental (6)	$1,481	$53,300	3	37%	$19,900	$59,800
Entitled Affordable Owner (8)	$2,393	$86,150	6	32%	$27,900	$167,400
Not Entitled Market Rate	$4,100	$148,000	154	26%	$39,100	$6,015,100
Not Entitled Affordable Rental (6)	NA	$53,300	9	37%	$19,900	$179,400
Not Entitled Affordable Owner (8)	$2,393	$86,150	138	31%	$27,000	$3,732,000
Subtotal			543			$19,254,400
Total (8)		**--**	**985**	**--**	**--**	**$33,269,600**

Source: Axis Development Group; 2016 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; and ALH Urban & Regional Economics.

(1) Market rate rents are based on the estimated average for the Axis project at 2675 Folsom, because rent projections are available for this planned project and none of the other projects at the time this analysis was prepared.
(2) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
(3) Assumed to comprise occuppied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
(4) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(5) Figures rounded to the nearest $1,000.
(6) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. The affordable rental units are assumed to be rented to 3-person households at 55% of Area Median Income (AMI). The corresponding annual household income for 2016 is $53,300.
(7) Assumes a 1-person household at 55% of AMI.
(8) Assumes a 4-person household at 80% of AMI.
(9) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2015

Characteristic	All Consumer Units	Household Income Range: $15,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 and more
Average HH Income	$69,627	$22,263	$34,746	$44,568	$59,293	$83,413	$119,828	$170,277	$314,010
Amount Spent on Retail (2)	$21,689	$12,777	$16,130	$17,611	$20,811	$26,436	$33,284	$40,780	$50,660
Percent Spent on Retail (3)	31%	57%	46%	40%	35%	32%	28%	24%	16%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2015, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2014
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total	Percent Assumed Neighborhood-Oriented (2)
Motor Vehicle & Parts Dealers	$73,232,242	$73,232,242	14.3%	0%
Home Furnishings & Appliances	$26,557,730	$26,557,730	5.2%	50%
Building Materials & Garden Equipment	$31,299,110	$31,299,110	6.1%	10%
Food & Beverage Stores	$26,298,414	$87,661,380 (3)	17.1%	80%
Gasoline Stations	$55,733,384	$55,733,384	10.9%	0%
Clothing & Clothing Accessories	$36,822,241	$36,822,241	7.2%	25%
General Merchandise Stores	$52,013,855	$69,351,807 (4)	13.5%	25%
Food Services & Drinking Places	$67,864,614	$67,864,614	13.2%	75%
Other Retail Group (6)	$50,014,587	$63,733,757 (5)	12.4%	33%
Total (7)	**$419,836,177**	**$512,256,264**	**100%**	**NA**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the BOE.

(2) Assumption prepared by ALH Urban & Regional Economics.

(3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.

(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2014 represented approximately 13.51% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2016 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average
	In 2010$'s	In 2016$'s	In 2011$'s	In 2016$'s	In 2012$'s	In 2016$'s	In 2013$'s	In 2016$'s	In 2016$'s
Apparel									
Apparel - Specialty	$405	$463	$447	$494	$472	$512	$451	$483	$488
Women's' Apparel	$365	$417	$455	$502	$515	$559	$473	$506	$496
Shoe Stores	$371	$424	$454	$501	$487	$528	$475	$508	$491
Ross Dress for Less	$324	$370	$195	$215	$195	$212	$362	$387	$296
Kohl's	$229	$262	$215	$237	$209	$227	$190	$203	$232
Discount Stores	$196	$224	$212	$234	$213	$231	$202	$216	$226
Target	$282	$322	$290	$320	$304	$330	$297	$318	$323
Wal-Mart	$422	$482	$499	$551	$456	$495	$376	$402	$483
Department Stores Category	$252	$288	$276	$305	$274	$297	$285	$305	$299
Sears	$206	$236	$205	$226	$210	$228	$161	$172	$216
Domestics Category	$294	$336	$288	$318	$268	$291	$300	$321	$316
Furniture Category	$198	$226	$290	$320	$361	$392	$449	$480	$355
Average of Domestics & Furniture	$246	$281	$289	$319	$315	$341	$375	$401	$336
Neighborhood Center Category									
Supermarkets	$535	$612	$533	$589	$575	$624	$611	$654	$619
Specialty/Organic	$510	$583	$658	$727	$698	$757	$756	$809	$719
Drug Stores	$724	$828	$657	$726	$667	$724	$629	$673	$737
Rite Aid	$421	$481	$560	$618	$549	$596	$556	$595	$573
CVS	$802	$917	$806	$890	$883	$958	$875	$936	$925
Restaurants Category	$429	$490	$496	$548	$480	$521	$486	$520	$520
Casual Dining	$431	$493	$578	$638	$563	$611	$567	$607	$587
Fast Food Chains	$431	$493	$507	$560	$492	$534	$543	$581	$542
Home Improvement	$269	$308	$278	$307	$287	$311	$301	$322	$312
Auto - DIY Stores (3)	$205	$234	$218	$241	$220	$239	$217	$232	$237
Other Retail Categories									
Accessories	$778	$889	$978	$1,080	$1,191	$1,292	$1,032	$1,104	$1,091
HBA, Home Fragrances	$541	$619	$474	$523	$531	$576	$519	$555	$568
Electronics & Appliances	$686	$784	$1,171	$1,293	$821	$891	$946	$1,012	$995
Office Supplies	$263	$301	$270	$298	$262	$284	$283	$303	$296
Sports	$226	$258	$239	$264	$252	$273	$253	$271	$267
Pet Supplies	$185	$212	$188	$208	$218	$237	$234	$250	$227
Book Superstores	$180	$206	$247	$273	$210	$228	$189	$202	$227
Toys	$320	$366	$333	$368	$312	$338	$220	$235	$327
Music Superstores	$318	$364	$317	$350	$314	$341	$292	$312	$342
Gifts, Hobbies & Fabrics	$124	$142	$136	$150	$137	$149	$151	$162	$151
Average of Other Retail Categories	$362	$414	$435	$481	$425	$461	$412	$441	$449

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit 5
Pipeline Projects in the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,003,615	$800 (6)	2,505	2,636	0
Home Furnishings and Appliances	$726,613	$336	2,165	2,279	1,140
Building Materials and Garden Equip.	$856,336	$312	2,745	2,889	289
Food and Beverage Stores	$2,398,393	$669	3,584	3,772	3,018
Gasoline Stations	$1,524,851	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,007,447	$401	2,515	2,647	662
General Merchandise Stores	$1,897,448	$309	6,137	6,460	1,615
Food Services and Drinking Places	$1,856,758	$550	3,378	3,556	2,667
Other Retail Group	$1,743,739	$449	3,883	4,087	1,349
Subtotal	$14,015,200	--	26,912	28,328	10,739
Additional Service Increment (15% of total) (9)	N/A	N/A	4,749	4,999	3,749 (8)
Total	**N/A**	**N/A**	**31,661 (10)**	**33,327**	**14,489**
Total Rounded to Nearest 100			**31,700**	**33,300** (11)	**14,500**

Source: ALH Urban & Regional Economics.

="(1) See "&'E1. Rents, Income, Retail Spen'!B3&" for the amount of estimated retail sales demand from the Pipeline projects' households located in the LCD and Exhibit 3 for the percentage distrubtion by category."
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
Axis Development Group, 2675 Folsom Street
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$562,491	$800 (6)	703	740	0
Home Furnishings and Appliances	$203,988	$336	608	640	320
Building Materials and Garden Equip.	$240,406	$312	771	811	81
Food and Beverage Stores	$673,320	$669	1,006	1,059	847
Gasoline Stations	$428,084	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$282,829	$401	706	743	186
General Merchandise Stores	$532,686	$309	1,723	1,814	453
Food Services and Drinking Places	$521,263	$550	948	998	749
Other Retail Group	$489,534	$449	1,090	1,147	379
Subtotal	$3,934,600	--	7,555	7,953	3,015
Additional Service Increment (15% of total) (9)	N/A	N/A	1,333	1,403	1,053 (8)
Total	**N/A**	**N/A**	**8,888 (10)**	**9,356**	**4,067**
Total Rounded to Nearest 100			**8,900**	**9,400 (11)**	**4,100**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Lennar, 1515 South Van Ness Boulevard
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$736,510	$800 (6)	921	969	0
Home Furnishings and Appliances	$267,096	$336	796	838	419
Building Materials and Garden Equip.	$314,781	$312	1,009	1,062	106
Food and Beverage Stores	$881,626	$669	1,317	1,387	1,109
Gasoline Stations	$560,521	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$370,328	$401	924	973	243
General Merchandise Stores	$697,484	$309	2,256	2,375	594
Food Services and Drinking Places	$682,527	$550	1,242	1,307	980
Other Retail Group	$640,982	$449	1,427	1,502	496
Subtotal	$5,151,854	--	9,892	10,413	3,948
Additional Service Increment (15% of total) (9)	N/A	N/A	1,746	1,838	1,378 (8)
Total	**N/A**	**N/A**	**11,638 (10)**	**12,251**	**5,326**
Total Rounded to Nearest 100			**11,600**	**12,300 (11)**	**5,300**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft. Amount (3)	Supportable Sq. Ft. Vacancy Adjusted (4)	Supportable Sq. Ft. Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,752,612	$800 (6)	3,441	3,622	0
Home Furnishings and Appliances	$998,237	$336	2,975	3,131	1,566
Building Materials and Garden Equip.	$1,176,453	$312	3,771	3,969	397
Food and Beverage Stores	$3,294,967	$669	4,924	5,183	4,146
Gasoline Stations	$2,094,875	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,384,054	$401	3,455	3,637	909
General Merchandise Stores	$2,606,757	$309	8,431	8,875	2,219
Food Services and Drinking Places	$2,550,857	$550	4,641	4,886	3,664
Other Retail Group	$2,395,589	$449	5,334	5,615	1,853
Subtotal	$19,254,400	--	36,972	38,918	14,754
Additional Service Increment (15% of total) (9)	N/A	N/A	6,524	6,868	5,151 (8)
Total	**N/A**	**N/A**	**43,496 (10)**	**45,785**	**19,905**
Total Rounded to Nearest 100			**43,500**	**45,800** (11)	**19,900**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,756,228	$800 (6)	5,945	6,258	0
Home Furnishings and Appliances	$1,724,850	$336	5,140	5,410	2,705
Building Materials and Garden Equip.	$2,032,789	$312	6,515	6,858	686
Food and Beverage Stores	$5,693,359	$669	8,507	8,955	7,164
Gasoline Stations	$3,619,726	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,391,501	$401	5,970	6,284	1,571
General Merchandise Stores	$4,504,204	$309	14,569	15,335	3,834
Food Services and Drinking Places	$4,407,615	$550	8,020	8,442	6,331
Other Retail Group	$4,139,328	$449	9,217	9,702	3,202
Subtotal	$33,269,600	--	63,883	67,245	25,493
Additional Service Increment (15% of total) (9)	N/A	N/A	11,274	11,867	8,900 (8)
Total	**N/A**	**N/A**	**75,157 (10)**	**79,112**	**34,393**
Total Rounded to Nearest 100			**75,200**	**79,100** (11)	**34,400**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 10
Households and Mean Household Income
2015
Mission District and Latino Cultural District (LCD)

Geographic Area		Households	Mean Household Income 2015
Mission District Census Tracts (1)			
177		756	$112,144
201		2,910	$71,117
208		2,663	$107,806
209		1,823	$86,878
228.01		1,939	$136,756
228.03		1,610	$117,145
229.01		1,434	$97,385
229.02		794	$133,584
229.03		1,133	$108,556
Total/Weighted Average		**15,062**	**$103,551**
LCD (2)	**%**		
209	40%	302	$86,878
228.03	50%	805	$117,145
229.01	100%	1,434	$97,385
229.02	100%	794	$133,584
229.03	66%	748	$108,556
Total		**4,083**	**$109,587**

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(2) The census tract percentages for the LCD portion of the Mission District per ALH Urban & Regional Economics using, "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD. Percentages comrpise ALH Economics assumptions.

Exhibit 11
Mission District and LCD
Total Estimated Income and Spending on Retail from Existing Area Households
2016 Dollars

Area	Estimated Average Household Income 2015 (1)	Estimated Average Household Income 2016 (2)	Number of Households (1)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (4)
Mission	$103,551	$107,769	15,062	29%	$31,700	$477,080,800
LCD	$109,587	$114,051	4,083	29%	$33,500	$136,872,400

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) See Exhibit 10 for estimated 2015 household incomes.
(2) Incomes are inflated from 2015 to 2016 pursuant to a CPI adjustment for All Urban Consumers from July 2015 to July 2016. The CPI factors are 238.654 for July 2015 and 248.375 for July 2016, resulting in a 1.04073 inflation rate.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Figures rounded to the nearest $1,000.

Exhibit 12
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$68,203,552	$800 (6)	85,254	89,742	0
Home Furnishings and Appliances	$24,734,072	$336	73,705	77,584	38,792
Building Materials and Garden Equip.	$29,149,872	$312	93,429	98,346	9,835
Food and Beverage Stores	$81,641,874	$669	121,994	128,414	102,732
Gasoline Stations	$51,906,300	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$34,293,742	$401	85,605	90,110	22,528
General Merchandise Stores	$64,589,577	$309	208,911	219,906	54,976
Food Services and Drinking Places	$63,204,506	$550	115,003	121,056	90,792
Other Retail Group	$59,357,306	$449	132,175	139,132	45,913
Subtotal	$477,080,800	--	916,075	964,290	365,567
Additional Service Increment (15% of total) (9)	N/A	N/A	161,660	170,169	127,627 (8)
Total	**N/A**	**N/A**	**1,077,735 (10)**	**1,134,458**	**493,194**
Total Rounded to Nearest 100			**1,077,700**	**1,134,500** (11)	**493,200**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
LCD
Supportable Square Feet of Commercial Space from Households in the LCD
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft. Amount (3)	Supportable Sq. Ft. Vacancy Adjusted (4)	Supportable Sq. Ft. Neighborhood-Oriented (5)
Motor Vehicles and Parts	$19,567,301	$800 (6)	24,459	25,746	0
Home Furnishings and Appliances	$7,096,097	$336	21,146	22,258	11,129
Building Materials and Garden Equip.	$8,362,971	$312	26,804	28,215	2,822
Food and Beverage Stores	$23,422,697	$669	34,999	36,842	29,473
Gasoline Stations	$14,891,691	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$9,838,725	$401	24,560	25,852	6,463
General Merchandise Stores	$18,530,468	$309	59,936	63,090	15,773
Food Services and Drinking Places	$18,133,097	$550	32,994	34,730	26,048
Other Retail Group	$17,029,352	$449	37,920	39,916	13,172
Subtotal	$136,872,400	--	262,818	276,650	104,880
Additional Service Increment (15% of total) (9)	N/A	N/A	46,380	48,821	36,616 (8)
Total	**N/A**	**N/A**	**309,198 (10)**	**325,471**	**141,495**
Total Rounded to Nearest 100			**309,200**	**325,500** (11)	**141,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from LCD Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 14
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

Year	Monthly Rents: Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	$940	$1,182	$1,239	$1,555	$1,563	$1,235	2.4%
1997	$1,054	$1,322	$1,416	$1,799	$1,808	$1,402	3.1%
1998	$1,161	$1,456	$1,560	$1,891	$2,015	$1,531	2.3%
1999	$1,251	$1,585	$1,656	$2,019	$2,294	$1,663	2.4%
2000	$1,544	$2,011	$2,327	$2,709	$3,147	$2,180	1.4%
2001	$1,512	$1,960	$2,332	$2,600	$3,111	$2,130	5.1%
2002	$1,314	$1,741	$1,979	$2,299	$2,826	$1,867	5.9%
2003	$1,262	$1,622	$1,875	$2,225	$2,878	$1,768	5.2%
2004	$1,267	$1,646	$1,821	$2,277	$2,679	$1,778	6.5%
2005	$1,334	$1,700	$1,885	$2,382	$2,643	$1,835	3.9%
2006	$1,439	$1,799	$1,930	$2,635	$2,390	$1,958	4.0%
2007	$1,586	$1,988	$2,192	$2,954	$2,610	$2,175	5.1%
2008	$1,723	$2,152	$2,359	$3,242	$2,702	$2,368	4.4%
2009	$1,584	$2,010	$2,258	$3,001	$2,812	$2,262	4.4%
2010	$1,595	$2,052	$2,149	$3,011	$2,902	$2,243	6.3%
2011	$1,894	$2,330	$2,403	$3,379	$2,983	$2,472	3.9%
2012	$2,136	$2,642	$2,735	$3,713	$3,024	$2,727	4.7%
2013	$2,327	$2,832	$3,135	$4,064	$3,652	$2,976	4.5%
2014	$2,575	$3,119	$3,379	$4,270	$4,082	$3,275	4.4%
2015	$2,839	$3,366	$3,607	$4,666	$4,322	$3,557	4.8%
2016	$2,831	$3,372	$3,621	$4,713	$4,582	$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association;* Winter 2004; 70, 1; ProQuest Direct Complete, page 39. http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf

2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008). http://www.nber.org/papers/w14036

3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," Regional Science and Urban Economics, Volume 41, Issue 2 (March 2011). http://www.sciencedirect.com/science/article/pii/S0166046211000044 (abstract)

4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013). http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf

5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014). http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

6. Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015). http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/ [*comments on Governing Magazine, "The 'G' Word: A Special Series on Gentrification" (February 2015)* http://www.governing.com/topics/urban/gov-gentrification-series.html]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015. http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/

8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015). http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf

9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016). https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en

11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016). https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the LCD, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

> "To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city."[51]

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- "Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. ….. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others."[52]

- "We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one."[53]

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[51] Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.
[52] Ibid, page 45.
[53] Ibid, page 48.

- "Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement… The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here, …., suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents."[54]

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

> "Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises."[55]

2. Terra McKinnish, University of Colorado at Boulder: Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

[54] Ibid.
[55] Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.[56] But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."[57]

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."[58] Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."[59] Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."[60] Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."[61]

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal Regional Science and Urban Economics. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

[56] Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.
[57] Ibid, page 2.
[58] Ibid, page 4.
[59] Ibid.
[60] Ibid, page 5.
[61] Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.[62] An abstract of this paper, published on-line, cites the following summary finding:

> "Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less."

Further, as cited in the study findings, Ellen and O'Regan state:

> "The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume."[63]

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

> "Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey's data on residential turnover, Ellen and O'Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman's (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

[62] http://www.sciencedirect.com/science/article/pii/S0166046211000044.

[63] See paper excerpt cited in: https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas." [64]

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will "need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods."[65]

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center's overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman's 2005 study:

> "In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%."[66]

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that "The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others."[67]

This roundup cites other study findings, such as the following:

- "Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.

- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

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[64] Silva Mathema, "Gentrification: An updated Literature Review," Poverty & Race Research Action Council, October 2013, page 3.
[65] Ibid, page 5.
[66] Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," August 2014.
[67] Ibid.

> Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."[68]

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

> "The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."[69]

6. Joseph Cortwright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impressa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by Governing Magazine in February 2015.

In his commentary, Cortright states that:

> "There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.
>
> Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs." [70]

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

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[68] Ibid.
[69] Ibid.
[70] Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

> "Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.
>
> And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods." [71]

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

> "Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

[71] Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying."[72]

In further discussing study findings, Florida cites that "Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations." This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida's, summarizes Karen Chapple of the Urban Displacement Project's findings as follows, demonstrating the complex relationship between gentrification and displacement:

"Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement."[73]

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that "As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color."[74] Thus, the

[72] Ibid.
[73] See http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/).
[74] University of California, Berkeley, "Urban Displacement Project," December 2015, page 1.

Urban Displacement Project "analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk."[75]

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.[76] The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area's affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing "naturally occurring" affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.[77]

Notably, this paper identifies "exclusionary displacement" as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement's relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, "most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well."[78] However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

[75] Ibid.
[76] Ibid.
[77] Ibid, page 2.
[78] Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.

- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco's Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.

- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: "Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective."[79]

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2015

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies. The study's findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- "At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

[79] Ibid, page 4.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."[80]

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

> "As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."[81]

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

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[80] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

[81] Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

> "Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents."

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

> "This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.
>
> We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O'Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).
>
> When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations." [82]

[82] Ibid, pages 42 and 43.

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.[83] He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.[84] However, he cites that there is near empirical consensus that "mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods."[85] In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.[86]

[83] Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," November 2016, page 170.
[84] Ibid, page 171.
[85] Ibid.
[86] Ibid, page 173.

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	APPEAL RESPONSE BRIEF: Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on February 13, 2018
Date:	Friday, February 02, 2018 4:44:30 PM
Attachments:	image001.png

Good afternoon,

Please find linked below an appeal brief received by the Office of the Clerk of the Board from Mark Loper of Reuben, Junius & Rose, LLP, representing the Project Sponsor, regarding the Community Plan Evaluation Appeal for the proposed project at 2918-2924 Mission Street.

Project Sponsor Appeal Brief - February 2, 2018

The hearing for this matter is scheduled for a 3:00 p.m. special order before the Board on February 13, 2018.

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Brent Jalipa
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REUBEN, JUNIUS & ROSE, LLP

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February 2, 2018

Delivered Via Email and Messenger

President London Breed and Supervisors
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Re: 2918 Mission Street
Opposition to Appeal of the Community Plan Exemption ("CPE")
Planning Department Case No. 2014.0376ENV
Our File No.: 10193.01

Dear President Breed and Supervisors:

This office represents RRTI, Inc. ("Project Sponsor") which proposes a zero-parking, 8-story mixed-income building with 75 affordable-by-design units in a transit-rich infill location currently occupied by a surface parking lot and coin operated laundromat owned by the Sponsor (the "Project"). The Project, located at 2918 Mission Street (the "Property") is on one of the few soft sites remaining in the Mission. It is the first mixed-income project approved by the Planning Commission utilizing one of the Affordable Housing Bonus Programs unanimously enacted into law by the Board of Supervisors in June 2017, and will add much-needed housing across income levels on an ideal infill site.

Earlier this week, the Planning Department notified the Project Sponsor that the Property might have preservation merit, based on new information presented to the Department after the Project was approved by the Planning Commission. The Department recommends a continuance so that an historic resource evaluation can be completed. While disappointed that this information was not presented to the Planning Department until after the Project's two-year entitlement processing was completed, the Project Sponsor defers to the Department's decision to undertake this study and supports a continuance.

Notwithstanding this new preservation issue, the Planning Department's response to the appeal of the Community Plan Exemption ("CPE") for 2918 Mission Street (the "Planning Department Memo") comprehensively evaluates why this appeal is without merit under CEQA.

The Project itself was approved by the Planning Commission via a Conditional Use, and the CEQA process is not intended to be used to revisit an entitlement approval. Rather than restate the Planning Department's detailed response to each point raised in the appeal, the Project Sponsor incorporates the Department's response and makes the following additional points related to the Project itself and other CEQA challenges to Eastern Neighborhoods residential projects.

1. Project Benefits

The Project provides numerous benefits to the Mission and the City at large, including:

- **Impact Fees**. The Project will pay into a number of impact fee programs supporting child care services, public schools, transportation, and infrastructure improvements. Specifically, the Project will be subject to these fees: Child Care, Eastern Neighborhoods Infrastructure, Schools, and the Transportation Sustainability Fee.

- **On-Site Affordable Housing**. Although the Project was conceived and proposed when the on-site affordability level was 12%, the city's local affordability percentage for the Project increased to 14.5%. The Project is complying with the current inclusionary program by providing 14.5% on-site affordable units. 11% of the Project's base units will be set aside for households earning no more than 50% AMI ($51,900 for a family of three). 50% AMI is the lowest income level that either state or local law impose on a mixed-income project. An additional 3.5% of the base units will be affordable to either households earning 55% AMI if rental ($57,050 for a family or three) or 90% if for-sale ($93,400 for a family of three).[1]

- **Affordable by Design Rental Project**. In addition to providing on-site units to low income individuals and families, the Project's market rate units will be "affordable by design." The Project offers a range of unit types, with studios averaging 360 square feet, one bedrooms averaging 613 square feet, and two bedrooms averaging 833 square feet. In total, average unit size across types is 640 feet. These units will be more compact than typical new residential units—particularly the two-bedrooms—and will consequently rent or sell for less, passing on savings to occupants. It's a goal of the Sponsor for the Project's occupants to be people living and working in San Francisco.

- **Transit-Oriented Development**. The Project furthers San Francisco's transit goals in a number of different ways. First, it proposes zero parking spaces even though it is permitted to have up to 38 (a ratio of one space for every two units). The Sponsor eliminated off-street parking from the Project at the request of a nearby preschool, which had safety concerns about cars traveling on Osage Alley—which the preschoolers cross to get to and

[1] See San Francisco Mayor's Office of Housing 2017 Maximum Income by Household Size, available at: http://sfmohcd.org/sites/default/files/Documents/MOH/Asset%20Management/2017%20AMI-IncomeLimits-HMFA_04-21-17.pdf

from a play area. In addition, it eliminates 20 existing parking spaces, disincentivizing car trips within the neighborhood. Instead of car parking, the Project provides one protected and secure bike parking space for every unit. A 40-foot long passenger loading zone in front of the building will further reduce the effects of drop-offs and pickups in front of the building. Eliminating the current parking lot to make way for the Project should reduce traffic on Mission. The Property is one block away from the 24th Street Mission BART station, providing convenient and affordable transit for its residents throughout San Francisco and the larger Bay Area. It has a 99 Walk and Bike Score.

2. Preservation and the Property

As noted above, the Department recommends a continuance so that an historic resource evaluation can be completed, based on new information presented to the Department after the CPE was issued. The Project Sponsor defers to the Department's decision to undertake this study and supports a continuance.

Since the Property has been owned by the Project Sponsor, it has operated as a coin-operated laundromat. To the best of the Sponsor's knowledge, no physical evidence is left on-site of its condition in the 1960s and 1970s, including any murals that may have once been on the exterior of the building. In 1991, an extensive renovation took place at the Property to prepare the building for its current coin-operated laundromat. Plans documenting the extent of work are attached as group Exhibit A. In addition to extensive remodeling in the interior, the street façade of the building was replaced with glass windows and an awning. The building exterior has been repainted on numerous occasions over the years, as well. The Property was evaluated in the *South Mission Historic Resources Survey* prepared as part of the Eastern Neighborhoods Plan in 2010, and was found to be ineligible for the National Register, California Register, or local designation.

3. The CPE's Reliance on the Eastern Neighborhoods EIR was and Continues to Be Appropriate

Projects consistent with development density established by an area plan EIR such as the Eastern Neighborhoods Plan EIR (the "EN EIR") do not require additional environmental review except as necessary to determine if project specific effects not identified in the EIR exist. CEQA Guidelines Section 15183 requires that projects consistent with development density established through an area plan EIR shall not require additional environmental review, except as necessary to examine if there are project specific effects that were not disclosed as significant effects in the area plan level EIR.

The Project's CPE included background documents or technical reports relating to transportation, archeology, geology and soils, site mitigation, air quality, greenhouse gas emissions, wind, and shadow. The EN EIR identified a significant and unavoidable preservation impact in the Mission area caused by implementing the Eastern Neighborhoods plan.[2] The careful

[2] Eastern Neighborhoods Rezoning And Area Plans EIR, pgs. 462-466 (Case No. 2004.0160E).

environmental review conducted for this Project by City staff over the course of two years did not identify any impacts peculiar to the Project or Project Site that were not disclosed in the EN EIR. An Initial Study and CPE were properly issued on August 30, 2017.

With three exceptions—including now an unanswered preservation question—Appellant's overarching issue is with the Eastern Neighborhoods plan itself, and specifically that its EIR is stale and cannot be used for any housing project going forward. As the Planning Department explains in detail, there is no merit to this claim. Just as importantly, the CEQA clearance for pending projects in the Eastern Neighborhoods will be threatened or significantly delayed if the appeal is upheld. A number of affordable housing projects have recently relied or are expected to rely on the EN EIR for their CEQA clearance, including:

1. 2205 Mission Street, 48 units, CPE pending;
2. 1990 Folsom, 143 uits, CPE pending;
3. 681 Florida Street, 130 units, CPE pending;
4. 1950 Mission Street, 157 affordable units, CPE issued July 6, 2017;
5. 2060 Folsom Street, 136 affordable units, CPE issued June 10, 2016;
6. 1296 Shotwell Street, CEQA clearance issued November 11, 2016, CEQA appeal upheld by Board of Supervisors, February 2017.

4. The Board's Recent Decision on 1296 Shotwell Should Be Followed

This Board's recent decision denying a CEQA appeal to a density bonus project at 1296 Shotwell is instructive and should be followed here. For background, the 1296 Shotwell project is a nine-story, 69,500 gross square foot residential building with 94 dwelling units. Like the Project, 1296 Shotwell is located in the Mission Street NCT, received a 20-foot height waiver to reach 85 feet along with relief from other code requirements as a density bonus project, and was found by the Planning Commission to be consistent with San Francisco's General Plan and the Mission Area Plan.

Like Appellant, 1296 Shotwell's opponent claimed the EN EIR was "woefully out of date" and could not be relied on anymore. It claimed the CPE inadequately addressed cumulative, transportation and circulation, socioeconomic impacts resulting in physical impacts, land use, aesthetics, and significance findings. That project's opponent also similarly claimed 1296 Shotwell's location in the Calle 24 Latino Cultural District was not properly addressed in the CPE.

In February 2017 the Board of Supervisors rejected the appeal. The Board's motion made three specific findings relevant to this Project:

1. The 1296 Shotwell project was eligible for streamlined environmental review under CEQA Guidelines Section 15183.3;
2. The effects of the project were analyzed in the EN EIR, no new information showed that the project would cause effects substantially greater than those identified in the EN EIR or not analyzed in the EN EIR; and

3. There are no substantial changes in project circumstances or new information of substantial importance that would change the conclusions of the CEQA exemption determination.

Appellant may try to distinguish 1296 Shotwell from the Project at least in part on affordability: 1296 Shotwell was a 100% affordable project while the Project is mixed-income. The implication is that a 100% affordable project does not cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment, but that a project that provides less affordability will. But as detailed in the Planning Department Memo, Appellant has not provided evidence that the Project—individually or cumulatively—causes gentrification or displacement that results in impacts to cultural or historic resources, health and safety, construction, or transportation.

Moreover, this Board rejected all other grounds for overturning the appeal of 1296 Shotwell that did not relate to the alleged indirect impacts caused by gentrification: (1) the EN EIR is "woefully outdated"; (2) the cumulative impact of growth projections in the EN EIR has been exceeded; (3) the transportation impacts for a density bonus project were not properly analyzed; (4) underperforming delivery of EN Plan community benefits; and (5) inconsistency with the General Plan and Mission Area Plan. Each ground is also raised by Appellant as a reason to overturn the Project's CPE. It would be inconsistent to deny these grounds on a similarly-situated project due to the socioeconomic makeup of the future building's residents.

5. The Superior Court's Recent Decision on 901 16th Street Is Instructive

The San Francisco Superior Court recently upheld an Eastern Neighborhoods Community Plan Exemption in a lawsuit filed by opponents of a mixed use project at 901 16th Street. That project is significantly larger than the 2918 Mission Street Project: it proposes 395 dwelling units, 24,486 square feet of retail, and 388 off-street parking spaces.

The opponents of that project—neighbors worried about the impact to their community caused by new residents and businesses—raised a number of objections to its CPE. Like Appellant, they claimed that the EN EIR is outdated. The court explained that EIRs do not have expiration dates or chronological limitations; rather, if impacts were addressed in the EIR certified in connection with the zoning, San Francisco cannot revisit those impacts except to determine if a project causes new or different impacts.[3]

The opponents also alleged that residential growth outpaced the EN EIR, like Appellant here. The Superior Court disagreed, pointing out that the opponents focused on projects in the "pipeline" that are just proposed or under review.[4] While Appellant's brief has not yet been filed, Project Sponsor expects that it will attempt to include all pipeline projects when discussing

[3] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 20.

[4] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 23.

residential growth in the Mission, instead of identifying constructed units, or even approved projects that have not been constructed.

Just as importantly, the Superior Court explained that exceeding growth forecasts in the EN EIR does not render the EN EIR moot or jeopardize a project that received a CPE. Even if growth forecasts have been exceeded, Appellant must point to evidence that due to this exceedance the Project will cause or contribute to significant environmental impacts that were not addressed as significant impacts in the Plan EIR, or will be more significant than described in the Plan EIR.[5] In addition, growth forecasts in CEQA are not necessarily limited to one use type to the exclusion of others when evaluating impacts. Appellant has not identified evidence showing new or more significant impacts due to growth projections, much less any that the Project would cause or contribute to.

6. The Latino Cultural District and Community Character

The Project Sponsor recognizes the Calle 24 Latino Cultural District serves an important purpose in the Mission and identifies a region and community linked together by a shared cultural heritage. As the Planning Department noted, cultural heritage assets are important to San Francisco's social fabric, but not related to the physical environment; instead, they fall under themes such as cultural events, arts and culture, religion, food and culinary arts.

Under CEQA, "economic or social effects of a project shall not be treated as significant effects on the environment."[6] A cultural heritage asset such as the Calle 24 Latino Cultural District is not eligible for listing on local, state, or national registers or historic properties. Any potential impacts on the district are therefore social and/or economic effects, and not an issue for CEQA. To the extent community character is considered at all in CEQA, that evaluation is limited to aesthetic impacts and not the direct social or economic effects of a project.[7] However, in accordance with CEQA Section 21099(d)(1), aesthetics cannot be considered in determining if the Project has the potential to result in significant environmental effects because it is a residential infill project in a transit priority site.

In Preserve Poway v. City of Poway, 245 Cal.App.4th 560 (2016), community members protested vigorously against the conversion of a horse ranch into new housing, eventually appealing the CEQA clearance document after the housing project was approved on the grounds that it disrupted Poway's "community character." While recognizing that community character is an important political and policy issue, the Court of Appeal concluded that it is not an environmental issue under CEQA.[8] CEQA could not be used to study the psychological, social, and economic effects of a project: "CEQA requires decisions be informed and balanced, but it 'must not be subverted into an instrument for the … delay of social [or] economic development or

[5] Save the Hill and Grow Potrero Responsibly v. City and County of San Francisco, Order Denying Petition for Writ of Mandamus (Case No. CPF-16-515238), pg. 24.
[6] CEQA Guideline 15131(a)).
[7] Preserve Poway v. City of Poway, 245 Cal.App.4th 560, 576 (2016).
[8] Poway, 245 Cal.App.4th at 566.

advancement.' "[9] Simply, the potential loss of community character is not a cognizable environmental effect under CEQA.

Appellant also claims the Project contributes to gentrification occurring in the Calle 24 Latino Cultural District. There is no substantial evidence in the record showing that the Project will cause adverse physical environmental impacts due to gentrification or displacement of businesses. In fact, as discussed in detail in the Planning Department Memo, substantial evidence shows that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban lifestyles and shorter commutes. This conclusion is supported by the analysis prepared for 2675 Folsom and a similar analysis prepared for 1515 South Van Ness (attached as Exhibit B), among other available data and expert opinions.

7. The Project's Potential Impacts on the Zaida T. Rodriguez Early Education Center were Adequately Analyzed

Appellant claims the CPE did not adequately evaluate potential impacts to the Zaida T. Rodriguez school adjacent to the Project site, in particular with regards to shadow, transportation, construction, and noise impacts. All evidence in the record indicates otherwise.

The EN EIR specifically notes that implementing the Eastern Neighborhoods Plan's rezoning would cause a significant and unavoidable impact relating to shadow.[10] The significance threshold for shadow impacts under the EN EIR is if a project creates new shadow that substantially affects either outdoor recreation facilities or other public areas. It does not cover shadow on privately owned land that is not accessible to the public; otherwise, nearly every single infill project in the Eastern Neighborhoods would require its own EIR due to shadow cast on neighboring yards and open space. While Sponsor acknowledges that the Zaida T. Rodriguez school serves a very unique and sensitive population, any net new shadow cast into the school grounds would not result in a significant impact under CEQA. A preliminary shadow fan analysis further indicates that the project could cast shadow on the school's space across Osage Alley during early morning hours, but it will not cast any shadow on the school's space adjacent to the south.

The CPE also specifically addresses transportation and construction-related issues with regards to the Property's neighbors, including the school. The Project proposes no off-street car parking, consistent with the City's transit first policies. The vast majority of car trips to and from the Property will take place along Mission Street and not Osage Alley. The building is accessible by pedestrian and bike from Osage, two far safer forms of transit for children crossing the alley from one school location to the other.

[9] Id. at 581-582.
[10] Eastern Neighborhoods Rezoning And Area Plans EIR, pgs. 416-418 (Case No. 2004.0160E).

Finally, the Project is required to implement two construction-related noise mitigation measures from the EN EIR. The EN EIR contemplated that new developments could be constructed near noise-sensitive receptors such as residences and schools. As detailed in the Planning Department Memo and CPE, a host of additional measures on top of the two project-specific mitigations will reduce potential impacts to the school.

8. The Project is Consistent with Applicable Development Standards

Appellant claims that the Project is inconsistent with the General Plan and the Mission Area Plan. Available evidence demonstrates otherwise. The Project's approval motion (attached as Exhibit C) makes consistency findings with approximately 40 General Plan policies, including 13 Mission Area Plan policies. Furthermore, the granting of a density bonus shall not require or be interpreted, in and of itself, to require amendments to the general plan or zoning ordinance;[11] a CEQA exemption is proper for density bonus projects that, outside of requested waivers or concessions, comply with other aspects of a general plan or zoning ordinance.[12] The Project here complied with the Planning Code except insofar as it required waivers from the height limit and other requirements to achieve its density bonus. These waivers do not amount to a significant environmental effect removing the project from eligibility for a CPE.

9. Conclusion

Requiring further environmental review to be conducted for the Project is unnecessary and unsupported by the law. It would discourage both this beneficial mixed-income housing project and similar projects in any part of the City that conduct CEQA review using a Community Plan Exemption, further exacerbating the shortage of housing of all income types in San Francisco. Appellant has not provided substantial evidence to meet its burden to overturn the City's decision to issue a CPE for the Project. Therefore, we respectfully request that you deny the appeal.

Thank you.

Sincerely,

REUBEN, JUNIUS & ROSE, LLP

Mark Loper

[11] Gov. Code Section 65915(f)(5).
[12] Wollmer v. City of Berkeley, 195 Cal.App.4th 1329, 1348-1349 (2011).

Exhibits

cc: Supervisor Sandra Lee Fewer
Supervisor Mark Farrell
Supervisor Aaron Peskin
Supervisor Katy Tang
Supervisor Jane Kim
Supervisor Norman Yee
Supervisor Jeff Sheehy
Supervisor Hillary Ronen
Supervisor Malia Cohen
Supervisor Ahsha Safai
Angelia Calvillo, Clerk of the Board
Brent Jalipa, Legislative Clerk
Lisa Lew, Legislative Clerk
Julie Moore, Environmental Planner, Planning Department
Chris Kern, Environmental Planner, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department

Exhibit A

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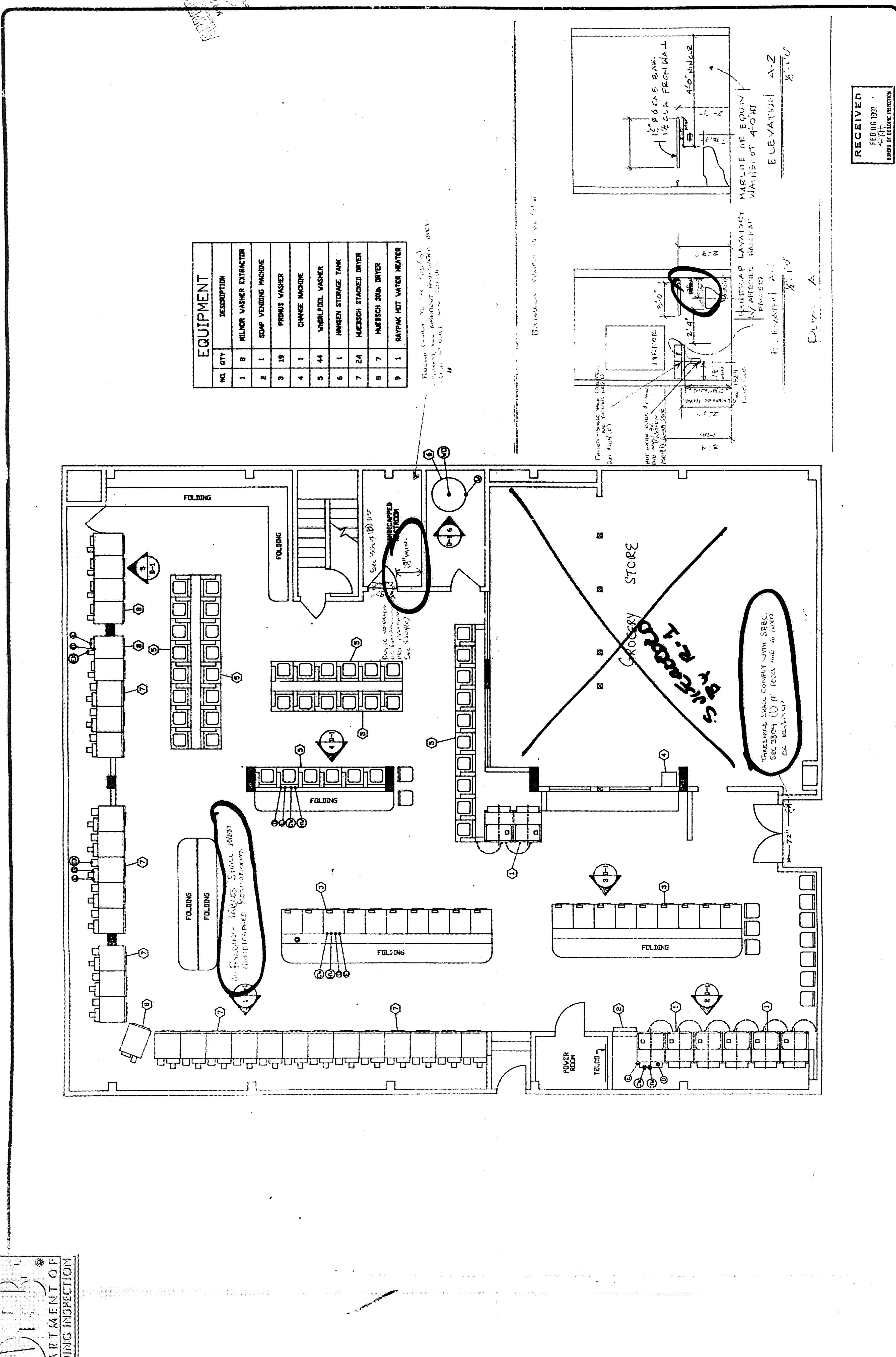

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2	1	SOAP VENDING MACHINE
3	19	PRIMUS WASHER
4	1	CHANGE MACHINE
5	44	WHIRLPOOL WASHER
6	1	HANSEN STORAGE TANK
7	24	HUEBSCH STACKED DRYER
8	7	HUEBSCH 30lb. DRYER
9	1	RAYPAK HOT WATER HEATER

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BUREAU OF BUILDING INSPECTION

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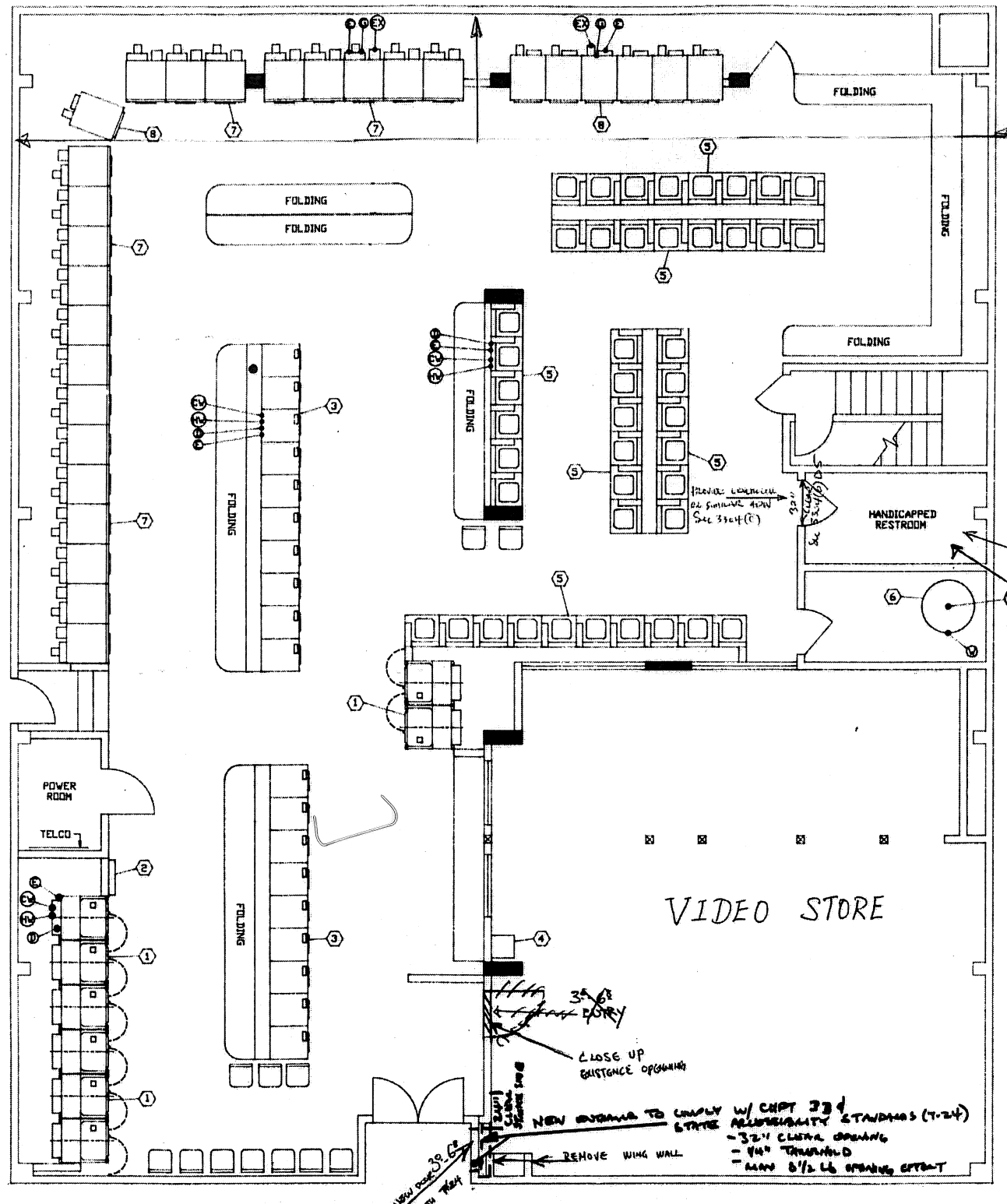
SAN FRANCISCO
DEPARTMENT OF
BUILDING INSPECTION



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APPROVED
Dept. of Public Works
MAR 2 5 1991
BY
BUREAU OF BUILDING INSPECTION

PERMIT NUMBER
9101936
REVIEWED
For Compliance with City and County Ordinances and State Codes
The stamping of this plan or specification SHALL NOT be held to permit or to be an approval of the violation of any City and County ordinance or State law
Approval is subject to field inspection by the Fire Department.
R. Cadena 03/13/91
These plans must be kept on the premises and accessible to the inspector at all times

CONTACT DISTRICT INSPECTOR NAMED ON FACE OF APPLICATION AT START OF WORK (TELEPHONE NO. 558-6096). THIS APPLICATION IS APPROVED WITHOUT SITE INSPECTION AND DOES NOT CONSTITUTE AN APPROVAL OF THE BUILDING WORK AUTHORIZED MUST BE DONE IN STRICT ACCORDANCE WITH ALL APPLICABLE CODES

Any electrical or plumbing work will require appropriate separate permits.

APPROVAL OF THIS APPLICATION APPLIES ONLY TO SPECIFIED WORK AND DOES NOT CONSTITUTE APPROVAL OF A CHANGE IN THE LEGALLY PERMITTED USE OR OCCUPANCY OF THIS STRUCTURE OR PART THEREOF

REVISION RECEIVED
MAR 01 1991
BUREAU OF BUILDING INSPECTION

REVISIONS BY

Western State Design
25515 HICKEL PLACE, HAYWARD, CA 94545 TLX: 5106001127

PROJECT MANAGER:
DRAWN:
PROJECT:
DATE:
APPROVED BY:

DRAWING NUMBER
1/4" = 1'
EQ-1
SHEET 1 OF 1

9101936

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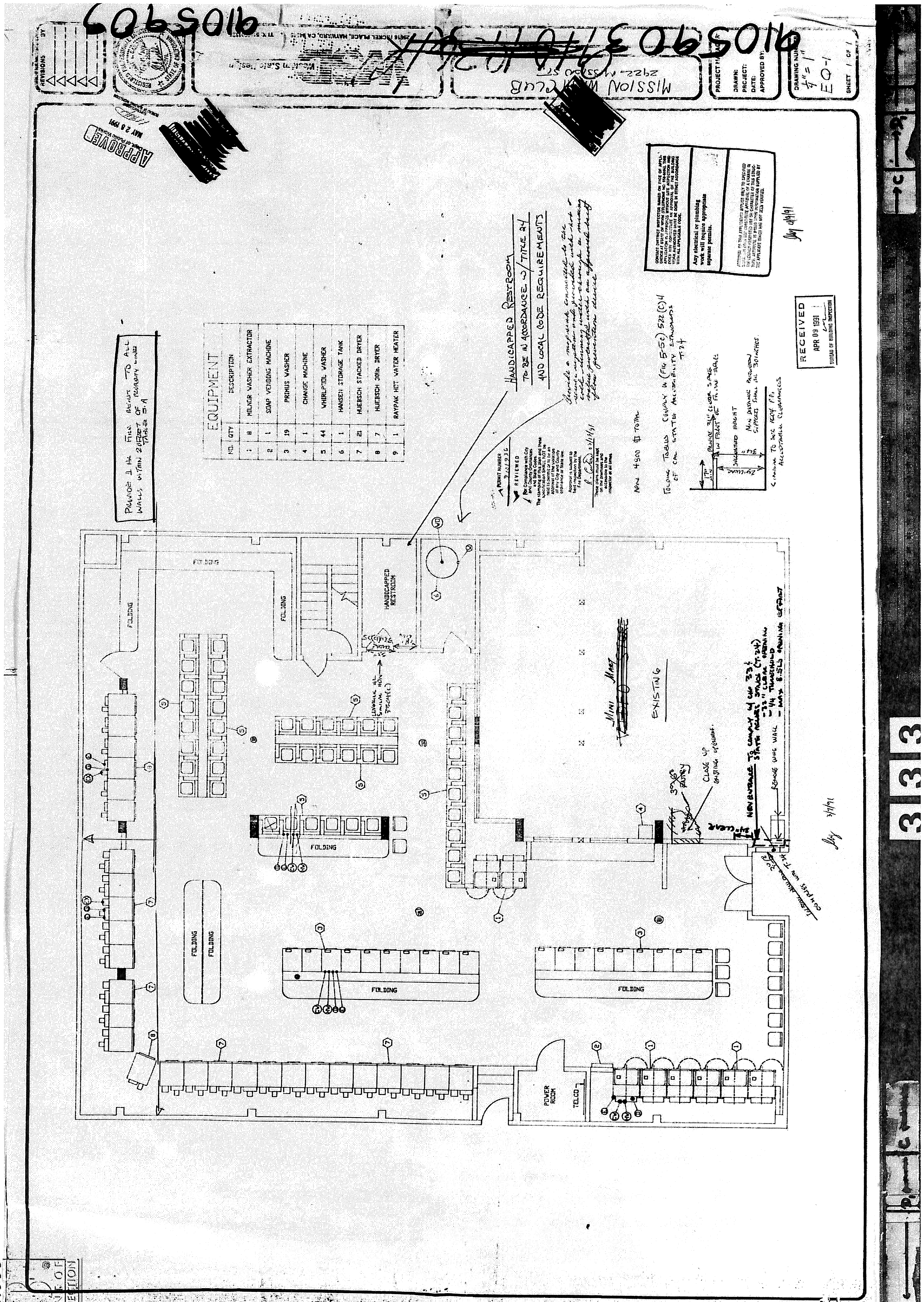
3/12/91



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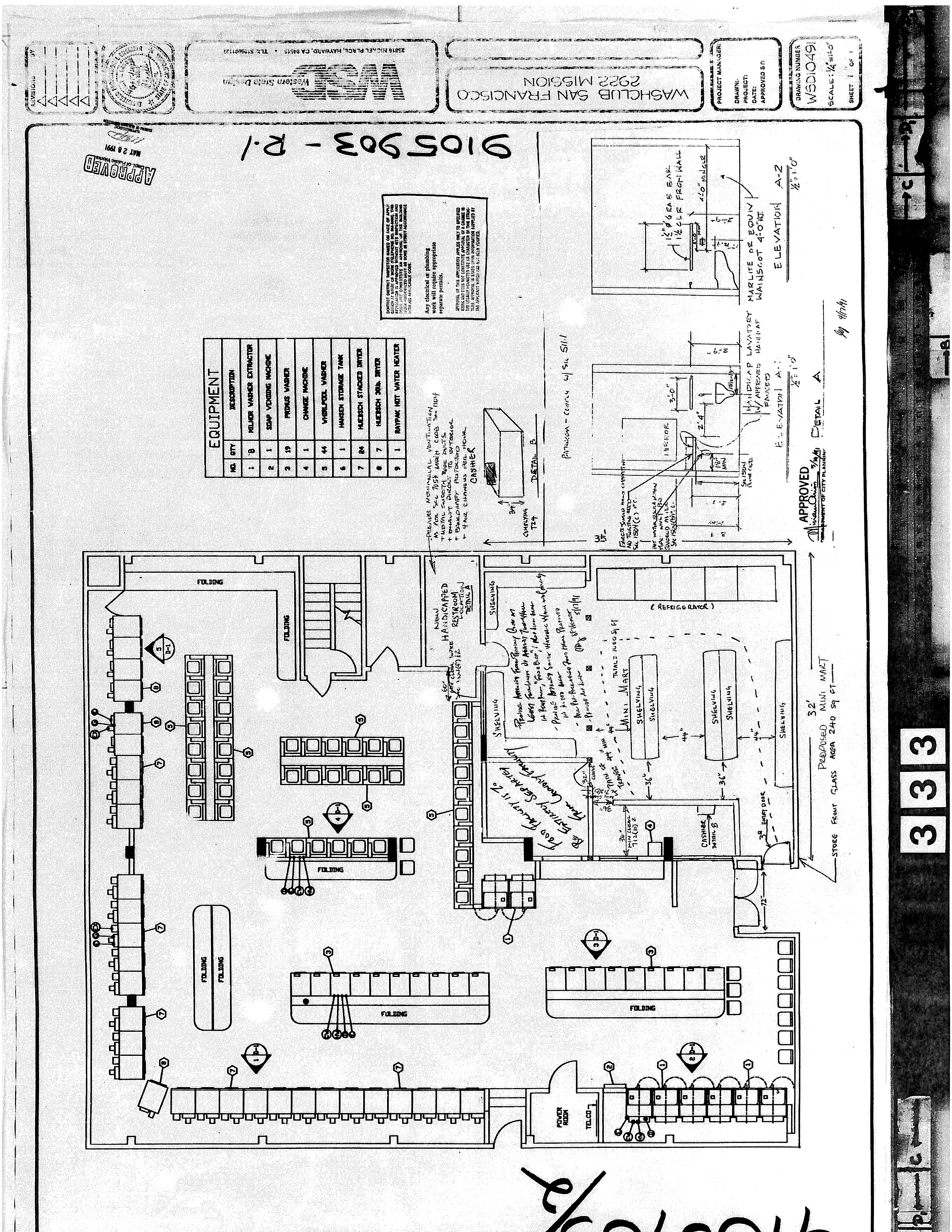

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Exhibit B

SAN FRANCISCO
PLANNING DEPARTMENT

MEMO

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Information:
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Notice of Transmittal

Planning Department Response to the Appeal of Community Plan Exemption for 1515 South Van Ness Avenue Project

DATE: March 14, 2017

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032
Chris Kern, Senior Environmental Planner – (415) 575-9037
Melinda Hue, Environmental Coordinator – (415) 575-9041

RE: File No. 161001, Planning Department Case No. 2014.1020ENV – Appeal of the Community Plan Exemption for the 1515 South Van Ness Avenue Project. Block/Lot: 6571/008, 001, and 001A

HEARING DATE: To be determined

Pursuant to Board of Supervisors Motion M16-176 adopted December 6, 2017, the Planning Department is providing additional information and analysis regarding whether the proposed project at 1515 South Van Ness Avenue would result in new significant effects, or effects of greater severity than were already analyzed and disclosed in the Final Environmental Impact Report for the Eastern Neighborhoods Rezoning and Area Plans with regard to whether the proposed project would cause social or economic changes such as displacement or gentrification that would result in physical impacts to the environment, either cumulatively or at the project-specific level, within the geographic area of the Calle 24 Latino Cultural District. Attached are:

- March 14, 2017, appeal response memorandum
- Appendix A - Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA, February 2017, prepared by Amy Herman, ALH Urban & Regional Economics.
- Appendix B - Eastern Neighborhoods / Mission District Transportation and Demographic Trends, January 2017, prepared by Fehr & Peers.

These files are being provided to the Clerk of the Board for distribution to the appellants, project sponsor, and Board of Supervisors by the Clerk of the Board.

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PLANNING DEPARTMENT

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Information:
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APPEAL OF COMMUNITY PLAN EXEMPTION 1515 SOUTH VAN NESS AVENUE PROJECT

DATE: March 14, 2017

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Lisa M. Gibson, Acting Environmental Review Officer – (415) 575-9032

Chris Kern, Senior Environmental Planner – (415) 575-9037

Melinda Hue, Environmental Coordinator – (415) 575-9041

RE: File No. 161001, Planning Department Case No. 2014.1020ENV – Appeal of the Community Plan Exemption for the 1515 South Van Ness Project. Block/Lot: 6571/008, 001, and 001A

PROJECT SPONSOR: Peter Schellinger, LMC San Francisco Holdings, LLC – (415) 975-4982

APPELLANT: J. Scott Weaver, Law Office of J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council – (415) 317-0832

HEARING DATE: To be determined

ATTACHMENTS: Appendix A – Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Appendix B – Eastern Neighborhoods / Mission District Transportation and Demographic Trends

1 INTRODUCTION

This memorandum and the attached documents are supplements to the Planning Department's (the "Department") October 17, 2016 and November 7, 2016 responses to letters of appeal to the Board of Supervisors (the "Board") regarding the Department's issuance of a Community Plan Exemption ("CPE") under the Eastern Neighborhoods Rezoning and Area Plan Final Environmental Impact Report ("Eastern

Neighborhoods PEIR or PEIR")[1] in compliance with the California Environmental Quality Act ("CEQA") for the 1515 South Van Ness Avenue project.

On September 12, 2016, J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Community Council ("the appellant"), filed an appeal of the Planning Department's CEQA determination for the proposed project. On October 17, 2016, the Planning Department provided a response to the CEQA appeal. On October 14, 2016 a supplemental appeal letter was filed by the appellant and the Planning Department provided a supplemental response on November 7, 2016.

On November 15, 2016, the Board of Supervisors held a hearing on the appeal of the CPE and pursuant to Board of Supervisors Motion M16-176 adopted December 6, 2017, the Planning Department is providing additional information and analysis regarding whether the proposed project at 1515 South Van Ness Avenue would result in new significant effects, or effects of greater severity than were already analyzed and disclosed in the Eastern Neighborhoods PEIR with regard to whether the proposed project would cause social or economic changes such as displacement or gentrification that would result in physical impacts to the environment, either cumulatively or at the project-specific level, within the geographic area of the Calle 24 Latino Cultural District.[2]

The decision before the Board is whether to uphold the Planning Department's determination that the proposed project is exempt from further environmental review (beyond what was conducted in the CPE Checklist) pursuant to CEQA section 21083.3 and CEQA Guidelines section 15183[3] and deny the appeal, or to overturn the Department's CPE determination for the project and return the CPE to the Department for additional environmental review.

---

[1] The Eastern Neighborhoods Rezoning and Area Plan Final EIR (Planning Department Case No. 2004.0160E), State Clearinghouse No. 2005032048) was certified by the Planning Commission on August 7, 2008. The project site is within the Eastern Neighborhoods Rezoning and Area Plan project area.

[2] The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue.

[3] 14 Cal. Code of Reg. Section 15000 *et seq,* (CEQA Guidelines). The CEQA Guidelines are state regulations, developed by the California Office of Planning and Research and adopted by the California Secretary for Resources. They are "prescribed by the Secretary for Resources to be followed by all state and local agencies in California in the implementation of the California Environmental Quality Act." (CEQA Guidelines Section 15000.)

Contents

2 EXECUTIVE SUMMARY

This memorandum addresses concerns about gentrification of the Calle 24 Latino Cultural District and related displacement of existing residents and local businesses. The Planning Department acknowledges that gentrification and displacement are occurring in the Mission District and other San Francisco neighborhoods, and is devoting substantial resources aimed at addressing these socioeconomic issues with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts. However, these socioeconomic effects are generally beyond the scope of the CEQA[4] environmental review process. Under CEQA, socioeconomic effects may be considered only to the extent that a link can be established between anticipated socioeconomic effects of a proposed action and adverse physical environmental impacts.

CEQA mandates streamlined review for projects like the 1515 South Van Ness Avenue project that are consistent with the development density established by existing zoning, community plan, or general plan policies for which an environmental impact report ("EIR") was certified. Accordingly, additional environmental review for such projects shall not be required except to examine whether there are project-specific significant impacts that are peculiar to the project or its site. Pursuant to CEQA Guidelines section 15183(a): "This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies." As such, the additional analysis presented in this memorandum is limited to examining whether the project would cause or contribute to socioeconomic effects that would in turn lead to significant physical impacts beyond those identified in the Program EIR certified for the adoption of the Eastern Neighborhoods Rezoning and Area Plans ("Eastern Neighborhoods PEIR").

The Eastern Neighborhoods PEIR included an extensive analysis of the socioeconomic effects of the area plans and rezoning generally concluding that: (1) the rezoning would have secondary socioeconomic effects, (2) these effects would be more severe without the rezoning, and (3) these socioeconomic effects would not in turn lead to significant physical environmental impacts. The PEIR identifies improvement measures to address less than significant effects of potential displacement of some neighborhood-serving uses. Thus, the concerns about the socioeconomic effects of development under the area plans and rezoning are not new and were not overlooked by the plan-level EIR.

The Planning Department worked with ALH Urban & Regional Economics to prepare analyses of retail supply and demand, commercial and residential displacement, as well as a review of the relevant academic literature to evaluate whether gentrification and displacement of existing residents or businesses can be attributed to market-rate residential and mixed-use development under the Eastern

[4] California Environmental Quality Act (CEQA), Public Resources Code Section 21000 *et seq*.

Neighborhoods rezoning and area plans. Neither these analyses nor the literature establishes empirical evidence supporting the position that market-rate development under the rezoning and area plans is responsible for residential or commercial displacement.

The department also conducted additional analysis to evaluate whether the proposed project would cause or contribute to significant impacts on the physical environment related to population growth, such as transportation, air quality, and greenhouse gas emissions, beyond those identified in the Eastern Neighborhoods PEIR. This analysis, like that previously provided in the community plan exemption ("CPE") prepared for the project, is based on current data and modelling and uses the Planning Department's latest environmental impact analysis standards and methodologies. The analysis includes a report prepared by transportation consultant Fehr & Peers assessing transportation and demographic trends in the Mission District. This analysis shows that cumulative impacts on traffic congestion are the same or slightly less severe than anticipated in the Eastern Neighborhoods PEIR. In addition, current data provided by the San Francisco Municipal Transportation Agency ("SFMTA") show that transit capacity on most lines serving the Eastern Neighborhoods is better than previously anticipated. This is due largely to SFMTA's implementation of a number of major transportation system improvements that were assumed to be infeasible at the time that the Eastern Neighborhoods PEIR was certified. Thus, there is no evidence that transportation and related air quality, greenhouse gas, and other impacts in the Eastern Neighborhoods plan areas are substantially more severe than the Eastern Neighborhoods PEIR disclosed.

In conclusion, the Planning Department's determination that the 1515 South Van Ness Avenue project would not result in new or substantially more severe significant effects on the physical environment than were already disclosed in the Eastern Neighborhoods PEIR is valid. The department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

3 BACKGROUND

The central issues raised by the appellant focus on gentrification of the Mission and displacement of both Mission residents and local small businesses.[5] As discussed in this supplemental appeal response, these socioeconomic issues, while real, are largely beyond the scope of CEQA environmental impact analysis.

Because the intent of CEQA is to provide information about the physical environmental impacts of a proposed action, public agencies have very limited authority under CEQA to address the non-physical effects of an action, such as social or economic effects, through the CEQA environmental review process.

The basic purposes of CEQA are to[6]:

1. Inform governmental decision makers and the public about the potential, significant environmental effects of proposed activities.
2. Identify the ways that environmental damage can be avoided or significantly reduced.
3. Prevent significant, avoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible.
4. Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

These objectives are achieved through the preparation of informational reports for review by the public and adoption by public agencies. A public agency's adoption of a CEQA environmental review document (e.g., certification of a final environmental impact report or adoption of a community plan evaluation) is the agency's determination that the informational requirements of CEQA have been satisfied, but is neither a judgement of the merits of the subject project, nor an approval of the project itself. Rather, the adoption of a CEQA document is an agency's determination that the document provides sufficient information about the potential environmental effects of a project to inform subsequent discretionary actions on the project, such as consideration of whether to grant a conditional use permit for the project.

The focus of CEQA is on *physical* environmental impacts, such as impacts of a project on air quality, water quality, or wildlife habitat. CEQA Guidelines section 15131(a) states:

> Economic or social effects shall not be treated as significant effects on the environment. An EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes.

Moreover, CEQA section 21082.2 states, in part:

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[5] *Gentrification* is a process associated with increased investment in existing neighborhoods and the related influx of residents of higher socioeconomic status and increased property values. The effects of gentrification on residential, cultural, social, and political displacement have been the subject of substantial economic and planning research and analysis in the U.S. since at least the 1970s.

[6] CEQA Guidelines section 15002.

(a) The lead agency shall determine whether a project may have a significant effect on the environment based on substantial evidence in light of the whole record.
(b) The existence of public controversy over the environmental effects of a project shall not require preparation of an environmental impact report if there is no substantial evidence in light of the whole record before the lead agency that the project may have a significant effect on the environment.
(c) Argument, speculation, unsubstantiated opinion or narrative, evidence which is clearly inaccurate or erroneous, or evidence of social or economic impacts which do not contribute to, or are not caused by, physical impacts on the environment, is not substantial evidence. Substantial evidence shall include facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts.

[Emphasis added.]

CEQA Guideline section 15360 defines the term *environment* as follows:

> "Environment" means the physical conditions which exist within the area which will be affected by a proposed project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historical or aesthetic significance. The area involved shall be the area in which significant effects would occur either directly or indirectly as a result of the project. The "environment" includes both natural and man-made conditions.

Neither the CEQA statute nor the CEQA Guidelines provide an express definition of non-physical effects such as social or economic effects. However, the Planning Department understands non-physical social and economic effects under CEQA to include for example changes in demographics, changes in property ownership or occupancy, and changes in the types of retail businesses in a neighborhood. Such changes are not impacts on the physical environment as defined in CEQA Guidelines section 15360.

Recognizing that CEQA is not an effective or appropriate tool for managing the socioeconomic changes affecting the Mission and other San Francisco neighborhoods, the Planning Department is devoting substantial resources outside of the CEQA process towards this end. The Department is working with the community, Planning Commission, elected leaders, and City partners to undertake a series of policy and implementation efforts aimed at addressing socioeconomic issues. While economic displacement is a citywide phenomenon, the Department recognizes the heightened effects are acutely felt in communities of color, families, and neighborhoods that have historically been havens for immigrants and others seeking opportunity or freedom. The Department is at work on its Racial and Ethnic Equity Action Plan to train staff on these issues, and has been especially engaged in efforts with District 9 former Supervisor Campos and the Mayor's Office to preserve the viability of the Latino community in the Mission, including the Mission 2016 Interim Zoning Controls, and Calle 24 Special Use District, which is developing commercial controls to help preserve the commercial character of the LCD, and 24th Street in particular.

The most robust effort to date, the Mission Action Plan 2020 ("MAP2020") is a major and unprecedented collaboration between the City family and Mission community organizations and residents. MAP2020 has involved an ongoing dialogue with community members, City agencies, and elected leaders over the past two years. The Department has taken an innovative approach to building a set of broad strategies to preserve, strengthen and protect existing residents, community services, local businesses, and the Mission's unique character. The most significant of these efforts is to provide nearly 1,000 affordable housing units in the neighborhood. The Planning Commission endorsed MAP2020 on March 2, 2017, and the Department will continue to work with the Board to advance its specific strategies through legislation in the spring and summer of 2017.

In addition, the Planning Department is undertaking a broader socioeconomic analysis of displacement and gentrification issues citywide with a focus on equity. City staff acknowledges that such an analysis is beyond the scope of environmental review under CEQA, but wish to inform decision-makers and the public that the Planning Department is working to address the socioeconomic issues of affordability, economic displacement, and gentrification through land use planning and policy efforts.

4 APPROACH TO ANALYSIS

The analysis provided in this memorandum examines whether the proposed project would cause, either individually or cumulatively, socioeconomic changes within the Calle 24 Latino Cultural District that would in turn lead to significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. The analysis consists of three parts.

The first part of this analysis examines whether the proposed project would *cause* gentrification or displacement, either individually or cumulatively. It is not enough under CEQA to show only that economic or social changes are occurring in the project area. Rather, the analysis must examine whether the project, either individually or in combination with other past, present, and reasonably foreseeable future projects, would cause these socioeconomic effects. The analysis need proceed further only if it establishes, based on substantial evidence, that the proposed project would cause the socioeconomic effects claimed by the appellant.

If the analysis determines that the project would cause gentrification or displacement, either individually or cumulatively, then the analysis must consider the second question: Would the economic or social effects attributable to the project result in a significant adverse physical impact on the environment? Changes in the types of businesses, cost of housing, or demographics in a project area are not considered physical environmental impacts under CEQA. These are examples of social and economic effects, not physical environmental impacts. As stated above, the focus of CEQA is on physical environmental impacts. Examples of physical impacts that could be linked to social or economic effects include impacts on transportation and related air quality, greenhouse gas, and noise impacts where such impacts are a direct or indirect result of social or economic changes.

Finally, if the analysis traces a chain of cause and effect establishing that the proposed project would result in significant adverse physical environmental impacts as a direct or indirect result of socioeconomic changes, the analysis must consider whether such impacts would constitute new or substantially more severe significant impacts than were identified in the Eastern Neighborhoods PEIR.

Because the proposed project is consistent with the development density established for the project site under the Eastern Neighborhoods area plans and rezoning, consideration of the potential socioeconomic impacts of the proposed project must be limited to significant physical impacts that are peculiar to the project or the project site in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

CEQA Guidelines section 15183 states, in part:

> (a) CEQA mandates that projects which are consistent with the development density established by existing zoning, community plan, or general plan policies for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there

are project-specific significant effects which are peculiar to the project or its site. This streamlines the review of such projects and reduces the need to prepare repetitive environmental studies.

(b) In approving a project meeting the requirements of this section, a public agency shall limit its examination of environmental effects to those which the agency determines, in an initial study or other analysis:

(1) Are peculiar to the project or the parcel on which the project would be located,

(2) Were not analyzed as significant effects in a prior EIR on the zoning action, general plan, or community plan, with which the project is consistent,

(3) Are potentially significant off-site impacts and cumulative impacts which were not discussed in the prior EIR prepared for the general plan, community plan or zoning action, or

(4) Are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR.

Accordingly, the analysis below examines whether socioeconomic effects of the proposed project would result in significant adverse impacts on the physical environment that:

- Are peculiar to the project or the parcel on which the project would be located
- Were not analyzed as significant effects in the Eastern Neighborhoods PEIR
- Are potentially significant off-site impacts and cumulative impacts which were not discussed in the Eastern Neighborhoods PEIR, or
- Are previously identified significant effects which, as a result of substantial new information which was not known at the time the Eastern Neighborhoods PEIR was certified, are determined to have a more severe adverse impact than discussed in the PEIR

5 EASTERN NEIGHBORHOODS PLAN-LEVEL SOCIOECONOMIC EFFECTS

To evaluate whether socioeconomic effects that might be caused or exacerbated by the proposed project would result in new or more severe significant environmental impacts than were previously identified in the Eastern Neighborhoods PEIR, it is necessary to first review how such effects are addressed in the PEIR. The Eastern Neighborhoods PEIR included a thorough analysis of the socioeconomic effects of the rezoning and area plans. Specifically, the Population, Housing, Business Activity, and Employment section of the PEIR examines whether adoption of the area plans and rezoning would cause or substantially contribute to gentrification and the displacement of existing residents and businesses in the Eastern Neighborhoods plan areas, and if so, whether such effects would result in significant adverse

impacts on the physical environment[7]. A socioeconomic impact study prepared as a background report to the PEIR[8] provides the basis for this analysis.

The PEIR determined that the adoption and implementation of the area plans and rezoning would induce substantial growth and concentration of population in San Francisco. In fact, one of the four citywide goals that serve as the "project sponsor's objectives" for the Eastern Neighborhood Rezoning and Area Plans is:

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

Notably, unlike other sections of the PEIR that base their analysis on *projected* growth through 2025, the Population, Housing, Business Activity, and Employment section considers the *total* housing supply potential of up to 26,500 new housing units on undeveloped parcels and soft sites under the rezoning. The analysis of potential gentrification and displacement effects in the PEIR is based on this full build out scenario, which assumes substantially greater population growth than the 2025 projections used to assess potential impacts on transportation, air quality and other growth-related impacts on the physical environment.[9]

The PEIR determined that the increase in population expected as a secondary effect of the rezoning and area plans would not, in itself, result in adverse physical effects, and would serve to advance some key City policy objectives, such as decreasing the air quality impacts of development by coordination of land use and transportation decisions (General Plan Air Quality Element Objective 3); provision of new housing, especially permanently affordable housing, in appropriate locations that meets identified housing needs and takes into account the demand for affordable housing created by employment demand (Housing Element Objective 1); encouragement of higher residential density in areas adjacent to downtown, in underutilized commercial and industrial areas proposed for conversion to housing, and in neighborhood commercial districts where higher density will not have harmful effects, especially if the higher density provides a significant number of units that are affordable to lower income households (Housing Element Policy 1.1); identification of opportunities for housing and mixed-use districts near downtown and former industrial portions of the City (Housing Element Policy 1.2); identification of opportunities for housing and mixed use districts near downtown and former industrial portions of the City (Housing Element Policy 1.3); establishment of public transit as the primary mode of transportation in San Francisco and as a means through which to guide future development and improve regional mobility and air quality (Transportation Element Objective 11); and giving first priority to improving transit service throughout the city, providing a convenient and efficient system as a preferable alternative to automobile use (Transportation Element Objective 20).

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[7] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 175-252, August 7, 2008.

[8] Hausrath Economics Group, *San Francisco's Eastern Neighborhoods Rezoning – Socioeconomic Impacts,* March 29, 2007.

[9] City and County of San Francisco, *Eastern Neighborhoods Rezoning and Area Plans, Final EIR,* p. 240-241, August 7, 2008.

Moreover, the PEIR concluded that implementation of the plans would result in more housing options and a broader range of housing prices and rents, compared to conditions under the No-Project scenario. The PEIR determined that the rezoning and area plans could result in a better match between housing supply and demand in San Francisco than would otherwise be the case without the rezoning while potentially providing benefits such as a reduction in traffic and vehicle emissions if San Francisco workers could live closer to their jobs. The PEIR anticipated that the population increase expected from the rezoning could also generate economic growth by increasing demand for neighborhood-serving retail and personal services, although some existing businesses could be displaced by other businesses that might better serve new residents. The PEIR also determined that the additional population would increase demand for other City services (parks, libraries, health care and human services, police and fire protection, schools, and childcare).[10]

Second, the PEIR determined that none of the proposed rezoning options would result in the direct displacement of residents, given that the rezoning would not lead to the demolition of existing residential development and would result in a substantial increase in residential units throughout the plan areas. As stated above, the PEIR determined that the rezoning would result in less displacement because of housing demand than otherwise expected under the No-Project scenario, because the addition of more new housing in the Eastern Neighborhoods would provide some relief for housing market pressures without directly affecting existing residents.

However, the PEIR recognized that residential displacement is not solely a function of housing supply, and that adoption of the area plans and rezoning could result in indirect, secondary effects on neighborhood character—through gentrification—that could result in some displacement of existing residents over time. The PEIR disclosed that the replacement of former industrial uses with housing could result in gentrification of existing nearby residential areas and displacement of lower income households. The PEIR also observed, however, that the rezoning could help to ameliorate the potential effects of residential displacement by increasing the supply of affordable dwelling units sized to accommodate families.

The PEIR also disclosed that as a result of the rezoning and area plans, the real estate market would favor residential, retail, and other higher-value uses, leading to PDR displacement, either to other locations in the city or outside San Francisco, and to some business closures. While this was an existing trend prior to adoption of the area plans and rezoning, the PEIR anticipated that this trend would accelerate in areas rezoned for non-PDR uses. The PEIR further anticipated that displacement of PDR businesses would result in some San Franciscans, including Eastern Neighborhoods residents, with limited education, skills, and language abilities losing opportunities for local, higher wage jobs, which in turn could increase demand for affordable housing in San Francisco.

The PEIR concluded that adoption and implementation of the area plans and rezoning would not create a substantial demand for additional housing in San Francisco, or substantially reduce the housing supply. As stated above, the PEIR determined that adoption of the area plans and rezoning would not substantially increase the overall economic growth potential in San Francisco and would not result in

[10] Ibid. p. 240-250

substantially more primary employment growth than otherwise expected in the city or the region, because most of the employment growth that would result from new housing in the Eastern Neighborhoods would be in neighborhood-serving retail and services, which are employment categories that tend to respond to increased population, not employment that precedes or leads to population growth.

Instead, the PEIR determined that implementation of the rezoning and area plans would increase the housing supply potential in the Eastern Neighborhoods and citywide, compared to conditions under the No-Project scenario without implementation of the proposed rezoning and area plans. The PEIR determined that by increasing housing supply relative to demand, more housing choices, and more (relatively) affordable housing units would be developed than without the rezoning, and that the Inclusionary Affordable Housing Program would require below-market-rate units to be developed in conjunction with market-rate projects. Therefore, housing prices and rents for both new and existing housing would generally be lower than would be the case with the more limited housing supply potential in these areas under the prior zoning and continuation of existing market trends. Additionally, the PEIR determined that the area plans and rezoning would reduce pressure to convert existing rental housing stock to relatively affordable for-sale housing (such as through condominium conversions and the tenants-in-common process), compared to No-Project conditions.

Still, the PEIR anticipated that for-sale housing in the Eastern Neighborhoods (and citywide) is likely to remain too expensive for most residents, underscoring the importance of providing and maintaining below-market-rate housing. A possible secondary impact of the area plans and rezoning would be a reduction in the number of sites where City-funded and other subsidized affordable housing units could be built, particularly on new development sites. The PEIR determined however, that maintaining the previous less-restrictive zoning would result in continued increase in land values in the Eastern Neighborhoods, which would also result in elimination of potential affordable housing sites, albeit on a more *ad hoc* basis. Nevertheless, the PEIR included Improvement Measure D-2: Affordable Housing Production and Retention, to reduce the less-than-significant physical effects of potential displacement of existing residents as a secondary effect of the rezoning.

The PEIR also determined that the rezoning would result in economic impacts that could displace existing neighborhood-serving businesses because, despite potential increases in business activity, some smaller, marginally profitable, and locally owned businesses would be likely to be displaced as economic conditions change, landlords begin to increase commercial rents, and more strongly capitalized businesses seek to locate in higher-priced neighborhoods. The PEIR identified improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving uses (i.e., Improvement Measure D-1: Support for Local, Neighborhood-Serving Businesses; Improvement Measure D-2: Affordable Housing Production and Retention; Improvement Measure D-3: Affordable Housing Sites; Improvement Measure D-4: Support for PDR Businesses; Improvement Measure D-5: Support for PDR Workers). The PEIR also notes that physical environmental impacts resulting from the growth under the rezoning and area plans are addressed under the relevant sections of the PEIR, such as transportation, air quality, noise, parks and open space, and public services.[11]

[11] Ibid p. 239

In summary, the Eastern Neighborhoods PEIR identified the potential effects of the rezoning and area plans on housing supply and affordability, gentrification, displacement, locally owned businesses, and PDR use, and evaluated whether these socioeconomic effects would result in significant impacts on the physical environment consistent with the requirements of CEQA. The appellant's contention that these socioeconomic effects represent new information or changed circumstances that the Eastern Neighborhoods PEIR failed to consider is therefore incorrect.

6 PROJECT-LEVEL SOCIOECONOMIC EFFECTS

The proposed project at 1515 South Van Ness Avenue would demolish a 31,680-square-foot, production, distribution, repair (PDR) building with a surface parking lot. The building was vacated in December 2015 by McMillan Electric, an electrical contractor business that has since moved to a new location at 1950 Cesar Chavez Street in San Francisco. The proposed project would include the demolition of the existing building and the construction of a five- to six-story, 55- to 65-foot-tall (up to 75 feet tall with roof-top equipment), approximately 180,300-square-foot mixed-use building.

The proposed building would consist of 118 market rate and 39 below market rate residential units (25 percent affordable) and approximately 1,080 square feet of retail uses. The proposed project would also include six ground floor trade shop spaces ranging from 630 to 760 square feet each (approximately 4,200 square feet total). The spaces are anticipated to be retail units with some reserved space for goods production (e.g., jewelry making, bag making, ceramics). Because it would not directly displace any existing residents, the proposed project would not result in any related socioeconomic effects.

The appellant contends, however, that even in the absence of direct displacement the project would have indirect displacement effects on existing residents and businesses as a result of gentrification pressures in the Calle 24 Latino Cultural District. As discussed above, the Eastern Neighborhoods PEIR analyzed the possibility that the increase in market rate housing anticipated under the area plans and rezoning could result in indirect displacement of existing residents and businesses as a secondary effect of gentrification and found that these socioeconomic effects would not result in significant physical environmental impacts. Because, as discussed in Section 5 above, the Eastern Neighborhoods PEIR identified potential cumulative gentrification and displacement effects of development under the rezoning and area plans, any such effects attributable to the proposed project would not be peculiar to the project or its site.

In the appellant's letter, the argument that market rate development may cause displacement through gentrification in the Latino Cultural District is primarily supported in two ways. The appellant asserts that displacement of "mom and pop Latino owned and operated concerns" with "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," (p. 6 of October 14, 2016 Supplemental Appeal Letter) along Valencia Street was caused by new market rate development. The appellant also argues that a research brief by UC Berkeley's Institute for Governmental Studies ("IGS") supports the position that market rate development causes displacement.

6.1 COMMERCIAL GENTRIFICATION

The first part of the appellant's argument—the assertion that the project would contribute to or accelerate the "Valenciazation" (p. 6) of the Calle 24 District—is presented only as a theoretical possibility, without empirical evidence as to the causes of the changes along Valencia Street. The transition of Valencia Street to a regional shopping, dining, and entertainment destination has been underway at least since the early 2000s, predating the recent uptick in residential development in the corridor. The types of "gentrifying" businesses cited by the appellants, such as "high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios," have been in operation along Valencia Street since well before the adoption of the Mission Area Plan. For example, the French bistro Garcon opened in 2005, the flagship store of the Weston boutique has been on Valencia Street since 2003, and the Yoga Tree studio opened in 2002. During the five-year period preceding the opening of Garcon (2001-2005), the number of market-rate units on Valencia increased by 108 (2.5% above the number of units in 2001) while the housing stock citywide expanded by 3.4%. While it is clear that the mix of businesses along Valencia has changed in recent decades, there is no evidence that market rate residential development caused the displacement of "mom and pop" businesses with upscale shopping and dining establishments.

The relatively slow pace of residential development on Valencia (compared to the rest of the city) is also evident over a longer time period. Market rate units along Valencia Street increased by 318 between 2001 and 2015, or roughly 7.9 percent, while the growth of market rate units citywide during the same period has been roughly 9.1 percent. A 2015 report by the City's Office of Economic Analysis finds, through the analysis of census microdata, that 97 percent of all high-income households new to San Francisco move into existing housing.[12] As the stock of new market rate housing units on the Valencia corridor has only expanded by roughly 0.5 percent each year over the past 15 years, it is more likely that the shift towards higher end retail along the corridor was caused by an influx of higher income residents into the existing housing stock. Therefore, appellant's position that new market rate units caused the changes in that corridor and that the project would contribute to a similar process in the Calle 24 District is not supported by empirical evidence.

Although the appellant does not provide evidence in support of the contention that the proposed project would lead to the displacement of Latino-owned businesses, the Planning Department engaged ALH Urban & Regional Economics to evaluate the potential effects of new development under the Eastern Neighborhoods rezoning and area plans on existing businesses in the Calle 24 District.[13] The results of this analysis are summarized below, and the full report is attached as Appendix A.

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[12] City and County of San Francisco Office of the Controller, "Potential Effects of Limiting Market-Rate Housing in the Mission", September 10, 2015.

[13] Amy Herman, ALH Urban & Regional Economics, *Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA*, February 2017.

ALH found that there is little existing literature or study of commercial gentrification effects of new development, but cites a 2016 case study analysis in New York City, which indicates that: "The results of gentrification are mixed and show that gentrification is associated with both business retention and disruption."[14] The study further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in non-gentrifying neighborhoods."[15] The study concludes that: "The fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[16] These findings are similar to the conclusions in the Eastern Neighborhoods PEIR as discussed in Section 5 above.

Based on this study, ALH suggests that it is reasonable to conclude that commercial displacement is no more likely to occur in the Calle 24 District than in other San Francisco neighborhoods not experiencing gentrification. ALH also notes that the study suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally, recognizing, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[17]

ALH observes that this latter point is similar to the appellant's concern about the "Valenciazation" of the Calle 24 District. However, as discussed above, the changes in the commercial character of the Valencia Street corridor occurred during a period with a limited amount of new market rate development on or near Valencia Street. This suggests that other factors may be more directly associated with commercial gentrification in the Mission than market rate residential development. Thus, in the absence of evidence, and supported by the limited existing academic literature, ALH does not accept the appellant's premise that market rate residential development causes gentrification of commercial space.

Nevertheless, at the Planning Department's direction, ALH conducted an analysis of the effects of development anticipated under the Eastern Neighborhoods rezoning and area plans on retail supply and demand within the Calle 24 District. The results of this analysis are summarized below, and the complete analysis is presented in Appendix A.

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[14] Rachel Meltzer, *Gentrification and Small Business: Threat or Opportunity?,* Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.

[15] Ibid.

[16] Ibid p. 80.

[17] Ibid.

ALH's analysis considers entitled projects and projects in the pipeline (i.e., projects with filed permit applications but not yet approved) within a three to four block radius of the Calle 24 District. ALH conservatively estimates[18] demand for retail services that could be generated by new residential development within this study area. Although the focus of the appellant's concern is on market rate development, the analysis estimates retail demand of all residential development, both market rate and below market rate.

ALH estimates that new residential development within the study area would generate demand for a total of 34,400 square feet of neighborhood-oriented retail and commercial space, representing 3.6 percent of the existing approximately 480,000 square feet of commercial base within the Calle 24 District. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores), and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. ALH notes that a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area. ALH also observes that because residents of new development within the study area would not likely shop and dine exclusively within the Calle 24 District, some portion of new demand for neighborhood-oriented services would be expressed outside of the study area.

New development under the Eastern Neighborhoods rezoning and area plans would create a total of approximately 30,400 square feet of net new retail space within the study area. Thus, there is essentially equilibrium between the amount of neighborhood-oriented retail demand and net new retail space resulting from anticipated development within the study area. Because not all neighborhood-oriented demand is likely to be expressed for only the retail space in the Calle 24 District, there would likely be a relative surplus of net new neighborhood-oriented retail space relative to new demand. ALH therefore concludes that demand for retail services generated by new residential development within the study area would not result in substantial pressure on the existing retail base in the Calle 24 District.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the Calle 24 District as well as the larger Mission District as a whole. As noted above, the Calle 24 District is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[19] Demand analysis for existing households in the Mission and Calle 24 District indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases (see Exhibits 10 through 13 of

[18] The ALH retail demand estimate is considered conservative for purposes of this analysis because assumptions made in the analysis (e.g., average household income and spending patterns) are more likely to result in overestimation rather than underestimation of the actual retail demand that could be generated.

[19] San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011- 2015,* Table 2.1.1, page 9.

Appendix A). The demand analysis for each area was prepared using the same methodology and assumptions as for the Calle 24 District pipeline households.

The retail demand analyses are summarized in **Table 1**, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing Calle 24 District households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 1: Retail Inventory and Demand
Mission and Calle 24 Latino Cultural District

		Square Feet Supported		Supply Multiplier	
Area	**Retail Inventory**	**Total**	**Neighborhood Oriented**	**Total**	**Neighborhood Oriented**
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
Calle 24 District	480,000	325,500	141,500	1.5	3.4

Sources: San Francisco Planning Department, *Mission Area Plan Monitoring Report: 2011-2015*, Table 2.1.1, page 9
ALH Urban & Regional Economics

These demand estimates indicate that the supply of retail in the Mission as a whole and the Calle 24 District outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the Calle 24 District, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case considering that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

The San Francisco Controller's Office peer reviewed the ALH report, and concurred with its conclusions, stating: "There is no reason to believe that development in the pipeline would increase commercial rents in the neighborhood, considering that new development in the pipeline would raise the neighborhood's supply of commercial space, as well as demand."[20]

In summary, neither the relevant literature, nor the available evidence support the appellant's contention that the proposed project would result, either individually or cumulatively, in commercial gentrification within the Calle 24 Latino Cultural District.

6.2 RESIDENTIAL DISPLACEMENT

ALH reviewed numerous studies and papers to identify the existing published research that best address the relationships between housing production, housing cost, and displacement. Based upon this review

[20] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

of the literature and related studies, five papers stand out in regards to their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015. http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016). http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016. http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

Appendix A includes a synopsis of the findings from each of these studies most specifically addressing housing production and housing costs, with an emphasis, if possible, on rental housing, as this is most applicable to the Calle 24 District and San Francisco.

The findings from the five studies identified above support the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering[21], new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, with affordable housing having double the protective effect of market-rate housing,

[21] *Filtering* is the process by which the cost of older market rate housing stock is suppressed through the increased availability of newer market rate development.

although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

The appellant references one of the studies reviewed by ALH (the Zuk and Chapple brief) in the September 12, 2016 appeal letter to argue that the proposed project would cause displacement. However, as further discussed in Appendix A, the Zuk and Chapple brief does not support this conclusion. As the appellant's letter itself highlights, the brief stresses the importance of building both market rate and subsidized housing in order to ease displacement pressures at the regional scale. The report finds "that market-rate housing built in the 1990s significantly reduces the incidence of displacement from 2000 to 2013",[22] and states further: "These findings provide further support for continuing the push to ease housing pressures by producing more housing at all levels of affordability throughout strong-market regions."[23] Another way of phrasing these findings is that if the project was not built, displacement pressures in the city and region would increase, as the project includes both market rate and affordable units, both of which have an attenuating effect on displacement, according to the study. Zuk and Chapple find that the effect at finer grained scales (such as the census block group level) is "insignificant"[24], meaning that neither a positive nor a negative impact could be detected. Thus, the Zuk and Chapple brief does not support the appellant's contention that development like the proposed project causes displacement.

The San Francisco Controller's Office concurred with ALH's analysis, stating: "There is no reason to believe that new housing increases the market rents of vacant rental units or the sales prices of for-sale units."[25]

In addition to ALH's review of the relevant research, the Planning Department undertook exploratory analysis to test the proposition that market rate development has caused displacement at a finer grained scale (the census tract) in San Francisco over the past 15 years and has similarly found no clear cause and effect relationship. A statistical simple correlation analysis between new units added between 2000 and 2015 by census tract and eviction notices served between 2011 and 2015 shows only a weak *negative* correlation, that is census tracts with *more* development saw *fewer* evictions.[26][27] This analysis uses the

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[22] Miriam Zuk & Karen Chapple, *Housing Production, Filtering and Displacement: Untangling the Relationships*, University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 6.

[23] Ibid p. 3.

[24] Ibid p. 7.

[25] City and County of San Francisco, Office of the Controller, *Review of ALH Socioeconomics Report,* February 22, 2017.

[26] The Planning Department analyzed both "no fault" and "for cause" evictions, since "for cause" evictions currently make up a majority of all cases. This relationship holds for both types of evictions.

frequency of eviction notices as an appropriate proxy and indicator for overall displacement pressure. In order to detect whether new market rate housing "signals" the desirability of neighborhoods and attracts high-income residents in a later period, staff correlated eviction notices given between 2011 and 2015 with new market rate units built during four periods (2001 to 2005, 2006 to 2010, 2011 to 2015, and 2001 to 2015). Each showed a weak and non-statistically significant correlation between evictions and new development and a very low "goodness of fit", meaning that to the extent that a correlation exists, new market rate development explains very little of the variability of evictions across neighborhoods. In the absence of a statistically significant correlation between these two variables, the causal relationship between new market rate development and evictions/displacement claimed by the appellants is extremely speculative (if not unlikely) and is not supported by any empirical evidence in the record.

6.3 CONCLUSION

Neither the relevant published research nor available data support the appellant's contention that the proposed project would result, either individually or cumulatively, in indirect displacement of existing residents or businesses as a secondary effect of gentrification. Moreover, even if the proposed project could have these effects, this would not represent a new or more severe impact that is peculiar to the project or its site because the Eastern Neighborhoods PEIR included a detailed analysis of this topic. Finally, to the extent that the proposed project would cause or contribute to gentrification or displacement effects identified in the Eastern Neighborhoods PEIR, these socioeconomic effects would not in and of themselves constitute environmental impacts under CEQA.

7 PHYSICAL ENVIRONMENTAL IMPACTS

Pursuant to CEQA Guidelines section 15131(a): "[a]n EIR may trace a chain of cause and effect from a proposed decision on a project through anticipated economic or social changes resulting from the project to physical changes caused in turn by the economic or social changes. The intermediate economic or social changes need not be analyzed in any detail greater than necessary to trace the chain of cause and effect. The focus of the analysis shall be on the physical changes." Accordingly, the following analysis examines the appellant's claim that the proposed project would result in *physical* changes to the environment as a consequence of gentrification and displacement that were not analyzed as significant effects in the Eastern Neighborhoods PEIR.

As discussed above, the Eastern Neighborhoods PEIR determined that adoption and implementation of the area plans and rezoning would result in economic impacts that could potentially displace existing

[27] This analysis standardized evictions in census tracts across the city by dividing them by the total number of rental units in the census tract in order to compare relative rates of evictions between tracts and not to compare absolute numbers of evictions, since tracts with greater amounts of rental housing would be assumed to have a proportionately greater absolute number of evictions.

businesses and residents, and identifies improvement measures that could reduce the less-than-significant physical effects of potential displacement of neighborhood serving businesses and residents. Although the PEIR did not establish a causal link between potential displacement effects and significant physical environmental impacts, the PEIR did identify physical environmental impacts related to growth under the area plans and rezoning. The PEIR analyses the physical environmental impacts caused by growth anticipated under the area plans and rezoning in the relevant resource topic sections, such as transportation, air quality, noise, and parks and open space.

The appellant claims that the proposed project would cause or contribute to socioeconomic effects that would in turn cause significant physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Specifically, the appellant contends that the proposed project, through gentrification and displacement, would have significant cumulative impacts on land use, recreation and open space, traffic, transit, health and safety, air quality, and greenhouse gasses, and on aesthetic, historic, and cultural aspect of the Calle 24 Latino Cultural District. Since, as shown above, there is no evidence to support the appellant's claim that the proposed project would cause or contribute to gentrification or displacement effects, it follows that there is also no evidence to establish a causal link between gentrification and displacement and physical environmental impacts beyond those identified in the Eastern Neighborhoods PEIR. Notwithstanding the above, the following analysis tests the appellant's claims by examining whether, regardless of the cause, physical impacts are occurring within the Calle 24 Latino Cultural District beyond those anticipated in the Eastern Neighborhoods PEIR.

7.1 TRANSPORTATION

Pursuant to the requirements of CEQA section 21083.3 and CEQA Guidelines section 15183, the CPE checklist prepared for the 1515 South Van Ness Avenue project evaluates whether the proposed project would result in significant impacts on transportation, either individually or cumulatively, beyond those identified in the Eastern Neighborhoods PEIR.[28] This analysis is supported by a 293-page project-specific transportation impact study, that evaluates the project-level and cumulative impacts of the proposed project on traffic, transit, bicycle and pedestrian safety, loading, and emergency services and access.[29] Contrary to the appellant's contentions, the project-specific transportation impact analysis does not rely on "outdated" information. Instead, the analysis uses the latest transportation models, forecasting, and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE determines that the proposed project would not result in significant impacts on transportation beyond those identified in the Eastern Neighborhoods PEIR.

[28] San Francisco Planning Department, *1515 South Van Ness Avenue Project Community Plan Exemption Checklist*, pp. 18-29, July 12, 2016.

[29] Fehr & Peers, *1515 South Van Ness Avenue Transportation Impact Study*, January 2016.

Even though the analysis provided in the CPE fully satisfies the requirements of CEQA and no further analysis of the transportation impacts of the proposed project is required, the Planning Department worked with transportation consultants at Fehr & Peers to explore the appellant's claims that the proposed project would cause or contribute to new or substantially more severe transportation impacts than were identified in the Eastern Neighborhoods PEIR due to new information or changed circumstances not previously considered. This analysis compares the transportation impacts anticipated in the Eastern Neighborhoods PEIR with up-to-date transportation impact data and models. As summarized below and further detailed in Appendix B, the results of this analysis demonstrate that current transit and traffic conditions are generally better than the Eastern Neighborhoods PEIR anticipated would be the case by this time. The PEIR anticipated there would be less transit capacity and correspondingly higher capacity utilization (crowding) on the Muni lines serving the Mission and estimated that a slightly higher percentage of new trips would be made by private vehicles than current data demonstrate. In addition, while the Mission has undergone significant demographic and economic change, residents on average still own around the same number of vehicles, and use non-auto modes at similar rates as they did prior to adoption of the rezoning and area plans.

7.1.1 Transit

The Eastern Neighborhoods PEIR determined that population growth under the rezoning and area plans would result in significant cumulative impacts on transit. Specifically, the PEIR anticipated that daily transit trips between 2000 and 2025 would increase by approximately 254,000 trips or about 20 percent over baseline conditions within San Francisco as a whole and by approximately 28,000 daily trips or approximately 38 percent in the Eastern Neighborhoods. The PEIR determined that without increases in peak-hour capacity, population growth in the Eastern Neighborhoods would result in significant cumulative impacts on transit capacity. The PEIR identified Mitigation Measures E-5 through E-11 to address impacts and transit capacity. These measures call for:

- Transit corridor improvements (e.g., along Mission Street between 14th and Cesar Chavez streets, 16th Street between Mission and Third streets, Bryant Street or other parallel corridor between Third and Cesar Chavez streets, a north-south corridor through portions of SoMa west of Fifth Street, and service connecting Potrero Hill with SoMa and downtown)
- Implementing service recommendations from the Transit Effectiveness Project, Better Streets Plan and Bicycle Plan when available and as feasible
- Providing additional funding for Muni maintenance and storage facilities
- Increasing passenger amenities, such as expanded installation of the Next Bus service and new bus shelters
- Expanding use of transit preferential street technologies to prioritize transit circulation, and
- Expanding the Transportation Demand Management program to promote the use of alternate modes of transportation.

The PEIR determined that while these measures would reduce operating impacts and improve transit service within the Eastern Neighborhoods, the adverse effects to transit could not be fully mitigated. Also, given the inability to determine the outcome of the Transit Effectiveness Program, Better Streets Plan, Bicycle Plan, and other plans and programs that were in process at the time that the PEIR was

certified and uncertainty regarding future funding of these plans and programs, the PEIR determined that the feasibility of these mitigation measures could not be assured. Thus, the PEIR determined that cumulative impacts on transit under the rezoning and area plans would be significant and unavoidable.

Since the certification of the Eastern Neighborhoods PEIR, the City has implemented many of the plans, programs, and improvements identified in Eastern Neighborhoods PEIR Mitigation Measures E-5 through E-11 as summarized below.

In compliance with a portion of Mitigation Measure E-5: Enhanced Transit Funding, the City adopted impact fees for development in Eastern Neighborhoods that go towards funding transit and complete streets projects. In addition, the Board of Supervisors approved amendments to the San Francisco Planning Code, referred to as the Transportation Sustainability Fee (Ordinance 200-154, effective December 25, 2015).[1] The fee updated, expanded, and replaced the prior Transit Impact Development Fee, which is in compliance with portions of Mitigation Measure E-5: Enhanced Transit Funding. With respect to Mitigation Measures E-5: Enhanced Transit Funding and Mitigation Measure E-11: Transportation Demand Management, on February 7, 2017 the Board of Supervisors adopted amendments to the planning code, referred to as the Transportation Demand Management Program.[2] Additionally, SFMTA has sought grants through local Proposition A funds directly supporting the 14 Mission Rapid Project, the Potrero Avenue Project for the 9 San Bruno and 9R San Bruno Rapid routes (currently under construction), and the 16th Street Transit Priority Project for the 22 Fillmore (expected construction between 2017 and 2020). The SFMTA also pursued funding from the Federal Transit Administration and the Metropolitan Transportation Commission for the transit corridor projects for the 14 Mission along Mission Street and for the 22 Fillmore along 16th Street. In compliance with all or portions of Mitigation Measure E-6: Transit Corridor Improvements, Mitigation Measure E-7: Transit Accessibility, Mitigation Measure E-9: Rider Improvements, and Mitigation Measure E-10: Transit Enhancement, the SFMTA is implementing NextBus, Customer First, and the Transit Effectiveness Project, which was approved by the SFMTA Board of Directors in March 2014. There are about 850 NextBus displays throughout the City with strong coverage throughout the Mission District. Customer First improved lighting and shelters at stops. The Transit Effectiveness Project is now called Muni Forward and includes system-wide review, evaluation, and recommendations to improve service and increase transportation efficiency.

In addition, Muni Forward also includes transit service improvements to various routes with the Eastern Neighborhoods Plan area the service improvements include the creation of new routes such as the implementation of Route 55 on 16th Street between the intersection of 16th and Mission Streets and Mission Bay, changes to route alignment such as for the 27 Bryant, the elimination of underused existing

[1] Two additional files were created at the Board of Supervisors for TSF regarding hospitals and health services, grandfathering, and additional fees for larger projects: see Board file nos. 151121 and 151257.

[2] San Francisco Board of Supervisors. 2017. BOS File 160925. Available online at https://sfgov.legistar.com/LegislationDetail.aspx?ID=2830460&GUID=EFCB06B2-19CB-4777-B3A5-1638670C3A2C accessed February 21, 2017. Additional information is available at the Planning Department web page for TDM at http://sf-planning.org/shift-transportation-demand-management-tdm accessed February 21, 2017.

routes or route segments, changes to the frequency and hours of transit service, changes to the transit vehicle type on specific routes, and changes to the mix of local/limited/express services on specific routes. Many of the service improvements analyzed as part of Muni Forward in the Transit Effectiveness Project EIR have been implemented, but some are receiving further study.

Mitigation Measure E-7 also identifies implementing recommendations of the Bicycle Plan and Better Streets Plan. As part of the San Francisco Bicycle Plan, adopted in 2009, a series of minor, near-term, and long-term bicycle facility improvements are planned within the Eastern Neighborhoods, including along 2nd Street, 5th Street, 17th Street, Townsend Street, Illinois Street, and Cesar Chavez Street. The minor improvements consist of a toolkit of treatments implemented on an as-needed basis to support bicycling in the city such as shared lane markings called sharrows and the provision of bicycle parking within the public right-of-way including bicycle racks on sidewalks and on-street bicycle corrals. Most near-term improvements have been implemented as indicated above. With the implementation of bicycle facilities as part of the Bicycle Plan and envisioned as part of the 2013 Bicycle Strategy, San Francisco has experienced an increase in bicycle ridership. Since 2006, the SFMTA has conducted annual bicycle counts during peak commute hours at various intersections throughout the city.[30] While the bicycle counts at any one intersection may fluctuate from year to year, the most recent counts from 2015 demonstrate that the overall the number of bicyclists in the city, including in the Mission District, have increased over the counts from 2008, when the Eastern Neighborhoods PEIR was certified. For example, at the intersection of 17th and Valencia Streets in the p.m. peak there were 485 cyclists in 2008 compared with 1,219 in 2015, and at the intersection of 23rd Street and Potrero Avenue in the p.m. peak there were 50 cyclists in 2008 compared with 106 in 2015.

The San Francisco Better Streets Plan, adopted in 2010, describes a vision for the future of San Francisco's pedestrian realm and calls for streets that work for all users. The Better Streets Plan requirements were codified in section 138.1 of the planning code and new projects constructed in the Eastern Neighborhoods Plan area are subject to varying requirements, dependent on project size.

Another effort which addresses transit accessibility, Vision Zero, was adopted by various City agencies in 2014. Vision Zero focuses on building better and safer streets through education, evaluation, enforcement, and engineering. The goal is to eliminate all traffic fatalities by 2024. Vision Zero projects within the Eastern Neighborhoods Plan areas include pedestrian intersection treatments along Mission Street from 18th to 23rd streets, the Potrero Avenue Streetscape Project from Division to Cesar Chavez streets, and the Howard Street Pilot Project, which includes pedestrian intersection treatments from 4th to 6th streets.

Overall, compared to the transit service analyzed in the Eastern Neighborhoods PEIR, current transit service has increased by 8 percent in the a.m. peak hour, 14 percent during midday, and 6 percent in the p.m. peak hour. As a result, the significant impacts identified in the Eastern Neighborhoods PEIR on transit capacity have not materialized. The following analysis compares the impacts on transit capacity anticipated in the Eastern Neighborhoods PEIR with current and projected future transit conditions in light of the transit system improvements described above.

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[30] SFMTA. 2009-2016. Bike Reports Available online at https://www.sfmta.com/about-sfmta/reports/bike-reports. Accessed February 21, 2017.

The SFMTA Board has adopted an 85-percent capacity utilization performance standard for transit vehicle loads, meaning that Muni transit lines should operate at or below 85 percent of transit vehicle capacity. This performance standard more accurately reflects actual operations and the likelihood of "pass-ups" (i.e., vehicles not stopping to pick up more passengers). The Planning Department applies this standard as a CEQA threshold of significance for determining peak period transit demand impacts to the SFMTA lines. **Table 2** shows the capacity utilization for the 11 Muni lines serving the Eastern Neighborhoods plan areas under the 2000 CEQA baseline and the 2025 no project and with project cumulative scenarios as reported in the Eastern Neighborhoods PEIR. The last two columns of the table show 2013 capacity utilization on these same lines based on SFMTA data and the SF-CHAMP[31] 2040 cumulative scenario based on current model inputs. As shown in **Table 2**, capacity utilization on the Muni bus and light rail lines serving the Eastern Neighborhoods is generally lower than the PEIR baseline conditions, and the anticipated 2040 cumulative conditions are better than the anticipated 2025 cumulative conditions.

[31] The San Francisco Chained Activity Modeling Process ("SF-CHAMP") is a regional travel demand model designed to assess the impacts of land use, socioeconomic, and transportation system changes on the performance of the local transportation system. The San Francisco County Transportation Authority developed SF-CHAMP to reflect San Francisco's unique transportation system and socioeconomic and land use characteristics. It uses San Francisco residents' observed travel patterns, detailed representations of San Francisco's transportation system, population and employment characteristics, transit line boardings, roadway volumes, and the number of vehicles available to San Francisco households to produce measures relevant to transportation and land use planning. Using future year transportation, land use, and socioeconomic inputs, the model forecasts future travel demand.

Table 2: Muni Capacity Utilization at Maximum Load Point
Weekday PM Peak Hour Inbound/Outbound

Line	EN PEIR 2000 Baseline	EN 2025 No Project	EN 2025 Option A	EN 2025 Option B	EN 2025 Option C	SFMTA Fall 2013	SF-CHAMP 2040
9-San Bruno	**94%/110%**	**120%/151%**	**134%/151%**	**135%/149%**	**148%/165%**	57%/68%	61%/84%
12-Folsom	**94%**/30%	**109%**/42%	**112%**/42%	**113%**/41%	**120%**/52%	73%/57%	N/A[1]
14-Mission	47%/**86%**	60%/**113%**	62%/**113%**	63%/**112%**	69%/**122%**	49%/40%	39%/76%
22-Fillmore	82%/85%	**95%/102%**	**98%/102%**	**100%/101%**	**107%/109%**	61%/58%	68%/83%
26-Valencia	26%/76%	33%/**89%**	33%/**89%**	33%/**90%**	35%/**94%**	N/A[2]	N/A[2]
27-Bryant	**86%**/57%	**111%**/78%	**118%**/78%	**119%**/77%	**126%**/84%	60%/46%	63%/55%
33-Stanyan	68%/56%	**87%**/74%	**89%**/74%	**91%**/73%	**97%**/81%	53%/42%	63%/55%
48-Quintara	**87%**/72%	**112%/94%**	**113%/94%**	**115%/93%**	**119%/100%**	57%/65%	67%/63%
49-Van Ness-Mission	73%/**93%**	85%/**112%**	**89%/112%**	**91%/111%**	**100%/121%**	48%/47%	N/A[3]
53-Southern Heights	27%/31%	34%/44%	35%/44%	35%/43%	37%/48%	N/A[4]	N/A[4]
67-Bernal Heights	67%/68%	**86%/88%**	**87%/88%**	**87%/88%**	**88%/88%**	15%/46%	22%/66%

[1] Under Muni-Forward, the 12-Folsom may be replaced by the 10 Sansome on a portion of the route and by the 27 Bryant on the remainder of the route.
[2] The 26-Valencia route was eliminated in December 2009.
[3] The 49-Van Ness-Mission will change to limited stop/rapid service at the time that the Van Ness BRT service commences.
[4] The 53-Southern Heights route was eliminated in December 2009.

Bold text denotes significant impact based on exceedance of 85-percent capacity utilization significance threshold.

Sources:
Eastern Neighborhoods PEIR p. 282
San Francisco Planning Department, *Transit Data for Transportation Impact Studies*, May 15, 2015.
SFCTA, *SF-CHAMP model run for Central Corridor 2040 Cumulative Scenario*, November 12, 2013.

In conclusion, as a result of substantial increases in transit capacity, the cumulative impacts on transit resulting from growth under the Eastern Neighborhoods rezoning and area plans is *less* severe rather than more severe than anticipated in the PEIR. As such, it is evident that the demographic changes occurring in the Mission have not resulted in significant impacts on transit service that were not anticipated in the Eastern Neighborhoods PEIR. Therefore, the proposed project would not result in significant impacts, either individually or cumulatively, on transit beyond those identified in the PEIR.

7.1.2 Traffic Congestion

At the time that the Eastern Neighborhoods PEIR was certified in 2008, the Planning Department considered increased traffic congestion as measured by the level of service metric to be a physical environmental impact under CEQA. However, in 2013, the state legislature amended CEQA adding Chapter 2.7: Modernization for Transportation Analysis of Transit Oriented Infill Projects. Accordingly, CEQA section 21099(b)(1) requires that the State Office of Planning and Research (OPR) develop revisions to the state CEQA Guidelines establishing criteria for determining the significance of transportation impacts of projects that promote the "reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses." CEQA section 21099(b)(2) states that upon certification of the revised CEQA Guidelines for determining transportation impacts pursuant to

section 21099(b)(1), automobile delay, as described solely by level of service (LOS) or similar measures of vehicular capacity or traffic congestion, shall not be considered a significant impact on the environment under CEQA.

In January 2016, OPR published for public review and comment a *Revised Proposal on Updates to the CEQA Guidelines on Evaluating Transportation Impacts in CEQA*[32] (proposed transportation impact guidelines) recommending that transportation impacts for projects be measured using a vehicle miles traveled ("VMT") metric. VMT measures the amount and distance that a project might cause people to drive, accounting for the number of passengers within a vehicle.

OPR's proposed transportation impact guidelines provides substantial evidence that VMT is an appropriate standard to use in analyzing transportation impacts to protect environmental quality and a better indicator of greenhouse gas, air quality, and energy impacts than automobile delay. Acknowledging this, San Francisco Planning Commission Resolution 19579, adopted on March 3, 2016:

- Found that automobile delay, as described solely by LOS or similar measures of vehicular capacity or traffic congestion, shall no longer be considered a significant impact on the environment pursuant to CEQA, because it does not measure environmental impacts and therefore it does not protect environmental quality.
- Directed the Environmental Review Officer to remove automobile delay as a factor in determining significant impacts pursuant to CEQA for all guidelines, criteria, and list of exemptions, and to update the Transportation Impact Analysis Guidelines for Environmental Review and Categorical Exemptions from CEQA to reflect this change.
- Directed the Environmental Planning Division and Environmental Review Officer to replace automobile delay with VMT criteria which promote the reduction of greenhouse gas emissions, the development of multimodal transportation networks, and a diversity of land uses; and consistent with proposed and forthcoming changes to the CEQA Guidelines by OPR.

Planning Commission Resolution 19579 became effective immediately for all projects that had not received a CEQA determination as of March 3, 2016, and for all projects that have previously received CEQA determinations, but require additional environmental analysis. Therefore, the CPE for the proposed project does not consider whether the proposed project would have significant impacts either individually or cumulatively on traffic congestion as measured by LOS. Instead, in accordance with CEQA section 21099 and Planning Commission Resolution 19579, the CPE evaluates whether the proposed project would result in significant impacts on VMT. As stated in the CPE checklist, the proposed project would not have a significant impact either individually or cumulatively on VMT. As noted above, this analysis uses the latest transportation models and impact assessment methodologies, incorporating up-to-date transportation, population, growth, and demographic data to evaluate the effects of the proposed project on both existing and 2040 cumulative transportation conditions. Based on this analysis, the CPE concludes that the project would not have a significant impact on traffic that is peculiar to the project or the project site, and that no further environmental review of the project's effects

[32] This document is available online at: https://www.opr.ca.gov/s_sb743.php.

on traffic congestion is required in accordance with CEQA section 21083.3 and CEQA Guidelines section 15183.

Even though, as discussed above, the CPE establishes that the proposed project would not have significant impacts either individually or cumulatively related to increased VMT, the following analysis further examines the appellant's contentions that the project would have substantially more severe impacts on traffic than were identified in the Eastern Neighborhoods PEIR.

7.1.3 Travel Behavior

The appellant contends, as part of the September 12, 2016 appeal letter, that gentrification and displacement that the proposed project would contribute to are resulting in increased traffic due to "reverse commutes," stating:

> "The PEIR did not anticipate the "advanced gentrification" of the neighborhood, along with the extensive displacement of Latino families and businesses, the reverse commute to distant areas, and that impact on greenhouse gas emissions and on traffic congestion… Due to the unexpected rise in rents throughout the Bay Area, displaced residents are now required to commute distances as far as Vallejo and Tracy, distances was [sic] not contemplated in the PEIR for the Eastern Neighborhoods."

As presented in Appendix B and summarized below, updated local and regional transportation modeling, census data, and traffic counts at representative intersections in the Mission do not support the appellant's claim that increased commute distances by displaced workers is causing significant cumulative transportation impacts beyond those anticipated under the Eastern Neighborhoods PEIR.

Many factors affect travel behavior, including land-use density and diversity, design of the transportation network, access to regional destinations, distance to high-quality transit, development scale, demographics, and transportation demand management. Typically, low-density development located in areas with poor access to non-private vehicular modes of travel generate more automobile travel compared to development located in urban areas, where a higher density mix of land uses and travel options other than private vehicles are available. Given these travel behavior factors, San Francisco has a lower ratio of VMT per household than the San Francisco Bay Area regional average.

The San Francisco County Transportation Authority uses the SF-CHAMP model to estimate VMT by private automobiles and taxis for different land use types. The SF-CHAMP model assigns all predicted trips within, across, and to or from San Francisco onto the roadway network and the transit system by mode and transit carrier for a particular scenario. For example, the 2040 SF-CHAMP model run assigns trips to and from each of the 981 transportation analysis zones across San Francisco based on the land use development that is projected. Trips that cross San Francisco, but do not have an origin or destination in the city are projected using inputs from the regional transportation model. SF-CHAMP models travel behavior based on the following inputs:

- Projected land use development (based on the Planning Department's pipeline) and population and employment numbers – as provided by the Planning Department, based on the Association

of Bay Area Governments ("ABAG") Projections (currently the Projections 2013 (Sustainable Communities Strategy).

- Observed behavior from the California Household Travel Survey 2010-2012
- Census data regarding automobile ownership rates and county-to-county worker flows
- Observed vehicle counts and transit boardings.

Neither SF-CHAMP nor the regional travel model[33] explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth[34]. Based on the model inputs, which as noted above include development in the Planning Department's pipeline, both regional average and local San Francisco VMT is expected to decrease in the future.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute distances. However, the model indicates that overall aggregate regional growth is expected to reduce the average distance that a typical worker travels between home and work. The Transportation Authority estimates that existing average VMT per household is 17.2 for the region and 7.0 for the project area (Transportation Analysis Zone 133). VMT per household is expected to decrease to 16.1 for the region and to 6.2 for the project area by 2040[35]. Employment data shows that the share of Bay Area residents living more than 10 miles from their employer increased from 2004 to 2014; over the same period, the absolute number of individuals living more than 10 miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data. Moreover, the Eastern Neighborhoods PEIR anticipated traffic impacts due to increased vehicle trips associated with population growth.

The Eastern Neighborhoods PEIR determined that increased vehicle trips resulting from population growth and development under the rezoning and area plans would result in level of service impacts at representative intersections in the Mission. Of the 13 study intersections in the Mission, the PEIR determined that significant LOS impacts would occur at three intersections during the weekday p.m. peak hour under rezoning Option A, five under Option B, and four under Option C. The PEIR also

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[33] SF-CHAMP is built using the regional travel model, and adding additional detail to TAZs located within San Francisco.

[34]For additional detail on the process of developing the travel model, see the MTC documentation at: http://mtcgis.mtc.ca.gov/foswiki/Main/Development

[35] Schwartz, Michael, Coper, Drew, *Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research*, February 2016. San Francisco Planning Department, *1515 South Van Ness Avenue Project Community Plan Exemption Checklist*, p. 21, July 12, 2016.

determined that three additional intersections in the Mission would operate at unacceptable levels of service under both the no project and each of the three rezoning options by 2025.

To test the appellant's assertion that traffic conditions in the Mission are worse than anticipated in the PEIR, Fehr & Peers worked with Planning to select four of the intersections studied in the Mission for the Eastern Neighborhoods PEIR and conduct one-day p.m. peak hour turning movement counts in December 2016[36]. In order to present a representative count of vehicles, these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the level of traffic expected in the PEIR based on the total change in housing units constructed in the Mission from 2011 to 2015. Full turning movement volumes and estimated calculations are included in Appendix B.

As shown in Appendix B, on average, observed traffic volumes in 2016 were around 5 to 10 percent *lower* than expected in the Eastern Neighborhoods PEIR and the percentage of estimated development completed; this indicates traffic volumes similar to or slightly below PEIR projections[37]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods PEIR.

7.1.4 Private Car Ownership and Driving Rates in the Mission

The appellant contends that gentrification and displacement are also resulting in increased traffic and related impacts because higher income correlates with higher private car ownership and driving rates. Again, available evidence does not support the underlying premise that the proposed project would cause or contribute to gentrification or displacement in the first place. Moreover, the appellant's claim that the rate of private car ownership in the Mission has increased, and that this is causing significant cumulative traffic and greenhouse gas impacts beyond those anticipated under the Eastern Neighborhoods PEIR is not supported by the available evidence.

Partially due to the in-migration of higher income earners, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000. Median annual income increased from around $67,000 to around $74,000 during that time (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

[36] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[37] Projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

However, although the typical household has a higher income, automobile availability on a per capita basis has not increased over the same period. The same percentage of households have zero cars available (39 percent to 40 percent of households), and the average number of vehicles available per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 percent to 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, the Eastern Neighborhoods PEIR transportation impact analysis accounted for this growth, and as discussed above, observed traffic volumes in 2016 were around 5 to 10 percent lower on average than expected in the Eastern Neighborhoods PEIR.

In addition to census data, the Planning Department has conducted three case studies at residential developments built in the past ten years in the Mission neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, market-rate housing, although 555 Bartlett Street and 1600 15th Street each include between 15 and 20 percent onsite below market rate units. Surveys at these sites were conducted in 2014 and 2015 during the extended a.m. and p.m. peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 4**.

Table 3: Comparison of Shifts in Income and Automobile Travel Indicators Mission Residents

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	0.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	0.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	0.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

Source: Decennial Census, 2000, Tables H044, P030, DP3; American Community Survey, 5-year averages, 2009 & 2014, Tables S1901, S0802, B25044; Fehr & Peers, 2016.

Table 4: Observed Mode Splits at Residential Developments in the Mission

Address	Drive Alone	Carpool	Walk	Taxi / TNC	Bike	SF Muni	BART	Private Shuttle
1600 15th St[1] (596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street[2] (183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street[3] (288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

[1] Survey conducted August 13, 2014.

[2] Survey conducted August 27, 2014.

[3] Survey conducted July 9, 2015.

Based on trips made between 7 a.m. – 10 a.m. and 3 p.m. – 7 p.m. on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone mode share that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 3**). The total auto mode share (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto mode share for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[38] Thus, the available evidence demonstrates that new or substantially more severe impacts on the Latino Cultural District are not occurring as a result of increased private vehicle ownership.

7.1.5 Commuter Shuttles

The appellant states that the increase in commuter shuttles since the Eastern Neighborhoods PEIR was certified constitutes substantial new information and/or changed circumstances that "render the current PEIR obsolete," stating in the October 14, 2016 supplemental appeal letter:

[38] SF-CHAMP auto mode share is based on the Central SoMa 2012 Baseline model run; the presented mode shares are for the analysis zones where each of the case study developments is located.

> "The PEIR did not anticipate the impact of tech shuttles from a traffic standpoint, nor from that of the demand for housing. The specter of living within a few blocks of a free ride to work has caused many tech employees to move to areas where the shuttles stop – predominantly in the Mission. As such we have high earning employees exacerbating the already high demand for housing. The anti-eviction mapping project has documented the connection between shuttle stops and higher incidences of no fault evictions."

CEQA Guidelines section 15183(b)(4) provides that in conducting the streamlined environmental review mandated for projects that are consistent with the development density established under an adopted community plan or zoning, a public agency must limit its examination of environmental effects to those which the agency determines are previously identified significant effects which, as a result of substantial new information which was not known at the time the EIR was certified, are determined to have a more severe adverse impact than discussed in the prior EIR. Accordingly, the increase in the use of commuter shuttles since the certification of the Eastern Neighborhoods PEIR is relevant only to the extent that the proposed project, either individually or cumulatively, would result in more severe adverse impacts than were identified in the Eastern Neighborhoods PEIR because of the increase in shuttles. Thus, whether or not commuter shuttles cause or exacerbate displacement as the appellant contends, which is a matter of substantial debate[39], is not relevant to determining if the proposed project would have new or more severe impacts on the physical environment than previously identified. Nevertheless, by increasing the supply of both market rate and below market rate housing, the proposed project along with other housing development under the Eastern Neighborhoods rezoning and area plans would serve to alleviate market pressures from any increased demand for housing attributable to commuter shuttles. Regardless, as discussed above, any such effects are socioeconomic in nature, and are not in and of themselves significant impacts on the physical environment.

7.1.5.1 San Francisco Commuter Shuttle Program

The number of privately operated shuttles in San Francisco has grown in recent years. Numerous employers, educational institutions, medical facilities, office buildings, and transportation management associations offer shuttle service to their employees, students, and clients. Some development projects are required to provide shuttle services as part of their conditions of approval (and the impacts of their shuttle services are considered within the development project's environmental review), and an employer may comply with San Francisco's Commuter Benefits Ordinance and the Bay Area's Commuter Benefits Program by offering a free commute shuttle to employees. The majority of the commuter shuttles are closed systems that provide service to a specific population and are not open to the general public. Most shuttles are provided for free to employees (or students, tenants, etc.). There are two distinct markets within the shuttle sector: those that operate within San Francisco (intra-city) and those that operate between San Francisco and another county (inter-city regional). Shuttles support local San Francisco and regional goals by decreasing single occupancy vehicle trips, vehicle miles traveled, and private vehicle ownership.

[39] According to rider surveys conducted as part of the environmental review for SFMTA's Commuter Shuttle Program, only 5 percent of shuttle riders would move closer to their jobs if shuttles were unavailable.

Prior to August 2014, San Francisco did not regulate commuter shuttle activity on city streets. Shuttles operated throughout the city on both large arterial streets, such as Van Ness Avenue and Mission Streets, and smaller residential streets. Shuttles loaded and unloaded passengers in a variety of zones, including passenger loading (white) zones, Muni bus stops (red) zones, and other vacant curb space. When curb space was unavailable, shuttles often would load or unload passengers within a travel lane. The lack of rules and guidelines for where and when loading and unloading activities were permitted, and the lack of vacant space in general, resulted in confusion for shuttle operators and neighborhood residents, inconsistent enforcement, and real and perceived conflicts with other transportation modes.

To address these issues, in January 2014, the SFMTA Board of Directors approved an 18-month pilot program to test sharing of designated Muni zones and establish permitted commuter shuttle-only passenger loading (white) zones for use by eligible commuter shuttles that paid a fee and received a permit containing the terms and conditions for use of the shared zones. The pilot program began in August 2014, and created a network of shared stops for use by Muni and commuter shuttle buses that applied to participate, and restricted parking for some hours of the day in certain locations to create passenger loading (white) zones exclusively for the use of permitted commuter shuttles.

Based on information collected through the pilot program, SFMTA developed and adopted a Commuter Shuttle Program effective February 2016. As required under CEQA, the Planning Department conducted a detailed evaluation of the potential environmental effects of the Commuter Shuttle Program prior to its adoption.[40] The environmental review for the shuttle program concluded that the program would not have significant environmental impacts, including impacts on traffic, transit, bicycles, pedestrians, loading, air quality, greenhouse gas emissions, and noise. According to this review, the availability of commuter shuttles:

- Reduces the number of commuters who drive alone to work
- Reduces regional VMT
- Reduces regional emissions of ROG, PM_{10}, and $PM_{2.5}$
- Increases regional NOx emissions, but not in excess of the applicable CEQA significance threshold
- Reduces greenhouse gas emissions
- Increases health risk from exposure to diesel exhaust, but not in excess of the applicable CEQA significance thresholds
- Increases traffic noise but not in excess of applicable CEQA significance thresholds

Thus, the available evidence demonstrates that the increased use of commuter shuttles has not resulted in new or substantially more severe significant impacts on transportation than previously identified in the Eastern Neighborhoods PEIR.

[40] San Francisco Planning Department, Case No. 2015-007975ENV, October 22, 2015.

7.1.6 Parking

In accordance with CEQA section 21099 parking shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the appellant's concerns regarding impacts of the proposed project on parking are not subject to review under CEQA.

7.1.7 Conclusion

Based on the evidence and analysis presented above, the transportation impacts resulting from planned growth under the Eastern Neighborhoods rezoning and area plans appear to be less severe than expected in the Eastern Neighborhoods PEIR. Therefore, socioeconomic effects of the proposed project would not result in an increase in the severity of previously identified significant impacts on transportation as a result of substantial new information that was not known at the time the Eastern Neighborhoods PEIR was certified.

7.2 AESTHETIC IMPACTS

In accordance with CEQA section 21099 – Modernization of Transportation Analysis for Transit Oriented Projects – aesthetics shall not be considered in determining if a project has the potential to result in significant environmental effects, provided the project meets all of the following three criteria:

a) The project is in a transit priority area;

b) The project is on an infill site; and

c) The project is residential, mixed-use residential, or an employment center.

The proposed project meets each of the above three criteria and thus, the environmental review for the proposed project does not consider aesthetic effects.

7.3 HISTORIC AND CULTURAL IMPACTS

The Calle 24 Latino Cultural District is the area bound by Mission Street to the west, Potrero Street to the East, 22nd Street to the North and 25th Street to the South, including the 24th Street commercial corridor from Bartlett Street to Potrero Avenue. The district is defined as a region and community linked together by similar cultural or heritage assets, and offering a visitor experiences that showcase those resources.[41]

[41] Garo Consulting for the Calle 24 Latino Cultural District Community Council, Calle 24 Latino Cultural District Report on the Community Planning Process Report, December 2014. http://www.calle24sf.org/wp-content/uploads/2016/02/LCD-final-report.pdf, accessed June 8, 2016.

The district hosts longstanding activities, traditions, or organizations that have proven to bridge more than one generation, or approximately 25 years. Cultural heritage assets identified within the district fall under the following themes: cultural events; arts and culture - installations and public art, organizations and venues, and retail; religion; services and non-profits; food and culinary arts; and parks. Cultural heritage assets as such are not eligible for designation to local, state, and national historical resource registries. Cultural heritage assets may be associated with a physical property, but they are immaterial elements that are not eligible for listing on local, state, and federal registries of historic properties, and thus are not considered historical resources under CEQA or state or local landmarking law. Therefore, any effects that the proposed project might have on the cultural heritage assets within the Calle 24 Latino Cultural District (assuming those assets are not linked to a physical eligible historical resource) would be considered social or economic effects, and not impacts on the physical environment.

The appellant incorrectly characterizes economic and social effects as physical environmental impacts, stating, in the October 14, 2016 supplemental appeal letter:

> "Here, the cumulative impacts of the proposed project and other projects poses the risk of accelerated Valenciazation [sic] of the LCD. Here, mom and pop Latino owned and operated concerns are at risk of being replaced by high end restaurants, clothing and accessory stores, and personal trainer gyms and yoga studios. This is a change in the physical environment…"

As discussed above in Section 5.1 Commercial Gentrification, the appellant's claim that the proposed project would cause or contribute to commercial gentrification is not supported by empirical evidence. However, even if the project would lead to such effects, this would not constitute a physical environmental impact. The replacement of existing retail businesses with other retail businesses that the appellant claims the project would cause may constitute a change in the character of the 24th Street commercial corridor. Contrary to the appellant's assertion, such a change is an economic and social effect that shall not be treated as a significant effect on the environment per CEQA Guidelines section 15131(a) (see Section 3.0 Approach to Analysis above).

7.4 GREENHOUSE GAS IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant greenhouse gas impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding greenhouse gas impacts.

Moreover, unlike the PEIR, which was certified prior to the addition of greenhouse gas impacts to the Planning Department's CEQA initial study checklist, the CPE includes an assessment of the proposed project's greenhouse gas emissions. This analysis uses the Planning Department's current greenhouse gas impact assessment methodology, which evaluates projects for conformity with San Francisco's *Strategies*

to Address Greenhouse Gas Emissions.[42] The analysis presented in the CPE demonstrates that the proposed project would not result in a significant impact either individually or cumulatively due to greenhouse gas emissions not previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

7.5 AIR QUALITY IMPACTS

The appellant claims that the proposed project would cause or contribute to displacement of lower income residents leading to increased transportation impacts, which in turn would result in significant air quality impacts that were not identified in the Eastern Neighborhoods PEIR. As discussed above, the appellant's claim that the proposed project would cause displacement that would lead to new or more severe transportation impacts is not supported by the available evidence. As such, there is no basis for the appellant's assertions regarding air quality impacts.

The CPE evaluates whether the proposed project would result in significant impacts on air quality beyond those identified in the Eastern Neighborhoods PEIR. This analysis applies current air quality regulations and modelling to update the analysis conducted for the Eastern Neighborhoods PEIR. As presented in the CPE checklist, this up-to-date, project-specific analysis demonstrates that the proposed project would not result in new or more severe impacts on air quality than previously identified in the Eastern Neighborhoods PEIR. The appellant has not shown that this determination is not supported by substantial evidence.

8 CONCLUSION

The Planning Department agrees with the appellant that the Mission is undergoing socioeconomic changes that are affecting existing residents, local small businesses, employment, and the character of the Mission community. The department is actively engaging with the community, the Board of Supervisors, the Mayor's Office, and other City departments in initiatives designed to ease the socioeconomic pressures on the community. These efforts include the 2016 Mission Interim Controls, the Calle 24 Special Use District, MAP2020, and a broader citywide analysis of socioeconomic trends.

However, the Planning Department disagrees with the appellant's position that development under the Eastern Neighborhoods rezoning and area plans such as the 1515 South Van Ness Avenue project are responsible for residential or commercial displacement. As shown in the above analysis, the appellant's contention that the proposed project would cause or contribute to socioeconomic effects that would in turn result in significant impacts on the physical environment that were not previously identified in the Eastern Neighborhoods PEIR is contrary to the evidence. Based on the available data and expert opinion presented in the academic literature, it appears that the fundamental causes of gentrification and displacement in the Mission and elsewhere in San Francisco are likely related to broader economic and social trends, such as the mismatch between the supply and demand for housing at all levels, the strength of the regional economy, low unemployment, high wages, favorable climate, and a preference for urban

[42] San Francisco Planning Department, *Strategies to Address Greenhouse Gas Emissions in San Francisco,* November 2010. Available at http://sfmea.sfplanning.org/GHG_Reduction_Strategy.pdf, accessed March 3, 2016.

lifestyles and shorter commutes. These issues are clearly beyond the scope and reach of the environmental review process for individual projects under CEQA.

Finally, the issues raised by the appellant are not new. The Population, Housing, Business Activity, and Employment section of the Eastern Neighborhoods PEIR included a thorough analysis of these issues, examining, among other things, whether development under the rezoning and area plans would cause or contribute to gentrification or displacement. The impacts of growth afforded under the rezoning and area plans on the physical environment are evaluated and disclosed in both the plan level and project level CEQA documents under the relevant resource topics such as transportation, air quality, noise, parks and open space, and public services. The appellant has not demonstrated that the department's CEQA determination for the 1515 South Van Ness Avenue project is not supported by substantial evidence. The Planning Department therefore recommends that the Board reject the appeal and uphold the department's CEQA determination for the proposed project in accordance with CEQA section 21080.3 and CEQA Guidelines section 15183.

Appendix A

Socio-Economic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Prepared for:

The City and County of San Francisco
Planning Department

Prepared by:

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March 2017

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March 1, 2017

Chris Kern
Senior Environmental Planner
Planning Department, City and County of San Francisco
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: Socioeconomic Effects of Market-Rate Development on the Calle 24 Latino Cultural District, San Francisco, CA

Dear Mr. Kern:

ALH Urban & Regional Economics (ALH Economics) is pleased to present this report addressing several issue areas associated with new market rate residential development in San Francisco's Calle 24 Latino Cultural District (LCD). The issue areas were identified and discussed in collaboration with the San Francisco Planning Department, and the research and findings are intended to complement materials the City Planning Department is preparing pursuant to a Board of Supervisor's November 2016 request.

It has been a pleasure working with you on this project. Please let me know if there are any questions or comments on the analysis included herein.

Sincerely,

Amy L. Herman
Principal

ALH Econ\2016 Projects\1623\Report\1623.r03.doc

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I. INTRODUCTION AND SUMMARY OF FINDINGS AND CONCLUSION

INTRODUCTION

There are many market-rate residential apartment projects proposed in San Francisco's Mission District, and specifically within the Calle 24 Latino Cultural District (LCD). Locally, some concern has been raised about the adequacy of environmental analysis prepared for these projects, specifically regarding socioeconomic impacts, such as residential and commercial displacement, as well as housing cost impacts.

The City and County of San Francisco Planning Department is preparing a response to these concerns, and ALH Urban & Regional Economics (ALH Economics) was engaged as a technical expert to evaluate certain related issues. In collaboration with the Planning Department and at their direction, ALH Economics prepared the following:

- 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.

ALH Economics also identified and reviewed court cases addressing the relevancy of socioeconomic impacts to CEQA.

The report includes a summary of the literature review findings, with a detailed literature overview included in an appendix. Another appendix includes an introduction to ALH Economics and the firm's qualifications to prepare this report. The founder of ALH Economics has been actively involved in preparing economic-based analysis for environmental documents and EIRS for well over ten years, and has been involved in environmental analysis pertaining to over 50 urban development projects throughout the San Francisco Bay Area and the State of California.

SUMMARY OF FINDINGS AND CONCLUSION

The detailed study findings are presented in the following report sections. Summary findings for each major topic are below, including a general conclusion for the overall research and analysis effort.

Pipeline Impacts on Commercial Gentrification. Research and analysis associated with the Pipeline residential projects in or near the LCD finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts, such as the displacement of existing commercial establishments. The amount of neighborhood-oriented demand generated by residents of the pipeline projects in and near the LCD (e.g., 34,400 square feet) is approximately equivalent to the amount of net retail space planned in those projects (e.g., 30,447 square feet). It is therefore not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects. Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.

Retail supply and demand analysis for the Mission and the LCD demonstrate that both areas are regional shopping destinations, providing more retail supply than can be supported by their residents.

This indicates three issues: (1) broad socioeconomic change is a greater influence on commercial uses than is the immediate population of the neighborhood; (2) new residential development in the LCD plays an insignificant role in influencing the overall commercial make-up of the district, as the commercial base is supported by a local as well as a regional clientele; and (3) that changes in occupancy within the existing housing stock likely have a much greater impact on the neighborhood-oriented commercial base than residents of new residential development.

Residential Displacement. The City of San Francisco has experienced strong apartment rent increases over the past 20 years. Over this time, average rents for investment grade properties with 50 or more units increased at an annual average rate of 5.5%. The inflation-adjusted annual increase over this time was 2.9%. Thus, rents increased at a rate of 2.6% per year over inflation. In 2016, market-rate apartment rents in San Francisco tapered off, characterized by relatively flat increases in rental rates overall, with some neighborhood variability. Historic market trends suggest that increases in rents will continue to occur; however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur. Moreover, during 2016, the San Francisco entered a slower period of rent increases, including relative to nationwide trends in rent appreciation.

ALH Economics reviewed academic and related literature to probe whether market-rate apartment production in the LCD will impact rents of existing properties, thereby making housing less affordable for existing residents. The findings generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

ALH Economics reviewed additional literature on the topic of gentrification, addressing the causal relationship between market rate residential development and gentrification and displacement. In general, these studies indicate that experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with public policy tools available to stabilize communities. Some studies also suggest that in some instances, existing low-income households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction. The overall conclusion resulting from the literature review is that the evidence in the academic literature does not support the concern that gentrification associated with new LCD market-rate development will cause displacement. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

Socioeconomic Effects in CEQA Analysis. Socioeconomic effects are not routinely included in EIR's prepared for projects pursuant to CEQA. CEQA does not require analysis of socioeconomic issues such as displacement, gentrification, environmental justice, or effects on "community character." There are very few court rulings on this topic, with the limited relevant cases suggesting very few instances where significant physical changes in the environment have been linked to social or

economic effects. As there are few examples of whether this has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. Thus, case review does not demonstrate the significant physical impact required under CEQA to warrant further review.

General Conclusion. In conclusion, the evidence included in this report, resulting from the research and literature review, indicates that the socioeconomic impacts identified and discussed are policy considerations that do not meet the level of physical impacts required to warrant review and analysis under CEQA.

II. PIPELINE IMPACTS ON COMMERCIAL GENTRIFICATION

ISSUE OVERVIEW

Concern has been raised about the ***commercial*** gentrification impacts of new residential development in the Calle 24 Latino Cultural District LCD, both individually and cumulatively. This includes concern that existing small businesses will be replaced by upscale corporate-owned businesses, and concern about the vulnerability of non-profits that are on month-to-month tenancies. There is little existing literature or study of commercial gentrification effects of new development, however, a 2016 study published by Rachel Meltzer, Assistant Professor of Urban Policy at the Milano School of International Affairs, Management, and Urban Policy at The New School, cited that case study analysis in New York City indicated that "[t]he results of gentrification are mixed and show that gentrification is associated with both business retention and disruption."[1] Meltzer further found that most businesses stay in place, and "displacement is no more prevalent in the typical gentrifying neighborhood than in nongentrifying neighborhoods."[2] These are findings derived from citywide analysis of business displacement and replacement in New York City, and from three neighborhoods with both gentrifying and nongentrifying census tracts. These neighborhoods are East Harlem, Astoria, and Sunset Park. While the results vary by neighborhood, Meltzer concludes by stating that "[t]he fact that displacement is not systematically higher in New York City's gentrifying neighborhoods bodes well for cities experiencing less aggressive gentrification; however, cities with less vibrant neighborhood retail markets could be more vulnerable to gentrification-induced displacement."[3]

The Mission District, specifically the LCD, is a vibrant neighborhood retail market, characterized by a high proportion of Latino-oriented retailers, restaurants, and services, but also other ethnic restaurants, book stores, food markets, general merchandise stores/housewares stores, beauty/nail salons, jewelry stores, laundromats, and a variety of other neighborhood-oriented businesses, with only a limited number of commercial vacancies. Based on Meltzer's paper, it is therefore reasonable to conclude that this vibrancy suggests that commercial displacement is no more likely to occur in the LCD where gentrification is presumed to be occurring than in other San Francisco neighborhoods not experiencing gentrification. Meltzer suggests that opportunity exists for neighborhoods to gain quality-of-life services through new businesses and retain more businesses under conditions of gentrification, perhaps due to new and increased spending power locally. Meltzer also recognizes, however, that in "neighborhoods where services grow and/or change, the new products, price points, or cultural orientation could be more alienating than useful for incumbent residents."[4]

This latter point is similar to concerns expressed regarding the potential for new development in the LCD to result in changes similar to what has been seen in the Valencia Street Corridor – a commercial area that has experienced significant change in past decades. As demonstrated by City of San Francisco research, the change in the Valencia Street Corridor occurred despite the relative lack of new residential development, which suggests that other factors may be more directly associated with

[1] Rachel Meltzer, "Gentrification and Small Business: Threat or Opportunity?," Cityscape: A Journal of Policy Development and Research, Volume 18, Number 3, 2016, page 57. See https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html.
[2] Ibid.
[3] Ibid, page 80.
[4] Ibid.

commercial gentrification in San Francisco than new area residential development. Thus, based on the evidence presented and existing academic literature, ALH Economics does not agree that new residential development causes gentrification of commercial space.

In reaching this conclusion, ALH Economics examined the potential for neighborhood-oriented retail and commercial demand generated by the Pipeline projects in the LCD, and other projects near the LCD whose residents could potentially generate retail and services demand in the LCD. The analysis estimates the amount of space likely to be supported by the Pipeline households, and assess if this could result in a change of the composition of the commercial base in the LCD. As noted previously, this commercial base currently includes a high proportion of Latino-oriented retailers, restaurants, and services, but also includes other ethnic restaurants, book stores, food markets, general merchandise store/housewares stores, beauty and nail salons, jewelry stores, laundromats, a variety of other neighborhood-oriented businesses, and a limited number of commercial vacancies.

The analysis finds that the amount of neighborhood-oriented retail demand is unlikely to result in commercial market shifts. The Pipeline projects will instead be increasing the retail base, eliminating risk of pressure on the existing commercial base. Thus, there is no basis to suggest that existing commercial establishments will be displaced because of the Pipeline projects in or near the LCD.

RESIDENTIAL PIPELINE

San Francisco's Development Pipeline for 2016 Q3[5] was examined to identify proposed residential projects in and near the LCD. Projects were identified based on their location and approval status, including number of net new units, both market rate and affordable, and net new retail space included in the project. Specifically, the following type of projects are included:

- Projects that have filed applications, but are still under review
- Projects that have received Planning/DBI entitlements but have not yet broken ground
- Project that are under construction

Projects in the LCD were identified based on the LCD's boundaries, while other projects near but outside the LCD were identified within about a 3-4-block radius of the LCD's boundaries. There may be yet other projects close to this area, but to assess demand for neighborhood-oriented retail and services this analysis focuses on projects in the greatest proximity to the LCD. The projects and their net unit counts and net new retail square footage are listed in Table 1 on the following page.

Information extracted from the Development Pipeline, and supplemented by the Planning Department, indicates a total of 1,019 net new housing units. This includes 705 market rate units, comprising 298 in the LCD and 407 near the LCD, and 314 affordable housing units, comprising 158 in the LCD and 156 near the LCD (i.e., 35% affordable in the LCD and 28% affordable near the LCD, totaling 31% affordable overall). Most of the affordable housing units are rental, but a small number are owner units. In total, there are 456 units planned in the LCD and 563 units planned near the LCD. In addition, these projects include 10,735 net new square feet of retail space in the LCD and another 19,712 square feet near the LCD. This is a total of 30,447 square feet of net new retail space.

This residential pipeline reflects a significant increase over past housing production in the Mission District. Based upon the City's Housing Inventory reports, a total of 2,132 net new housing units were

[5]See https://data.sfgov.org/dataset/SF-Development-Pipeline-2016-Q3/k7mk-w2pq for the database.

built in the Mission between 2001 and 2015. This is equivalent to an average of 143 units per year.[6] The specific share of these units in and around the LCD is indeterminate, but this low number for the Mission suggests the LCD had a much lower amount of development in this timeframe, which likely contributed to rising rents due to limited supply. With so more units planned on a relative basis, rents could contribute to soften as they did in 2016 (see next report section on rent trends).

Table 1. Pipeline Projects
By Location, Approvals Status, Type of Housing Units, and Net New Retail

	Housing Unit Composition					
	Market	Affordable		Senior		Net New
Project Status and Location	Rate	Rental	Owner	Affordable	Total	Retail
LCD Projects						
Entitled						
2600 Harrison St	20	0	0	0	20	0
Non-entitled						
1296 Shotwell St	0	0	0	96	96	0
2675 Folsom St	94	23	0	0	117	0
1515 South Van Ness Ave	118	39	0	0	157	5,241
2782 Folsom St	4	0	0	0	4	0
3314 Cesar Chavez St (1)	50	0	0	0	50	1,740
2799 24th Street	7	0	0	0	7	-269
3357 26th Street	5	0	0	0	5	4,023
Sub Total LCD Projects	*298*	*62*	*0*	*96*	*456*	10,735
Projects Near but Outside the LCD						
Entitled						
1198 Valencia St	43	0	6	0	49	5,050
1050 Valencia St	12	0	0	0	12	1,900
2000 Bryant Street	191	3	0	0	194	1,087
Non-entitled						
2070 Bryant Street (2)	0	0	136	0	136	0
2632 Mission St	14	0	2	0	16	7,766
1278 - 1298 Valencia St	35	0	0	0	35	3,737
2918 Mission St	48	7	0	0	55	-500
3620 Cesar Chavez St	24	0	0	0	24	672
3659 20th St	5	0	0	0	5	0
3700 20th St	1	0	0	0	1	0
606 Capp St	18	2	0	0	20	0
987 Valencia St	8	0	0	0	8	0
2610 Mission	8	0	0	0	8	0
Sub Total Projects Near LCD	*407*	*12*	*144*	*0*	*563*	19,712
Total Pipeline	**705**	**74**	**144**	**96**	**1,019**	**30,447**

Sources: San Francisco Development Pipeline, 2016, Q3; City and County of San Francisco Planning Department; and ALH Urban & Regional Economics.
(1) Affordable unit count as yet unknown.
(2) Unit range 99-136. Analysis assumes 136. Analysis also conservatively assumes units will be owner units, but the tenure has not yet been determined.

[6] See San Francisco Planning Department, "San Francisco Housing Inventory for years 2001 through 2015.

Approach to Estimating Residential Retail Demand

ALH Urban & Regional Economics prepared a neighborhood retail spending analysis, or demand analysis, for the Pipeline's households. This spending analysis takes into consideration average household income, the percent of household income spent on retail goods, prospective spending in the retail categories used by the State of California Board of Equalization (which collects and reports business count and taxable sales data by retail category), generalized store sales per square foot for these categories, percent of category spending assumed to be directed to neighborhood shopping outlets, and an adjustment for service demand relative to retail demand.

Average household incomes for the Pipeline projects were estimated based on estimated average rents for the market rate units and maximum income requirements for the affordable units, and percent of household income spent on housing. Since most of the Pipeline projects are planned and are not in lease up phase, project rents for all units are not available. However, preliminary pricing and unit mix for the proposed Axis Development Group project at 2675 Folsom Street, which includes 40% 2+ bedroom units, indicates average monthly rents of $4,100 for market rate units.[7] To support the analysis, this rate is assumed for all the identified market rate Pipeline apartment units. This assumption and the assumption for all the planned Pipeline units by location and type are presented in Exhibit 1. For the affordable rental units (excluding the senior units), households are assumed to comprise a 3-person household at 55% of Area Median Income (AMI). This results in an annual household income assumption of $53,300 for 2016. The assumption for the senior households is $41,450 a year, which is the 55% of AMI income for 1-Person households for 2016. This may be high, and thus conservative for the purpose of this analysis, as approximately 20% of the affordable senior housing units will be targeted to formerly homeless individuals. Finally, the affordable owner units are assumed to be occupied by 4-person households at 80% of AMI. This annual household figure is $86,150.

The average household income for the market rate units is assumed to be three times the annual rent requirement, which is a standard housing cost to income convention. This results in annual household incomes of $148,000 for the market rate units. In San Francisco, the rent burden is often much greater, but the analysis ***conservatively*** assumes a multiple of three, thus resulting in higher incomes and higher spending potential than would result from the assumption of a greater housing cost burden. In like manner, the rents or monthly mortgage payments for the affordable units are assumed to comprise one-third the household incomes, divided over a 12-month period. Thus, rents or mortgage payments are equivalent to $1,481 to $2,393 per month. These figures might be conservative because they do not consider utility or other monthly costs, and because of the unlikely one-third of income spent on housing costs assumption.

The amount households spend on retail goods varies by household income. Date published by the U.S. Bureau of Labor Statistics, 2015 Consumer Expenditures Survey, provides information regarding

[7] Provided to ALH Urban & Regional Economics. The market rate rent is generally consistent with average San Francisco rents for investment-grade properties. Through most of 2016, rents averaged approximately $2,830 for a studio, $3,370 for a one-bedroom unit, $3,620 to $4,715 for a two-bedroom unit, and $4,580 for a three-bedroom unit, with an overall average of $3,570. These rates are pursuant to RealAnswers, a real estate resource that tracks apartment rents in major markets.

household spending on retail based upon income. This information is presented in Exhibit 2, pursuant to upon ALH Economics estimates of the percentage of income spent on retail goods based on the type of retail goods tracked by the California State Board of Equalization (BOE). As an example, households in the $40,000 to $49,999 annual income range, with an average household income of $44,568, are estimated to spend 40% of income on retail goods. Extrapolating all the percentages of income spent on retail matched to the average household income per category results in percent of income spending estimates on retail for the Pipeline projects. The results range from 26% of income for the market rate units to 42% for the senior affordable rental units. These estimates are included in Exhibit 1 with the estimates of monthly rent and average household incomes.

Household and Pipeline Demand Estimates

Based upon the household income and percent of income spent on retail estimates Exhibit 1 also includes estimates of per household and total demand for retail pursuant to dollars spent. These figures total per household retail spending ranging from $19,900 for the households in the affordable rental units to $39,100. For the purpose of these projections, the market-rate units are assumed to operate at 95% occupancy and the affordable units at 100% occupancy.[8] Therefore, given the occupancy assumptions, the total demand comprises $14.0 million for the households in the Pipeline LCD units and $19.3 million for the households in the Pipeline near LCD households. The grand total is $33.3 million in retail demand. Notably, this is demand for all retail sales, not just neighborhood-oriented retail, which is the more comparable to the type of retail goods located in the LCD.

As a proxy for total household spending patterns (e.g., all retail, not exclusively neighborhood-oriented retail), Pipeline residents are assumed to make retail expenditures consistent with statewide taxable sales trends for 2014 converted to estimated total sales (adjusting for select nontaxable sales, such as a portion of food sales). Using California as a benchmark is more appropriate than San Francisco because the City of San Francisco is a significant retail attraction community, and thus using San Francisco's sales pattern as a baseline would distort typical household spending patterns. The results, presented in Exhibit 3, indicate that assumed household spending by the major retail categories tracked by the BOE ranges from a low of 5.2% on home furnishings & appliances to a high of 17.1% on food & beverage stores (e.g., grocery stores). Other key categories include 13.5% on general merchandise (e.g., department and discount stores), 12.2% on food services & drinking places (e.g., restaurants and bars), and 12.4% on other retail, which includes drug stores, electronics, health and personal care, pet supplies, electronics, sporting goods, and others. As noted, not all these sales represent neighborhood-oriented shopping goods. By retail category, assumptions on the share of sales made at neighborhood-oriented outlets were developed to hone in on anticipated demand for neighborhood shopping outlets. These assumptions by category are presented in Table 2, on the following page.

[8] Per RealAnswers, a research group that tracks San Francisco apartment rents, in 2016 the apartment occupancy rate among investment grade properties is 95.3%, which rounds to 95%.

Table 2. Assumed Percentage of Pipeline Residents Spending at Neighborhood-Oriented Outlets

Retail Cateogry	Percent Assumed Neighborhood-Oriented
Motor Vehicle & Parts Dealers	0%
Home Furnishings & Appliances	50%
Building Materials & Garden Equipment	10%
Food & Beverage Stores	80%
Gasoline Stations	0%
Clothing & Clothing Accessories	25%
General Merchandise Stores	25%
Food Services & Drinking Places	75%
Other Retail Group (6)	33%

Source: ALH Urban & Regional Economics.

These assumptions are based upon an understanding of the nature of the retail shopping experience, such as comparison versus convenience goods, and the type of goods sold in retail outlets. Based upon the pattern of estimated spending and the percent neighborhood-oriented assumptions, the overall analysis assumes that 36% of retail spending by Pipeline households comprises neighborhood-oriented spending.

The aggregated retail demand estimates for the occupied LCD and near LCD pipeline households were converted to supportable square feet based upon the following: industry average assumptions regarding store sales performance; an adjustment to allow for a modest vacancy rate; and an allocation of additional space for services, such as banks, personal, and business services. The industry resource of Retail Maxim was relied upon to develop per square foot sales estimates. This resource prepares an annual publication that culls reports for numerous retailers and publishes their annual retail sales on a per square foot basis. Select adjustments including inflation were made to result in 2016 sales estimates. The resulting sales per square foot figures, presented in Exhibit 4, range from a low of $309 per square foot for general merchandise stores to a high of $669 per square foot for food and beverage stores (e.g., grocery stores). A 5% vacancy factor reflects a vacancy allowance to allow for market fluidity. The resulting space estimates were adjusted to comprise support for neighborhood-oriented retail outlets, based upon the assumptions per category. Finally, the analysis assumes 15% of retail space will be occupied by uses whose sales are not reflected in the major BOE categories, yet which require commercial space. This typically includes service retail, such as finance, personal, and business services, and is based on general retail occupancy observations. While 36% of overall retail spending is assumed to comprise support for neighborhood outlets, a factor of 75% was incorporated for services to recognize the more neighborhood orientation of these services.

The Pipeline projects include those located in the LCD and those located near but not in the LCD, typically within a 3-4 block radius. Much of the neighborhood-oriented demand generated by LCD households could be directed at commercial operations located in the LCD, but some could also be directed to commercial operations within walking distance of the LCD or beyond, and thus outside the LCD. This includes the net new retail space planned in the Pipeline projects. In like manner, some of the neighborhood-oriented demand generated by households near but outside the LCD could be directed to commercial operations in the LCD. However, the majority of demand generated by these households could most likely be directed to commercial operations located elsewhere instead of the LCD, including in their own projects as these Pipeline projects also include planned net new retail space. Hence, only a portion of the neighborhood-oriented demand generated by any of the Pipeline

households is likely to be directed to businesses located in the LCD, with other demand directed towards businesses in other neighborhoods, including within walking distance of the Pipeline households.

LCD Pipeline Projects Neighborhood-Oriented Retail and Service Findings. The demand findings for the Pipeline projects in the LCD indicate estimated support for 14,500 square feet of neighborhood-serving retail and commercial space (see Exhibit 5). The level of demand generated by the two largest market-rate projects includes the following: the 117-unit proposed project by Axis Development Group at 2675 Folsom Street with 4,100 square feet (see Exhibit 8) and the 157-unit proposed project by Lennar at 1515 South Van Ness with 5,300 square feet (see Exhibit 8). This means the remaining, smaller Pipeline LCD projects are estimated to generate demand for 5,100 square feet in neighborhood-serving retail and commercial space. As noted, the majority of this demand could be directed within the LCD, especially to the net new retail planned as part of the Pipeline projects, but some portion could likely be directed to other neighborhood-oriented businesses outside the LCD, thus not all the 14,300 square feet of demand may be directed at LCD establishments.

Near LCD Pipeline Projects Neighborhood-Oriented Retail Findings. The retail demand findings for the near LCD Pipeline projects indicate estimated support for 19,900 square feet of neighborhood-serving retail and commercial space (see Exhibit 8). This includes projects located outside the boundaries of the LCD, emanating in most directions. Much of this demand will be directed toward commercial operations near these projects and other adjoining areas, including the net new retail space planned as part of the near the LCD projects, with only a portion likely directed toward LCD operations. Thus, only a portion of the 19,900 square feet of demand could comprise demand for retail and services located in the LCD.

POTENTIAL IMPACTS ON COMMERCIAL GENTRIFICATION

The estimated composition of the neighborhood-oriented retail and commercial space demand generated by the Pipeline is presented in Exhibit 9, and summarized below in Table 3. The figures total 25,493 square feet of retail space, 8,900 square feet of service space, resulting in a rounded total of 34,400 square feet. The largest share of the total demand includes services, followed by grocery stores (food and beverage stores) and restaurants and bars (food services and drinking places). The remaining increments are relatively small, all less than 4,000 square feet. These are relatively small amounts of space, especially considering that these are total demand estimates, only a subset of which could be specifically directed to establishments located in the LCD. Moreover, a large portion of this demand comprises grocery store demand, which could help support the Grocery Outlet store currently under construction in the LCD at 1245 South Van Ness, the location of the defunct DeLano's Market closed since 2010, as well as other existing small markets in the area.

Table 3. Pipeline Projects Neighborhood-Oriented Commercial Square Feet of Demand

Retail Category	Square Feet Supported (1) LCD	Near LCD	Total
Motor Vehicles and Parts	0	0	0
Home Furnishings and Appliances	1,140	1,566	2,705
Building Materials and Garden Equip.	289	397	686
Food and Beverage Stores	3,018	4,146	7,164
Gasoline Stations	0	0	0
Clothing and Clothing Accessories	662	909	1,571
General Merchandise Stores	1,615	2,219	3,834
Food Services and Drinking Places	2,667	3,664	6,331
Other Retail Group	1,349	1,853	3,202
Subtotal	10,739	14,754	25,493
Additional Service Increment	3,749	5,151	8,900
Total	14,489	19,905	34,393
Total Rounded to Nearest 100	**14,500**	**19,900**	**34,400**
Net New Retail Planned	**10,735**	**19,712**	**30,447**

Sources: Exhibits 5, 8, and 9; and Table 1.

The summary in Table 3 also includes the net new retail space planned in the LCD and near the LCD. As noted earlier, this totals 10,735 square feet in the LCD and 19,712 square feet near the LCD, for a combined total of 30,447 square feet. ***As these figures indicate, there is almost equilibrium between the amount of neighborhood-oriented retail demand and the net new amount of planned retail space in Pipeline projects in both the LCD and near the LCD.*** Given that not all neighborhood-oriented demand is likely to be expressed for only the retail space in the identified areas, this likely signifies a relative surplus of net new neighborhood-oriented retail space in the LCD and Near LCD. Thus, ***it is not a likely result that commercial gentrification would result from pressure exerted on the existing retail base in the LCD, as this pressure is not anticipated to occur from the Pipeline projects.*** This supports our earlier assumption that there is a lack of evidence to support the premise that new residential development causes gentrification of commercial space.

Moreover, even without the net new addition of retail space in the Pipeline projects the amount of neighborhood-oriented demand is relatively insignificant given the volume of retail in the LCD. Pursuant to review of the City's Land Use database, which identifies square footage of building area by type by city block, ALH Economics estimates that the LCD has approximately 480,000 square feet of retail space.[9] If, say, 75% of the LCD demand and 33% of the Near LCD demand were specifically directed to LCD establishments, this would equate to just about 17,500 square feet of space, or 3.6% of the existing commercial base in the LCD. This is a relatively small increment of the existing space, and unlikely to be a sufficient share to result in commercial market shifts. However, this analysis is moot, as the Pipeline projects will instead be increasing the retail base, therefore eliminating any risk of pressure on the existing commercial base. ***Thus, there is no basis to suggest that any existing commercial establishments will be displaced because of the Pipeline projects in the LCD or near the LCD.***

[9]See https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q for the database.

This commercial displacement finding is reinforced by analysis regarding the existing balance between retail supply and demand in the LCD as well as the Mission District. As noted above, the LCD is estimated to have 480,000 square feet of retail space. The Mission District has 3,022,780 square feet of retail space.[10] Demand analysis for existing households in the Mission and LCD indicates that both areas are characterized by retail attraction, meaning they attract more retail sales, or demand, than is supportable by their population bases. This is demonstrated by the analysis in Exhibits 10 through 13, with Exhibit 10 presenting the household counts and weighted average household incomes for area households in 2015.[11] These household counts and average household incomes are 15,062 and $103,551 in the Mission, respectively, and 4,083 and $109,587 in the LCD, respectively. The demand analysis for each area was prepared using the same methodology and assumptions as for the LCD pipeline households, with Exhibit 11 estimating total retail demand and Exhibits 12 and 13 distributing these sales across retail categories and converted to supportable space.

The retail demand analyses are summarized in Table 4, which indicates that for the Mission as a whole, residents are estimated to generate total retail demand for 1.1 million square feet, with just under 500,000 square feet of this amount comprising neighborhood-oriented demand. Comparable figures for existing LCD households are 325,500 square feet of total demand, including 141,500 square feet of neighborhood-oriented demand.

Table 4. Mission and LCD Retail Inventory and Total and Neighborhood-Oriented Commercial Square Feet of Demand

Area	Retail Inventory	Square Feet Supported (1)		Supply Multiplier	
		Total	Neighborhood-Oriented	Total	Neighborhood-Oriented
Mission District	3,022,780	1,134,500	493,200	2.7	6.1
LCD	480,000	325,500	141,500	1.5	3.4

Sources: "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9; Exhibits 12 and 13; and ALH Urban & Regional Economics.

These demand estimates indicate that the supply of retail in the Mission as a whole and the LCD outstrip locally-generated demand. In the Mission, the total retail supply is more than 2.5 times the amount of retail supportable by its residents. In the LCD, the figure is smaller at 1.5 times, but is still strongly suggestive of retail attraction, meaning that the existing retail base is attracting clientele from a broader geographic area. This is especially the case when one considers that neighborhood-oriented demand is only a small subset of total demand, with the supply of neighborhood-oriented businesses in both areas greatly exceeding demand for neighborhood retail.

[10] See "Mission Area Plan Monitoring Report: 2011- 2015," Prepared by the City and County of San Francisco Planning Department, Table 2.1.1, page 9. This figure was generated by the Planning Department pursuant to analysis of the City's Land Use Database, which can be found at: https://data.sfgov.org/Housing-and-Buildings/Land-Use/us3s-fp9q.

[11] The household count and income figures for the LCD are derived from a procedure that estimates the area demographics based upon the percentage share of each constituent census tract located in the LCD. These shares were estimated by ALH Economics based upon the visual overlap of the LCD physical boundary with the census tract boundaries.

This analysis demonstrates that the Mission and the LCD are both regional shopping destinations, and that broad socioeconomic change (i.e., citywide, regionally) is a greater influence on commercial uses than is the immediate population of the neighborhood, which can only support a portion of the existing commercial space on its own. Because the existing commercial base in the LCD exceeds the demand from existing residents and is largely supported by persons living beyond the LCD, new residential development within the LCD does not determine its overall commercial make-up. Furthermore, since the existing housing stock comprises the vast majority of all housing units, it is quite likely that changes in occupancy of existing housing units have a much greater impact on the commercial base than residents of new residential development.

III. RESIDENTIAL DISPLACEMENT

OVERVIEW OF RENTAL HOUSING MARKET TRENDS

The following is a brief overview of the historic trends for rental housing in San Francisco. It is based on a review of available databases for tracking rents and provides background context on the existing market, in which the planned market rate rental units in the LCD will be delivered.

Over time, research shows that in San Francisco and across the nation, apartment rents are consistently rising. The occurrence of rising rents, therefore, is not a new phenomenon and appears to occur irrespective of individual market changes. In San Francisco, the increase in housing market costs has trended not in a straight line but more in a "boom and bust" pattern. In San Francisco, the data show that there are often years of strong price and rent increases, followed by periods of slow rent increases or even price and rent declines.

The Association of REALTORS has tracked these trends in San Francisco for the for-sale market and RealAnswers, a data information company (previously named RealFacts, Inc.), has tracked these trends generally for the San Francisco apartment market, including for the past 20 years. RealAnswers, however, only includes "investment grade" properties with 50 or more units, which, as of December 2016, is 24,066 units, or about 11% of San Francisco's rental housing stock.[12] This is only a portion of San Francisco's rental stock, likely represents the highest quality units, and would probably not include units influenced by San Francisco's rent control provision. For this reason, rental trends exemplified by these units are likely reasonably representative of overall trends impacting newer market-rate rental stock in San Francisco. Rents cited by RealAnswers would not, however, be representative of what most San Franciscans pay in rent as it does not capture San Francisco's large number of rental units that are subject to rent control.

Exhibit 14 shows the average investment grade apartment rents by unit type annually from 1996 to 2016. During this 20-year period, San Francisco's rents increased at an average annual rate of 5.5%. In absolute terms, this represents a near tripling of rents, from an average of $1,235 in 1996 to $3,571 in 2016. The Consumer Price Index for the San Francisco-Oakland-San Jose increased at an annual average rate of 2.9% from 1996 to 2016.[13] Thus, rents increased at a rate of 2.6% per year over inflation. During this time, there were some boom periods (1996-1997, 1999-2000, 2010-2014), as well as a few bust years (2000-2003 and 2008-2010); however, rents continued to trend upward over time.

In early 2016, a local resident recorded the listings for unfurnished apartments in the San Francisco Chronicle on the first Sunday in April for each year starting in 1948 through 2001 and using data from Craigslist from 2001 through mid-2016. A graphical depiction of these data is included in the graph on the following page. This graph indicates an upward trend in rents and an average annual rent increase of 6.6% (not adjusted for inflation). [14] While these data are not from a controlled study, they further support earlier observations and analysis that in San Francisco there has been a steady pattern of rental rate increases over an extended time period.

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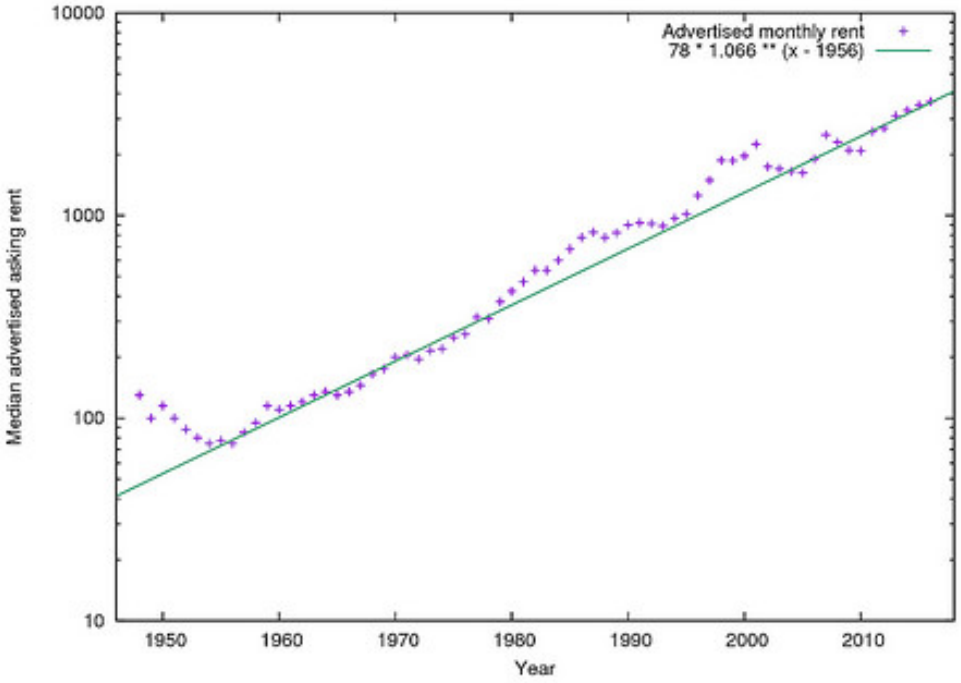
[12] Based on a count of approximately 220,500 rental units in 2014 per City and County of San Francisco estimates.

[13] Source: U.S. Department of Labor, Bureau of Labor Statistics; San Francisco-Oakland-San Jose Consumer Price Index, All Items, 1982-1984=100 for All Urban Consumers. November 15, 2016.

[14] https://experimental-geography.blogspot.com/2016/05/employment-construction-and-cost-of-san.html



Currently, as shown by the RealAnswers data in Exhibit 14, San Francisco appears to be entering once again into a bust period with the rate of recent rent increases for investment grade units slowing down. In 2014, average rent increased 10% over the prior year, followed by an 8.6% increase in 2015 and a 0.4% increase in 2016. This recent slowdown in the rental market for investment grade rental units represented is mirrored in other rental real estate sources, including Zumper, a rental real estate web site, which reports that rents for one-bedroom units citywide declined by 4.9% in 2016.[15]

Yardi Systems, Inc., a company that monitors 50+-unit apartment complexes nationally with a survey called the Yardi Matrix, also reported a recent slowdown in rent increases in San Francisco, with a 0.4% increase in 2016, matching the RealAnswers data trend.[16] Pursuant to the Yardi Matrix, the 2016 rental rate increase in San Francisco was a fraction of the 4.0% national rental rate increase, based on 119 markets, and was actually the second lowest rate of increase nationally, surpassing only Houston, which indicated an actual rent decline.[17] This varies somewhat from historical trends, wherein over just the past eight years, the unadjusted rate of increase in San Francisco rents was 4.8% (per data presented in Exhibit 14), compared to the year over year national rate of increase of 2.3% over the same time period reported by the Yardi Matrix.[18] Thus, San Francisco's current market rate

[15] https://www.zumper.com/blog/2016/12/san-francisco-prices-decreased-4-9-in-2016/, as reported in http://sf.curbed.com/2016/12/21/14039464/rent-prices-san-francisco-2016-bayview

[16] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

[17] Ibid.

[18] http://www.multifamilyexecutive.com/property-management/rent-trends/yardi-moderating-rent-trends-belie-strong-year-of-growth_o

residential rental market is experiencing a marked deviation from local and comparative historical trends. Despite the recent slowdown in rental rate increases, however, San Francisco has maintained its position as ***the most expensive market in the country*** with a one-bedroom rent of $3,330 per month.[19]

Looking at the neighborhood level, Zumper found that ***most*** neighborhoods experienced a decline in rents in 2016, but that median rents for one-bedroom units in Bayview increased 11.5% and rents in the Mission increased less than 5%. This increase in rents in the Mission is lower than the increases measured in 2015, which were 5% to 10% for one- bedroom units.[20]

Based on evidence reviewed, San Francisco rents have tapered off, with 2016 characterized by relatively flat increases in rental rates overall, averaging declines in some neighborhoods and modest increases in others, such as the Mission District. Increases in rents will continue to occur based on historic market trends and irrespective of the market dynamics at any specific point in time, but at this moment in time the San Francisco market appears to be entering a slower period of rent increases. As noted above, however, many San Franciscans live in rent-controlled apartments and are insulated from short-term annual increases that occur.

HOUSING PRODUCTION IMPACTS ON HOUSING COSTS

The following probes whether market-rate housing production in the LCD will result in making housing less affordable for existing residents. It is based on review of existing literature on the subject as well as independent research on the subject. The focus is on the impact of market-rate housing apartment production on rents of existing properties.

Existing Literature

ALH Urban & Regional Economics reviewed many studies and papers to identify the resources that best address the question of the impact of housing production on pricing. The resources found to be among the most relevant to this question include studies on several topics, including understanding the dynamics for pricing, increasing the availability of affordable housing, and understanding the relationship between home production and displacement. Based upon this review of the literature and related studies, five papers (including document links) stand out in regards to their consideration of this issue. These papers were authored by state and local policy analysts as well as urban planning academics, and include the following:

1. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "California's High Housing Costs: Causes and Consequences," March 17, 2015.
http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf

2. Mac Taylor, Legislative Analyst, California Legislative Analyst's Office, "Perspectives on Helping Low-Income Californians Afford Housing," (February 2016).
http://www.lao.ca.gov/Reports/2016/3345/Low-Income-Housing-020816.pdf

[19] https://www.zumper.com/blog/2016/12/zumper-national-rent-report-december-2016/
[20] https://www.zumper.com/blog/2015/12/see-how-san-francisco-rent-prices-changed-in-2015-2/

3. City and County of San Francisco, Office of the Controller-Office of Economic Analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," (September 10, 2015). http://sfcontroller.org/sites/default/files/FileCenter/Documents/6742-mission_moratorium_final.pdf

4. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016).
http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

5. Paavo Monkkonen, Associate Professor Urban Planning, University of California Los Angeles, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," Housing, Land Use and Development Lectureship & White Paper, December 1, 2016.
http://uccs.ucdavis.edu/uccs-crre-housing-policy-brief-white-paper

The findings from the five studies reviewed below generally coalesce in the conclusion that housing production does not result in increased costs of the existing housing base, but rather helps suppress existing home prices and rents. In addition, through filtering, new home development makes other units available for households with lower incomes than those occupying newer units, although the rate at which this filtering occurs can vary, depending upon the housing market dynamics. Further, the studies find that both market-rate and affordable housing development help to suppress price appreciation and reduce displacement, although the rate at which this occurs in small, localized areas requires further analysis to best understand the relationship between development, affordability, and displacement at the local level.

Following is a brief synopsis of the cited studies with a focus on housing production and housing costs, emphasizing where possible on rental housing, as this is most applicable to the current projects in the pipeline in the San Francisco's LCD in the Mission. The key findings of each study are highlighted.

California Legislative Analyst's Office

March 2015 Study. Taylor's March 2015 study has the stated purpose of providing the State Legislature with an overview of the state's complex and expensive housing markets, including multifamily apartments. The study addresses several questions, including what has caused housing prices to increase so quickly over the past several decades and assessing how to moderate this trend. This study is focused on statewide and select county trends, and especially focuses on coastal metro areas, which includes San Francisco.

As a way of setting the framework, and as an example of how housing prices in California are higher than just about anywhere else in the country, the study demonstrates that California's average rent is about 50% higher than the rest of the country, and that housing prices are 2.5 times higher than the national average. As a major finding, regarding how building less housing than people demand drives high housing costs, the study cites the following:

> "California is a desirable place to live. Yet not enough housing exists in the state's major coastal communities to accommodate all of the households that want to live there. In these areas, community resistance to housing, environmental policies, lack of fiscal incentives for local governments to approve housing, and limited land constrains

> new housing construction. A shortage of housing along California's coast means households wishing to live there compete for limited housing. This competition bids up home prices and rents. Some people who find California's coast unaffordable turn instead to California's inland communities, causing prices there to rise as well. In addition to a shortage of housing, high land and construction costs also play some role in high housing prices."[21]

The study makes many findings, including pertaining to the impacts of affordable housing programs, but specifically addresses how building less housing than people demand drives high housing costs, citing that the competition resulting from a lack of housing where people want to live bids up housing costs. While the study concludes that the relationship between growth of housing supply and increased housing costs is complex and affected by other factors, such as demographics, local economics, and weather, it concludes that statistical analysis suggests there remains a strong relationship between home building and prices. A major study finding presented in the paper indicates that:

> "after controlling for other factors, if a county with a home building rate in the bottom fifth of all counties during the 2000s had instead been among the top fifth, its median home price in 2010 would have been roughly 25 percent lower. Similarly, its median rent would have been roughly 10 percent lower."[22]

Thus, the Taylor study concludes, as a result of conducting statistical analysis, that ***a relationship exists between increasing home production and reducing housing costs, including home prices and apartment rents.***

February 2016 Study. In response to concerns about housing affordability for low-income households following release of his 2015 study, Taylor's February 2016 follow-up study offers additional evidence that facilitating more private housing development in the state's coastal urban communities would help make housing more affordable for low-income Californians. As cited by Taylor:

> "Existing affordable housing programs assist only a small proportion of low-income Californians. Most low-income Californians receive little or no assistance. Expanding affordable housing programs to help these households likely would be extremely challenging and prohibitively expensive. It may be best to focus these programs on Californians with more specialized housing needs—such as homeless individuals and families or persons with significant physical and mental health challenges.
>
> Encouraging additional private housing construction can help the many low-income Californians who do not receive assistance. Considerable evidence suggests that construction of market-rate housing reduces housing costs for low-income households and, consequently, helps to mitigate displacement in many cases. Bringing about more private home building, however, would be no easy task, requiring state and local policy makers to confront very challenging issues and taking many years to come to fruition. Despite these difficulties, these efforts could provide significant widespread benefits: lower housing costs for millions of Californians."[23]

[21] Mac Taylor, "California's High Housing Costs: Causes and Consequences," March 17, 2015, page 3.
[22] Ibid, page 12.
[23] Mac Taylor, "Perspectives on Helping Low-Income Californians Afford Housing," February 2016, page 1.

In this paper, Taylor presents evidence that construction of new, market-rate housing can lower housing costs for low-income households. Highlights of this evidence are as follows:

- Lack of supply drives high housing costs, such that increasing the supply of housing can alleviate competition and place downward pressure on housing costs;
- Building new housing indirectly adds to the supply of housing at the lower end of the market, because a) housing becomes less desirable as it ages; and b) as higher income households move from older, more affordable housing to new housing the older housing becomes available for lower income households (e.g., filtering).

Further, Taylor cites that the lack of new construction can slow the process of older housing becoming available for lower-income households, both owners and renters. Taylor additionally presents analysis demonstrating that when the number of housing units available at the lower end of a community's housing market increases, growth in prices and rents slows. This is demonstrated by comparative analysis of rents paid by low-income households in California's slow growth coastal urban counties and fast growing urban counties throughout the U.S., especially with regard to comparative rent burden as a share of income.

Finally, ***Taylor's paper concludes that more private development is associated with less displacement.***[24] Taylor cites that his analysis of low-income neighborhoods in the Bay Area suggests a link between increased construction of market-rate housing and reduced displacement. Specifically, his study found that between 2000 and 2013, census tracts with an above-average concentration of low-income households that built the most market-rate housing experienced considerably less displacement. Further, his findings show that displacement was more than twice as likely in low-income census tracts with little market-rate housing construction (bottom fifth of all tracts) than in low-income census tracts with high construction levels (top fifth of all tracts).[25] Taylor theorizes that one factor contributing to this finding is that Bay Area inclusionary housing policies requiring the construction of new affordable housing could be mitigating displacement, but that market-rate housing construction continues to appear to be associated with less displacement *regardless* of a community's inclusionary housing policies.[26] In communities without inclusionary housing policies, in low-income census tracts where market-rate housing construction was limited, Taylor also found displacement was more than twice as likely than in low-income census tracts with high construction levels.[27] This relationship between housing development and displacement remains statistically valid even after accounting for other economic and demographic factors.

City and County of San Francisco, Office of Economic Analysis

In 2015, Supervisors Mark Farrell and Scott Wiener requested the Office of Economic Analysis (OEA) to prepare a report on the effects of a temporary moratorium, and an indefinite prohibition, on market-rate housing in the Mission District of San Francisco, pursuant to an 18-month moratorium being put on the November 2015 ballot. Accordingly, a report was prepared focusing on the effects of such actions on the price of housing, the City's efforts to produce new housing at all income levels, eviction pressures, and affordable housing. It also explores if there are potential benefits of a

[24] Taylor defines a census tract as having experienced displacement if (1) ifs overall population increased and its population of low-income households decreased or (2) its overall population decreased and its low-income population declined faster than the overall population (see Taylor, page 13).
[25] Ibid, page 9.
[26] Ibid.
[27] Ibid, page 10.

moratorium, such as reducing tenant displacement, discouraging gentrification, preventing nearby existing housing from becoming unaffordable, and preserving sites for permanently affordable housing.

The primary focus of this study is on addressing the impacts of a moratorium on the availability and provision of affordable housing, on which the study finds that a temporary moratorium would:

> "lead to slightly higher housing prices across the city, have no appreciable effect on no-fault eviction pressures, and have a limited impact on the city's ability to produce affordable housing during the moratorium period. At the end of the moratorium, these effects would be reversed, through a surge of new building permits and construction, and there would be no long-term lasting impacts of a temporary moratorium." [28]

In other words, the study found that suppressing residential production results in increasing the cost of the existing housing stock. In a similar vein, the study states:

> "market rate housing construction drives down housing prices and, by itself, increases the number of housing units that are affordable."[29]

Another study conclusion included finding no evidence that anyone would be evicted so that market-rate housing could be built in the Mission over the next 18 to 30 months as none of the identified planned housing units included in the analysis would require the demolition of any existing housing units.[30] Finally, and perhaps most on point regarding market-rate housing production impacts on pricing, the study stated:

> "We further find no evidence that new market-rate housing contributes to indirect displacement in the Mission, by driving up the value of nearby properties. 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." [31]

This finding regarding price impacts was the result of statistical modeling, with a statistically significant result indicating that ***new market-rate housing did not make nearby housing more expensive in San Francisco during the 2001-2013 period***.[32]

University of California Berkeley, Institute of Governmental Studies

The cited study by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies, builds on other studies prepared by the authors addressing gentrification in the Bay Area region. The purpose of this research brief is to add to the discussion on the importance of subsidized and market-rate housing production in alleviating the current housing crisis, and to especially probe the relationship between housing production, affordability, and displacement. This study specifically expands on the analysis prepared by Taylor in "Perspectives on Helping Low-Income

[28] City and County of San Francisco, Office of the Controller-Office of Economic analysis, "Potential Effects of Limiting Market-Rate Housing in the Mission," September 10, 2015, page 1.
[29] Ibid, page 28.
[30] Ibid.
[31] Ibid.
[32] Ibid page 26.

Californians Afford Housing" (February 2016), wherein Taylor's study was performed using a data set compiled by Zuk and Chapple for their Urban Displacement Project. Specifically, Zuk and Chapple seek to test the reliability of Taylor's findings taking into consideration yet one more additional variable, e.g., production of subsidized housing. Zuk and Chapple also seek to determine if Taylor's noted regional trends regarding the impact of housing production on housing costs and displacement hold up at the more localized neighborhood level.

In general, Zuk and Chapple's findings largely support the argument that building more housing reduces displacement pressures, and agree that "market-rate development is important for many reasons, including reducing housing pressures at the regional scale and housing large segments of the population."[33] They advance the understanding of this trend by concluding that market-rate housing production is associated with reduced displacement pressures, but find that subsidized housing production has more than double the impact of market-rate units. They further find that, through filtering, market-rate housing production is associated with near term higher housing cost burdens for low-income households, but with longer-term lower median rents.

Zuk and Chapple further probe the question of housing production, affordability, and displacement at the local level, including case study analysis of two San Francisco block groups in SOMA. Their findings at this granular geographic level are inconclusive, from which they conclude that "***neither the development of market-rate nor subsidized housing has a significant impact on displacement. This suggests that indeed in San Francisco, and by extension similar strong markets, the unmet need for housing is so severe that production alone cannot solve the displacement problem.***"[34] They further cite that drilling down to local case studies, they "see that the housing market dynamics and their impact on displacement operate differently at these different scales"[35] and that detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local level.[36]

Paavo Monkkonen, PhD., University of California Los Angeles

Monkkonen's study is itself a review of other studies, summarizing key study findings and using the information to shape state policy recommendations to address housing affordability. The key topic of Monkkonen's study is that housing in California is unaffordable to most households, and that limited construction relative to robust job growth is one of the main causes. Monkkonen, an Associate Professor of Urban Planning at the UCLA Luskin School of Public Affairs, says it best in summing up the purpose of his study and highlights of his findings, as follows:

> "Housing affordability is one of the most pressing issues facing California. In the intense public debate over how to make housing affordable, the role of new supply is a key point of contention despite evidence demonstrating that supply constraints — low-density zoning chief among them — are a core cause of increasing housing costs. Many California residents resist new housing development, especially in their own neighborhoods. This white paper provides background on this opposition and a set of policy recommendations for the state government to address it. I first describe how

[33] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016), page 4.
[34] Ibid, page 7.
[35] Ibid, page 10.
[36] Ibid, page 1.

> limiting new construction makes all housing less affordable, exacerbates spatial inequalities, and harms the state's economic productivity and environment. I then discuss the motivations for opposing more intensive land use, and clarify the way the role of new housing supply in shaping rents is misunderstood in public debates."[37]

Monkkonen states that "constraining the supply of housing increases rents."[38] He cites academic studies from the 1970s and 1980s that found a significant impact of restrictive zoning on housing prices and more sophisticated studies from the 2000s and 2010s that demonstrate that regulations such as historic preservation and low-density zoning increase prices. He states that higher housing prices help homeowners through increased equity, but hurt renters, which tend to have lower incomes than existing homeowners. He further cites studies that found that limiting population growth through low-density zoning (as a means of limiting housing production) hampers economic productivity because it restricts the labor pool, pushing people out and preventing newcomers.

Monkkonen states that through filtering, new housing units can improve overall housing affordability at the metropolitan level. He further states that if no new housing stock is available in desirable locations that high-income residents will renovate and occupy older housing that might otherwise by inhabited by lower-income residents. Thus, he concludes that "[t]he prevention of new construction cannot guarantee that older housing will remain affordable."[39] He further states that the filtering process is a "crucial element to stave off increases in housing rents," and cites several studies from 2008 and later that demonstrate that "housing markets with more responsive supply mechanisms experience less price growth and are able to capture the economic benefits of a booming economy."[40] Monkkonen cites the Zuk and Chapple finding that these metropolitan scale trends may be less pronounced at the neighborhood level, depending upon the nature of the new housing built. But he also reinforces their finding that ***increasing the supply of market-rate housing and, more importantly, affordable housing, reduces displacement. In conclusion, Monkkonen states "Not building housing in some parts of the city pushes the pressure for development, along with any negative impacts, to neighborhoods with fewer resources to resist."***[41]

Applied San Francisco Research and Findings

To further probe the question of the impacts of housing production on housing costs at the local level, especially apartment rents, ALH Urban & Regional Economics strove to identify readily available data points local to San Francisco, the Mission District, and the LCD. These data points focused on residential unit production and rental price time series trends.

A consistent and thorough source of a time series of housing production data includes the City of San Francisco Housing Inventory reports, prepared by the San Francisco Planning Department on an annual basis. These reports track net unit production by neighborhood, with the potential to create a time series of data extending back more than a decade. There are yet other sources of data regarding San Francisco's residential inventory, including the American Community Survey, an annual publication of the U.S. Census Bureau, which samples annual trend data and presents estimated data points, such as the number of occupied rental units in San Francisco by census tract, which can then

[37] Paavo Monkkonen, "Understanding and Challenging Opposition to Housing Construction in California's Urban Areas," December 1, 2016, page 1.
[38] Ibid, page 5.
[39] Ibid page 6.
[40] Ibid.
[41] Ibid, page 7.

be aggregated into neighborhoods, or approximations thereof. The American Community Survey samples data and then presents information annually; however, the annual data most resemble a running average, with each year's data presentation comprising an average of the cited year and several prior years. Thus, the data are more of an amalgamation than an annual accounting, and as referenced, are based on sampling rather than a more comprehensive census, which still only occurs every 10 years, with the last one occurring in 2010.

There are also several sources of information on apartment rents. In addition to estimating occupied rental units, the American Community Survey also presents information on median rent by census tract as well as the number of units available for rent within select rental price bands, such as $0 - $499, $500-$999, $1,000-$1,499, $1,500- $1,999, and $2,000+. The rent range band tops out at $2,000+, thus there is no way to generate an estimated average rent without developing an assumption regarding the average unit rent in the $2,000+ range. Another, less localized source, includes the City of San Francisco annual Housing Inventory reports, which include a time series of data regarding average rents for two-bedroom apartments in San Francisco, with some Bay Area comparison. Similar data are included on average prices for 2-bedroom homes, in San Francisco and the Bay Area. In addition, data information companies such as RealAnswers track apartment rents over time, with RealAnswers in particular providing a reliable time series of average rents by unit type and all units. However, this data source is not comprehensive, as it focuses on larger, investment grade properties, with a minimum 50-unit count.

ALH Economics compiled a time series of unit production data in San Francisco from 2006 onward from the City's annual Housing Inventory reports. This included all net units produced by neighborhood. ALH Urban & Regional Economics also compiled a time series of the number of occupied rental units from 2010 onward for San Francisco, the census tracts defining the Mission District, and thus also the census tracts that most correspond with the LCD, pursuant to the American Community Survey (ACS).[42] Median and average rents for these occupied units were also compiled from the American Community Survey from 2010 onward. In addition, a time series of San Francisco apartment rents was prepared based on the Housing Inventory reports as well as RealAnswers, with the latter tracking prices and price changes for a 20-year period, from 1996 to 2016.

ALH Economics prepared several analyses looking at housing production data and apartment rents, in San Francisco, the Mission District, and the LCD. The purpose of these analyses was to identify any relationships between the amount or rate of housing production and the change in apartment rental rates. One analysis in particular examined median rent changes per the ACS and associated changes in occupied housing units. Housing unit changes tracked by the ACS and the City of San Francisco were both examined. In addition, rent changes in San Francisco overall were examined relative to overall housing production rates, not just by City subarea.

The results of the analyses comparing local housing production and apartment rent trends were inconclusive. ***No specific trends were identified for the City or the Mission District and LCD suggesting that housing production has an impact on apartment rents, including increases in rent or rent suppression.*** While not the result of a rigorous study, this finding does not conflict with the conclusions of the above-cited studies on housing production and costs, such as Mac Taylor, et. al. for the California Legislative Analyst's Office. As demonstrated by the reviewed studies, a more detailed analysis evaluating many other variables is needed to determine if there is a relationship between

[42] To support this analysis, the census tracts comprising the LCD were identified. For census tracts only partially in the LCD, estimates were prepared regarding the percentage of each census tract's housing units that are located in the LCD.

housing production (specifically apartments) and apartment rents. Variables that measure changes in the local economy, such as jobs, wages, and unemployment, should be included. Conducting a more rigorous analysis on a sub-city (e.g., neighborhood) basis is challenging because of the difficulty in developing a time series of reliable rent data for market-rate units by sub-area. If possible, however, these data would be superior to use of the ACS rent data to evaluate these issues because of complications around what the ACS data are measuring, especially in San Francisco. Among these complications, two major constraints include the following:

- Rents are self-reported, thus there is reliance upon the person being surveyed to report accurate information; and
- Many San Francisco rental units are subject to rent control, thus reported rents are suppressed by the inclusion of rent control units and will always result in under reporting of market rate rent increases.

Because of the limitations in the data, the ALH Economics analysis of the impacts of housing production on housing costs in San Francisco, the Mission District, and LCD is inconclusive and does not add to the existing literature findings. While further analysis is needed at the micro-level, the existing literature does demonstrate that at the metropolitan level, market-rate housing production, as well as affordable housing production, helps suppress existing home prices and rents and increases the number of housing units available to households with lower incomes.

GENTRIFICATION AND DISPLACEMENT LITERATURE SURVEY OVERVIEW

ALH Economics identified and reviewed many papers comprising the academic and associated literature on gentrification. These papers study and address many aspects of gentrification, some of which include defining gentrification because how one defines gentrification impacts how it is analyzed as well as the effects and consequences of gentrification, housing development and affordability, as well as its relationship to urban poverty and other aspects of urban development. The primary purpose of this review was to identify papers that most succinctly or directly address the relationship between market rate residential development and gentrification and displacement to assist ALH Economics in evaluating the question of does market rate residential development ***cause*** gentrification and displacement?

ALH Economics identified 11 papers or articles that provide a succinct and germane discussion on the topic. A detailed and thorough discussion and literary review of each of these papers is included in Appendix C. While there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena, the cited articles not only provide a representative sampling and discussion of other papers and associated commentaries, but provide a solid overview and analysis of the subject by leading experts in the field.

Based on review of these studies, as summarized in the Appendix C literature review, extensive analysis has been conducted for more than the past decade exploring causation between gentrification and displacement. In general, leading experts in the field appear to coalesce around the understanding that there is weak causation between gentrification and displacement, with some experts concluding that the ability for residents to relocate or move (i.e., mobility rates) are not distinguishable between neighborhoods experiencing gentrification and neighborhoods not experiencing gentrification. The literature further demonstrates that displacement can occur without gentrification, and that displacement is not inevitable, with ***public policy tools*** available to stabilize communities. Moreover, some studies also suggest that in some instances, existing low-income

households in a gentrifying neighborhood may benefit from gentrification because of neighborhood improvements perceived to be of value and increased housing satisfaction.

The overall conclusion reached from conducting this literature review is that the concern that gentrification associated with new market-rate development in the LCD will cause displacement ***is not supported by the evidence in the academic literature***. The findings overwhelmingly suggest that while some displacement may occur, it is not the inevitable result of gentrification, and that many factors influence whether or not displacement occurs.

IV. APPLICATION OF SOCIOECONOMIC EFFECTS IN CEQA ANALYSIS

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." Most specifically, the CEQA Guidelines state that:

> "[e]conomic or social effects of a project shall not be treated as significant effects on the environment."[43] CEQA defines the "[e]nvironment" as "*physical* conditions,"[44] and impacts analyzed under CEQA must be "related to a physical change."[45]

Under the CEQA guidelines, however, ***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***.[46] There are very few rulings on this topic. The most oft-cited case focuses on urban decay in the context of an existing shopping center and, specifically, on whether project impacts would lead to a downward spiral of store closures and long-term vacancies, thus causing or contributing to urban decay.[47]

Beyond the requirement to assess the potential to cause urban decay where evidence suggests this result could occur, courts have issued limited rulings on the issue of socioeconomic impacts in the context of CEQA. One such case involves the effects of school overcrowding and property value impacts.[48]

These cases suggest very few instances where physical changes in the environment have been linked to social or economic effects. The courts position finding that questions of community character are

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[43] CEQA Guidelines, § 15131, subd. (a)
[44] Pub Res Code §21060.5 (emphasis added); Guidelines, §15360.
[45] Guidelines, §15358(b).
[46] CEQA Guidelines §15064(e)
[47] The primary case is Bakersfield Citizens for Local Control v City of Bakersfield (2004) 124 CA4th 1184, 1215, which requires EIRs to examine the potential for projects, primarily shopping center projects, to cause or contribute to urban decay if certain conditions are met, but does not establish that such decay will necessarily result from new development. Other related cases include Anderson First Coalition v City of Anderson (2005) 130 CA4th 1173, in which the court upheld an EIR for a Walmart supercenter against a challenge that the EIR did not adequately evaluate the project's potential to cause urban decay in the city's central business district; and Gilroy Citizens for Responsible Planning v City of Gilroy (2006) 140 CA4th 911, in which the court upheld the city's determination that it was unnecessary for an EIR for a shopping center project to examine urban decay effects because evidence in the record supported the city's conclusion that ongoing loss of business in the downtown commercial district would occur with or without development of the shopping center.
[48] These case is Gray v County of Madera (2008) 167 CA4th 1099, 1121. The court upheld an EIR against a claim of economic impact because no evidence supported the assertion that potential reduction in property values of neighboring lands would have physical environmental consequences.

not a CEQA issue further supports this conclusion.[49] Even the State Legislature has ruled that social or economic effects are not CEQA issues as evidenced by the frequent introduction of bills by members to amend CEQA to permit analysis of socioeconomic issues and the continued failure of these bills being enacted into law.[50]

Thus, the issue of socioeconomic impacts in the context of CEQA is limited to where those impacts result in significant physical environmental impacts. As there are few examples of whether it has occurred, this suggests there is limited reason to anticipate that residential development in the Calle 24 LCD will result in socioeconomic impacts necessary to analyze under CEQA. In conclusion, the evaluation does not demonstrate the significant physical impact required under CEQA to warrant further review. The evidence cited above, as well as research and literature review conducted by ALH Economics, supports this conclusion.

[49] Representative cases include Preserve Poway v. City of Poway (2016) 245 Cal. App. 4th 560, 581, regarding a new housing development replacing an equestrian center, in which case the Court of Appeal re-affirmed that CEQA does not "include such psychological, social, or economic impacts on community character;" and Cathay Mortuary, Inc. v. San Francisco Planning Com. (1989) 207 Cal.App.3d 275, 280, in which case the Court of Appeal rejected the argument that relocating a traditional Chinese mortuary to make way for a new park would be disruptive to the community, stating that the argument was not "related to any environmental issue."

[50] See, e.g., SB 731 of 2013 (would have added to CEQA a requirement to study "economic displacement"; died in the Assembly in 2014); SB 115 of 1999 (Ch. 690, Stats. 1999) (an earlier version of this bill would have directed OPR to recommend revisions to CEQA that would require analysis of environmental justice; the bill was specifically amended before passage to eliminate this requirement); SB 1113 of 1997 (bill to require environmental justice impacts under CEQA vetoed by Governor), AB 3024 of 1992 (similar bill vetoed), AB 937 of 1991 (similar bill vetoed).

ASSUMPTIONS AND GENERAL LIMITING CONDITIONS

ALH Urban & Regional Economics has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with government officials, review of City and County documents, and other third parties deemed to be reliable. Although ALH Urban & Regional Economics believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information by third parties. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Further, no guarantee is made as to the possible effect on development of present or future federal, state or local legislation, including any regarding environmental or ecological matters.

The accompanying projections and analyses are based on estimates and assumptions developed in connection with the study. In turn, these assumptions, and their relation to the projections, were developed using currently available economic data and other relevant information. It is the nature of forecasting, however, that some assumptions may not materialize, and unanticipated events and circumstances may occur. Therefore, actual results achieved during the projection period will likely vary from the projections, and some of the variations may be material to the conclusions of the analysis.

Contractual obligations do not include access to or ownership transfer of any electronic data processing files, programs or models completed directly for or as by-products of this research effort, unless explicitly so agreed as part of the contract.

APPENDIX A: ALH URBAN & REGIONAL ECONOMICS QUALIFICATIONS

FIRM INTRODUCTION

ALH Urban & Regional Economics (ALH Economics) is a sole proprietorship devoted to providing urban and regional economic consulting services to clients throughout California. The company was formed in June 2011. Until that time, Amy L. Herman, Principal and Owner (100%) of ALH Economics, was a Senior Managing Director with CBRE Consulting in San Francisco, a division of the real estate services firm CB Richard Ellis. CBRE Consulting was the successor firm to Sedway Group, in which Ms. Herman was a part owner, which was a well-established urban economic and real estate consulting firm acquired by CB Richard Ellis in late 1999.

ALH Economics provides a range of economic consulting services, including:

- fiscal and economic impact analysis
- CEQA-prescribed urban decay analysis
- economic studies in support of general plans, specific plans, and other long-range planning efforts
- market feasibility analysis for commercial, housing, and industrial land uses
- economic development and policy analysis
- other specialized economic analyses tailored to client needs

Ms. Herman's clients have included numerous cities and redevelopment agencies throughout California, transportation agencies, medical and educational institutions, nonprofits, commercial and residential developers, and many of the top Fortune 100 companies. Since forming ALH Economics, Ms. Herman's client roster includes California cities, major universities, environmental consulting firms, commercial developers, and law firms. A select list of ALH Economics clients include the University of California at Berkeley; the University of California at Riverside; LSA Associates; Raney Planning and Management, Inc.; During Associates; Lamphier-Gregory; Gresham Savage Nolan & Tilden, PC; California Gold Development Corporation; Environmental Science Associates (ESA); Arcadia Development Co.; Catellus Development Corporation; Sedgwick LLP; First Carbon Solutions - Michael Brandman Associates; City of Concord; Hospital Council of Northern and Central California; Howard Hughes Corporation dba Victoria Ward, LLC; Signature Flight Support Corporation; Blu Homes, Inc.; Ronald McDonald House; Infrastructure Management Group, Inc.; Equity One Realty & Management CA, Inc.; Remy Moose Manley; Orchard Supply Hardware; Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco; City of Los Banos; Dudek; City of Tracy; Bay Area Rapid Transit District; Eagle Commercial Partners, LLC; City of Dublin; China Harbour Engineering Company; Alameda County Community Development Agency; Golden State Lumber; SimonCRE; Public Storage; Cross Development LLC; Alameda County Fair; and Group 4 Architecture, Research + Planning, Inc.

PRINCIPAL INTRODUCTION

Ms. Amy Herman, Principal of ALH Economics, has directed assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, commercial market analysis, economic development and

redevelopment, location analysis, strategic planning, and policy analysis. During her career spanning almost 35 years, Ms. Herman has supported client goals in many ways, such as to demonstrate public and other project benefits, assess public policy implications, and evaluate and maximize the value of real estate assets. In addition, her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Ms. Herman's clients have included a range of cities and redevelopment agencies throughout California, medical and educational institutions, commercial and residential developers, and many of the top Fortune 100 companies. She holds a Master of Community Planning degree from the University of Cincinnati and a Bachelor of Arts degree in urban policy studies from Syracuse University.

Prior to forming ALH Economics, Ms. Herman worked for 20 years as an urban economist with Sedway Group and then CBRE Consulting's Land Use and Economics practice. Her prior professional work experience included 5 years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the real estate consulting firm Land Economics Group, which was acquired by L&H. During the course of her career Ms. Herman has established a strong professional network and client base providing access to contacts and experts across a wide spectrum of real estate and urban development resources. A professional resume for Ms. Herman is presented on the following pages.

During her tenure with CBRE Consulting Ms. Herman developed a strong practice area involving the conduct of urban decay analyses as part of the environmental review process. This includes projects with major retail components as well as land uses, such as office development, R&D development, sports clubs, and sports facilities. A review of Ms. Herman's experience with these types of studies follows.

EXPERIENCE CONDUCTING URBAN DECAY STUDIES

Description of Services

The Principal of ALH Economics, Amy L. Herman, has performed economic impact and urban decay studies for dozens of retail development projects in California, as well as other land uses. These studies have generally been the direct outcome of the 2004 court ruling *Bakersfield Citizens for Local Control ("BCLC") v. City of Bakersfield* (December 2004) 124 Cal.App.4th 1184, requiring environmental impacts analyses to take into consideration the potential for a retail project as well as other cumulative retail projects to contribute to urban decay in the market area served by the project. Prior to the advent of the Bakersfield court decision, Ms. Herman managed these studies for project developers or retailers, typically at the request of the host city, or sometimes for the city itself. Following the Bakersfield decision, the studies have most commonly been directly commissioned by the host cities or environmental planning firms conducting Environmental Impact Reports (EIRs) for the projects. Studies are often conducted as part of the EIR process, but also in response to organized challenges to a city's project approval or to Court decisions ruling that additional analysis is required.

The types of high volume retail projects for which these studies have been conducted include single store developments, typically comprising a Walmart Store, The Home Depot, Lowe's Home Improvement Warehouse, or Target store. The studies have also been conducted for

large retail shopping centers, typically anchored by one or more of the preceding stores, but also including as much as 300,000 to 400,000 square feet of additional retail space with smaller anchor stores and in-line tenants.

The scope of services for the retail urban decay studies includes numerous tasks. The basic tasks common to most studies include the following:

- defining the project and estimating sales for the first full year of operations;
- identifying the market area;
- identifying and touring existing competitive market area retailers;
- evaluating existing retail market conditions at competitive shopping centers and along major commercial corridors in the market area;
- conducting retail demand, sales attraction, and spending leakage analyses for the market area and other relevant areas;
- forecasting future retail demand in the market area;
- researching the retail market's history in backfilling vacated retail spaces;
- assessing the extent to which project sales will occur to the detriment of existing retailers (i.e., diverted sales);
- determining the likelihood existing competitive and nearby stores will close due to sales diversions attributable to the project;
- researching planned retail projects and assessing cumulative impacts; and
- identifying the likelihood the project's economic impacts and cumulative project impacts will trigger or cause urban decay.

Many studies include yet additional tasks, such as assessing the project's impact on downtown retailers; determining the extent to which development of the project corresponds with city public policy, redevelopment, and economic development goals; projecting the fiscal benefits relative to the host city's General Plan; forecasting job impacts; analyzing wages relative to the existing retail base; and assessing potential impacts on local social service providers. Further, much of this approach and methodology is equally applicable to the other land uses for which urban decay studies are prepared.

Representative Projects

Many development projects for which Ms. Herman has prepared economic impact and urban decay studies are listed below. These include projects that are operational, projects under construction, projects approved and beyond legal challenges but not yet under construction, and project currently engaged in the public process. By category, projects are listed alphabetically by the city in which they are located.

Projects Operational

- Alameda, Alameda Landing, totaling 285,000 square feet anchored by a Target (opened October 2013), rest of center opening starting in 2015
- American Canyon, Napa Junction Phases I and II, 239,958 square feet, anchored by a Walmart Superstore, prepared in response to a Court decision; project opened September 2007
- Bakersfield, Gosford Village Shopping Center, totaling 700,000 square feet, anchored by a Walmart Superstore, Sam's Club, and Kohl's; Walmart store opened March 18, 2010, Sam's Club and Kohl's built earlier

- Bakersfield, Panama Lane, Shopping Center, totaling 434,073 square feet, anchored by a Walmart Superstore and Lowe's Home Improvement Warehouse; Walmart store opened October 2009, Lowe's store built earlier
- Bakersfield, Silver Creek Plaza, anchored by a WinCo Foods, totaling 137,609 square feet, opened February 28, 2014
- Carlsbad, La Costa Town Square lifestyle center, totaling 377,899 square feet, anchored by Steinmart, Vons, Petco, and 24 Hour Fitness, opened Fall 2014
- Citrus Heights, Stock Ranch Walmart Discount Store with expanded grocery section, 154,918 square feet; store opened January 2007
- Clovis, Clovis-Herndon Shopping Center, totaling 525,410 square feet, anchored by a Walmart Superstore, opened March 2013
- Concord, Lowe's Commercial Shopping Center, totaling 334,112 square feet, anchored by a Lowe's Home Improvement Warehouse and a national general merchandise store; EIR Certified December 2008 with no subsequent legal challenge; store opened January 2010
- Dublin, Persimmon Place, 167,200 square feet, anchored by Whole Foods, opened 2015
- Gilroy, 220,000-square-foot Walmart Superstore, replaced an existing Discount Store; store opened October 2005, with Discount Store property under new ownership planned for retail redevelopment of a 1.5-million-square-foot mall
- Gilroy, Lowe's Home Improvement Warehouse, 166,000 square feet; store opened May 2003
- Hesperia, Main Street Marketplace, totaling 465,000 square feet, anchored by a Walmart Superstore and a Home Depot, Walmart under construction, opened September 2012
- Madera, Commons at Madera, totaling 306,500 square feet, anchored by a Lowe's Home Improvement Warehouse; project opened July 2008
- Oakland, Safeway expansion, College & Claremont Avenues, 51,510 square feet total, comprising a 36,787 square-foot expansion, opened January 2015
- Oakland, Rockridge Safeway expansion and shopping center redevelopment (The Ridge), including total net new development of 137,072 square feet, opened September 2016
- Rancho Cordova, Capital Village, totaling 273,811 square feet, anchored by a Lowe's Home Improvement Warehouse; phased project opening, January 2008 – July 2008
- San Jose (East San Jose), Home Depot Store, 149,468 square feet; store opened October 2007
- San Jose, Lowe's Home Improvement Warehouse (redevelopment of IBM site), up to 180,000 square feet, store opened March 2010
- San Jose, Almaden Ranch, up to 400,000 square feet, anchor tenant Bass Pro Shop opened October 2015
- Sonora, Lowe's Home Improvement Warehouse, 111,196 square feet; store opened December 2010
- Victorville, The Crossroads at 395, totaling 303,000 square feet, anchored by a Walmart Superstore, opened May 2014
- Victorville, Dunia Plaza, totaling 391,000 square feet, anchored by a Walmart Superstore and a Sam's Club, replacing existing Walmart Discount Store, opened September 2012
- West Sacramento, Riverpoint Marketplace, totaling 788,517 square feet, anchored by a Walmart Superstore, Ikea, and Home Depot; phased openings beginning March 2006

- Willows, Walmart Superstore totaling 196,929 square feet, replacing existing Walmart Discount Store (subsequently scaled back to a 54,404-square-foot expansion to existing 86,453-square-foot store), opened March 2012
- Walnut Creek, The Orchards at Walnut Creek, mixed-use project including up to 225,000 square feet of retail space, opened September 2016
- Woodland, Home Depot Store, 127,000 square feet; store opened December 2002
- Yuba City, Walmart Superstore, 213,208 square feet, replacing existing Discount Store; store opened April, 2006. Discount Store site backfilled by Lowe's Home Improvement Warehouse

Projects Under Construction

- Concord, Veranda Shopping Center, a 375,000-square foot center anchored by a Whole Foods 365 Market, Movie Theater, and upscale apparel retail, anticipated opening 2017
- Folsom, Lifetime Fitness Center, a 116,363-square-foot fitness center including an outdoor leisure and lap pool, two water slides, whirlpool, outdoor bistro, eight tennis courts, outdoor Child Activity Area, and outdoor seating, opening anticipated early 2017
- Oroville, Walmart Superstore, 213,400 square feet, replacing existing Walmart Discount Store, broke ground in 2015
- Sacramento Entertainment and Sports Center, mixed-use entertainment complex with 682,500 square feet of retail space
- San Francisco, Warriors Arena, groundbreaking January 2017

Projects Approved and Beyond Legal Challenges

- Bakersfield, Bakersfield Commons, totaling 1.2 million square feet of lifestyle retail space and 400,000 square feet of community shopping center space (project engaged in revisioning)
- Bakersfield, Crossroads Shopping Center, totaling 786,370 square feet, anchored by a Target
- Fairfield, Green Valley Plaza, totaling 465,000 square feet
- Fresno, Fresno 40, totaling 209,650 square feet
- Kern County, Rosedale and Renfro, totaling 228,966 square feet, anchored by a Target
- Novato, Hanna Ranch, mixed-use project including 44,621 square feet of retail space, 21,190 square feet of office space, and a 116-room hotel
- Sacramento, Delta Shores, 1.3- to 1.5-million square feet, anchored by a lifestyle center (groundbreaking on transportation improvements April 2013)
- San Francisco, Candlestick Point, 635,000 square feet of regional retail and Hunters Point, with two, 125,000-square-foot neighborhood shopping centers (urban decay study not part of the legal challenge)

Projects In Progress/Engaged in the Public Process

- Chico, Walmart expansion, expansion of an existing Walmart store plus addition of three development parcels including a fueling station, restaurant, and retail space
- Davis, Davis Innovation Center, an innovation center with 4.0 million square feet of planned space, including tech office, laboratory, R&D, assembly, industrial flex space, ancillary retail space, and a hotel.
- Davis, Mace Ranch Innovation Center, an innovation center with 2,654,000 square feet of planned space, including research, office, R&D, manufacturing, ancillary retail, and hotel/conference center
- Folsom, Westland-Eagle Specific Plan Amendment, Folsom Ranch, a 643-acre portion of the larger 3,585-acre Folsom Ranch Master Plan area including 977,000 square feet of retail space, along with residential, office, and industrial space
- Lincoln, Village 5 Specific Plan, area including 8,200 residential units, 3.1 million square feet of commercial retail space, 1.4 million square feet of office space, a 100-room hotel, and a 71-acre regional sports complex
- Pleasanton, Johnson Drive Economic Development Zone, including 189,037 square feet of new general retail space, 148,000 square feet of club retail space, and a 150- or 231-room hotel.
- Roseville, Hotel Conference Center, a 250-room hotel with a 20,000-square-foot conference facility and a 1,200-seat ballroom
- Sacramento, Land Park Commercial Center, proposed commercial center with a 55,000-square-foot relocated and expanded full service Raley's grocery store and pharmacy and seven freestanding retail buildings comprising 53,980 square feet
- Tracy, Tracy Hills Specific Plan, Specific Plan area including 5,499 residential units, 875,300 square feet of commercial retail space, 624,200 square feet of office space, and 4,197,300 square feet of industrial space

ALH | ECON
ALH Urban & Regional Economics

PROFESSIONAL PROFILE

AMY L. HERMAN
PRINCIPAL

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Berkeley, California

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OTHER CLIENTS

- Alameda County Fair
- Arcadia Development Company
- Blu Homes, Inc.
- Environmental Science Associates
- First Carbon Solutions
- General Electric Company
- Gresham Savage Nolan & Tilden
- Kaiser Permanente
- Lawrence Berkeley National Laboratory
- Lennar
- City of Los Banos
- Merlone Geier Partners
- Michael Brandman Associates
- Mills Corporation
- City of Mountain View
- Port of San Francisco
- The Presidio Trust
- Pulte Homes
- Ronald McDonald House
- Santa Clara Valley Transportation Authority
- City of Santa Rosa
- Shea Properties
- Sheppard Mullin Richter & Hampton LLP
- Simon Property Group
- The Sobrato Organization
- Southbay Development
- City of Sunnyvale
- Sunset Development Co.
- Westfield Corporation

Amy L. Herman, Principal of ALH Urban & Regional Economics, has provided urban and regional consulting services for approximately 35 years. During this time she has been responsible for directing assignments for corporate, institutional, non-profit, and governmental clients in key service areas, including fiscal and economic impact analysis, economic development and redevelopment, feasibility analysis, location analysis, strategic planning, policy analysis, and transit-oriented development. Her award-winning economic development work has been recognized by the American Planning Association, the California Redevelopment Association, and the League of California Cities.

Prior to forming ALH Urban & Regional Economics in 2011, Ms. Herman's professional tenure included 20 years with Sedway Group, inclusive of its acquisition by CB Richard Ellis and subsequent name change to CBRE Consulting. Her prior professional work experience includes five years in the Real Estate Consulting Group of the now defunct accounting firm Laventhol & Horwath (L&H), preceded by several years with the land use consulting firm Land Economics Group, which was acquired by L&H.

Following are descriptions of select consulting assignments managed by Ms. Herman.

ECONOMIC IMPACT ANALYSIS

University of California. Conducted economic impact studies and frequent updates for five University of California campuses: Berkeley, Davis, Riverside, San Francisco, and San Diego. Prepared models suitable for annual updates by campus personnel.

Various EIR Firms. Managed numerous assignments analyzing the potential for urban decay to result from development of major big box and other shopping center retailers. The analysis comprises a required Environmental Impact Report component pursuant to CEQA.

Hospital Council of Northern and Central California. Prepared an analysis highlighting the economic impacts of hospitals and long-term care facilities in Santa Clara County. The analysis included multiplier impacts for hospital spending, county employment, and wages. Completed a similar study for the Monterey Bay Area Region.

Howard Hughes Corporation. Managed economic impact and fiscal impact analysis for a large-scale master planned development in Honolulu, including residential, commercial, and industrial land uses.

FISCAL IMPACT ANALYSIS

Stanford Management Company and Stanford Hospitals. Managed numerous assignments involving fiscal impact analysis for planned facilities developed by Stanford Management Company or Stanford Hospitals, including a satellite medical campus in Redwood City, a hotel and office complex in Menlo Park, and expansion of the hospital complex and the Stanford School of Medicine in Palo Alto.

Office of Community Investment and Infrastructure as Successor Agency to the Redevelopment Agency of the City and County of San Francisco. Managed financial analysis estimating the tax payments in lieu of property taxes associated with UCSF development of medical office space in the former Mission Bay Redevelopment Project area.

City of Concord. Structured and managed fiscal impact analysis designed to test the net fiscal impact of multiple land use alternatives pertaining to the reuse of the 5,170-acre former Concord Naval Weapons Station, leading to possible annexation into the City of Concord, California.

Bay Area Rapid Transit District. Completed economic impact analysis of BART's operations in the San Francisco Bay Area region.

San Francisco Mayor's Office of Economic Development. Conducted fiscal and economic impact analysis of redevelopment and expansion of San Francisco's Parkmerced residential community, including assessing the project's impacts on the San Francisco Municipal Transportation Agency.

AMY L. HERMAN
Principal

ECONOMIC DEVELOPMENT AND PUBLIC FINANCE

Infrastructure Management Group. Contributed to due diligence analysis of the proposed Transbay Transit Center to support evaluation of requested bond loan adjustment requests to support project construction.

City of Santa Monica. As a subconsultant to the City's land use consulting firm, conducted research and analysis exploring potential assessment district and other public finance options for financing key improvements in an older industrial area transitioning to a mixed use community.

Catellus/City of Alameda. Prepared a retail leasing strategy for Alameda Landing, a regional shopping center planned on the site of the former U.S. Navy's Fleet Industrial Supply Center in Alameda.

City of San Jose. Prepared a study analyzing the costs and benefits associated with creating a bioscience incentive zone in the Edenvale industrial redevelopment area.

City of Palo Alto. Conducted a retail study targeting six of Palo Alto's retail business districts for revitalization, including the identification of barriers to revitalization and recommended strategies tailored to the priorities established for each of the individual target commercial areas.

East Bay Municipal Water District. Managed economic, demographic, and real estate data analysis in support of developing market-sensitive adjustments to long-term water demand forecasts.

DEVELOPMENT FEASIBILITY

PCR Services Corporation. Analyzed the retail supportability of the planned mixed-use development of the UTC/Rocketdyne site in the Warner Center area of Los Angeles

ChevronTexaco. Conducted a regional market analysis of an 8,400-acre oil field retired from active oil production in the New Orleans, Louisiana metropolitan area.

City of San Jose. Managed alternative City Hall location analysis, focused on recommending a long-term occupation strategy for the City. Following relocation of City Hall conducted a study examining the feasibility of redeveloping the City's former City Hall location and nearby parking facilities for residential, retail, and civic land uses.

General Motors Corporation. Managed reuse studies for closed manufacturing facilities in Indiana (250 acres, 14 sites) and New Jersey (80 acres). Studies focused on the long term reuse and redevelopment potential of the closed manufacturing sites.

CORPORATE LOCATION ANALYSIS

Toyota Motor Corporation. Conducted a location analysis study for a distribution facility in the San Francisco Bay Area, designed to minimize travel time distance to the majority of area dealerships.

Cisco Systems. Managed multiple corporate location studies for Cisco Systems, headquartered in San Jose, California. These studies focused on the formulation of both a regional and a North American location strategy.

Starbucks Coffee Company. Directed analysis examining alternative locations for a new coffee roasting plant in the Western United States. A variety of economic, business, and labor market data were collected. The roasting plant was successfully sited in Sparks, Nevada.

Sacramento Regional Transportation District (RTD). Managed a consultant team assisting the RTD in planning for its immediate and long-term administrative office space needs, and in developing a strategy for maximizing the value of the existing RTD complex.

Hines. Managed comparative analysis highlighting business and employee costs associated with business locations in three competitive Bay Area locations.

AMY L. HERMAN
Principal

EDUCATION

- Ms. Herman holds a Bachelor of Arts degree in urban studies, magna cum laude, from Syracuse University. She also holds a Master of Community Planning degree from the University of Cincinnati. She has also pursued advanced graduate studies in City and Regional Planning at the University of California at Berkeley.

VOLUNTEER ACTIVITIES

- Volunteer (Past President and Vice President), Rebuilding Together (formerly Christmas in April), East Bay - North
- Volunteer (Past President), Diablo Pacific Short Line, 501 (c)(3) Portable Modular Train Organization
- Volunteer (Past Secretary), Swanton Pacific Railroad, Santa Cruz County, California
- Volunteer, Redwood Valley Railway, Tilden Regional Park, California

APPENDIX B: EXHIBITS

Exhibit 1
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Total Estimated Income and Spending on Retail from New Project Households
2016 Dollars

Residential Land Use	Average Monthly Rent Assumption (1)	Estimated Average Household Income (2)	Number of Households (3)	Percent Income Spent on Retail (4)	Per Household Retail Spending (5)	Total Retail Demand (5)
Project						
Axis - Market Rate	$4,100	$148,000	89	26%	$39,100	$3,476,200
Axis - Affordable Rental (6)	$1,481	$53,300	23	37%	$19,900	$458,400
Subtotal			*112*			$3,934,600
Other LCD Projects						
Entitled Market Rate	$4,100	$148,000	19	26%	$39,100	$742,100
Entitled Affordable Rental (Senior) (7)	NA	$41,450	96	42%	$17,600	$1,686,800
Not Entitled Market Rate	$4,100	$148,000	176	26%	$39,100	$6,874,400
Not Entitled Affordable Rental (6)	$1,481	$53,300	39	37%	$19,900	$777,300
Subtotal			*330*			$10,080,600
Total LCD						$14,015,200
Near LCD Projects						
Entitled Market Rate	$4,100	$148,000	233	26%	$39,100	$9,100,700
Entitled Affordable Rental (6)	$1,481	$53,300	3	37%	$19,900	$59,800
Entitled Affordable Owner (8)	$2,393	$86,150	6	32%	$27,900	$167,400
Not Entitled Market Rate	$4,100	$148,000	154	26%	$39,100	$6,015,100
Not Entitled Affordable Rental (6)	NA	$53,300	9	37%	$19,900	$179,400
Not Entitled Affordable Owner (8)	$2,393	$86,150	138	31%	$27,000	$3,732,000
Subtotal			543			$19,254,400
Total (8)		**--**	**985**	**--**	**--**	**$33,269,600**

Source: Axis Development Group; 2016 Maximum Monthly Rent by Unit Type, Unadjusted Area Median Income (AMI) for HUD Metro Fair Market Rent Area (HMFA) that contains San Francisco; and ALH Urban & Regional Economics.

(1) Market rate rents are based on the estimated average for the Axis project at 2675 Folsom, because rent projections are available for this planned project and none of the other projects at the time this analysis was prepared.
(2) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. This is a conservative assumption, as the rent burden for many San Francisco households is much greater.
(3) Assumed to comprise occuppied housing units, allowing for a stabilized vacancy rate. Market-rate units are assumed to operate at 5% vacancy. Affordable units are assumed to experience no vacancy.
(4) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(5) Figures rounded to the nearest $1,000.
(6) Households are assumed to spend one-third of annual household income on rent, thus incomes are estimated to comprise three times the annualized rent. The affordable rental units are assumed to be rented to 3-person households at 55% of Area Median Income (AMI). The corresponding annual household income for 2016 is $53,300.
(7) Assumes a 1-person household at 55% of AMI.
(8) Assumes a 4-person household at 80% of AMI.
(9) Totals do not match Table 1 because a vacancy rate is assumed for market-rate projects. Totals are rounded.

Exhibit 2
Household Income Spent on Retail (1)
United States
2015

Characteristic	All Consumer Units	Household Income Range: $15,000 to $29,999	$30,000 to $39,999	$40,000 to $49,999	$50,000 to $69,999	$70,000 to $99,999	$100,000 to $149,999	$150,000 to $199,999	$200,000 and more
Average HH Income	$69,627	$22,263	$34,746	$44,568	$59,293	$83,413	$119,828	$170,277	$314,010
Amount Spent on Retail (2)	$21,689	$12,777	$16,130	$17,611	$20,811	$26,436	$33,284	$40,780	$50,660
Percent Spent on Retail (3)	31%	57%	46%	40%	35%	32%	28%	24%	16%

Sources: Table 1203. Income before taxes: Annual expenditure means, shares, standard errors, and coefficient of variation, Consumer Expenditure Survey, 2015, U.S. Bureau of Labor Statistics; and ALH Urban & Regional Economics.

(1) Includes retail categories estimated to be equivalent to the retail sales categories compiled by the State of California, Board of Equalization.
(2) Includes the Consumer Expenditures categories of: food; alcoholic beverages; laundry and cleaning supplies; other household products; household furnishings and equipment; apparel and services; vehicle purchases, cars and trucks, new; vehicle purchases, cars and trucks, used; vehicle purchases, other vehicles; gasoline and motor oil; 1/2 of maintenance and repairs (as a proxy for taxable parts); drugs; medical supplies; audio and visual equipment and services; pets, toys, hobbies, and playground equipment; other entertainment supplies, equipment, and services; personal care products and services; and reading; tobacco products and smoking supplies.
(3) Percentages may be low as some expenditure categories may be conservatively undercounted by ALH Economics.

Exhibit 3
State of California Board of Equalization Taxable Retail Sales Estimate by Retail Category
2014
(in $000s)

Type of Retailer	Total Taxable Sales (1)	State of California Taxable Sales Adjusted to Total Retail	Percent of Total	Percent Assumed Neighborhood-Oriented (2)
Motor Vehicle & Parts Dealers	$73,232,242	$73,232,242	14.3%	0%
Home Furnishings & Appliances	$26,557,730	$26,557,730	5.2%	50%
Building Materials & Garden Equipment	$31,299,110	$31,299,110	6.1%	10%
Food & Beverage Stores	$26,298,414	$87,661,380 (3)	17.1%	80%
Gasoline Stations	$55,733,384	$55,733,384	10.9%	0%
Clothing & Clothing Accessories	$36,822,241	$36,822,241	7.2%	25%
General Merchandise Stores	$52,013,855	$69,351,807 (4)	13.5%	25%
Food Services & Drinking Places	$67,864,614	$67,864,614	13.2%	75%
Other Retail Group (6)	$50,014,587	$63,733,757 (5)	12.4%	33%
Total (7)	**$419,836,177**	**$512,256,264**	**100%**	**NA**

Sources: California State Board of Equalization (BOE), "Taxable Sales in California (Sales & Use Tax) during 2014; U.S. Economic Census, "Retail Trade: Subject Series - Product Lines: Product Lines Statistics by Kind of Business for the United States and States: 2007"; and ALH Urban & Regional Economics.

(1) Taxable sales are pursuant to reporting by the BOE.

(2) Assumption prepared by ALH Urban & Regional Economics.

(3) Sales for Food and Beverage Stores have been adjusted to account for non-taxable sales; only 30.0% of all food store sales are estimated to be taxable.

(4) Sales for General Merchandise Stores have been adjusted to account for non-taxable food sales, since some General Merchandise Store sales include non-taxable food items. ALH Urban & Regional Economics estimates that at least 25% of General Merchandise sales are for grocery items that are also non-taxable. This estimate is based on analysis of the 2007 U.S. Economic Census, which attributes approximately 26% of General Merchandise Stores sales to food.

(5) Sales for Other Retail Group have been adjusted to account for non-taxable drug store sales, since drug store sales are included in the Other Retail Group category. ALH Urban & Regional Economics estimates that 33.0% of drug store sales are taxable, based on discussions with the California BOE and examination of U.S. Census data. In California, drug store sales in 2014 represented approximately 13.51% of all Other Retail Group sales. ALH Urban & Regional Economics applied that percentage and then adjusted upward for non-taxable sales.

(6) Other Retail Group includes drug stores, electronics, health and personal care, pet supplies, gifts, art goods and novelties, sporting goods, florists, electronics, musical instruments, stationary and books, office and school supplies, second-hand merchandise, and miscellaneous other retail stores.

(7) Totals may not add up due to rounding.

Exhibit 4
Calculation of Sales Per Square Foot Estimates
Select Retail Stores and Store Types
2010 Through 2013, and 2016 Projected (1)

Store or Category (2)	2010		2011		2012		2013		Average
	In 2010$'s	In 2016$'s	In 2011$'s	In 2016$'s	In 2012$'s	In 2016$'s	In 2013$'s	In 2016$'s	In 2016$'s
Apparel									
Apparel - Specialty	$405	$463	$447	$494	$472	$512	$451	$483	$488
Women's' Apparel	$365	$417	$455	$502	$515	$559	$473	$506	$496
Shoe Stores	$371	$424	$454	$501	$487	$528	$475	$508	$491
Ross Dress for Less	$324	$370	$195	$215	$195	$212	$362	$387	$296
Kohl's	$229	$262	$215	$237	$209	$227	$190	$203	$232
Discount Stores	$196	$224	$212	$234	$213	$231	$202	$216	$226
Target	$282	$322	$290	$320	$304	$330	$297	$318	$323
Wal-Mart	$422	$482	$499	$551	$456	$495	$376	$402	$483
Department Stores Category	$252	$288	$276	$305	$274	$297	$285	$305	$299
Sears	$206	$236	$205	$226	$210	$228	$161	$172	$216
Domestics Category	$294	$336	$288	$318	$268	$291	$300	$321	$316
Furniture Category	$198	$226	$290	$320	$361	$392	$449	$480	$355
Average of Domestics & Furniture	$246	$281	$289	$319	$315	$341	$375	$401	$336
Neighborhood Center Category									
Supermarkets	$535	$612	$533	$589	$575	$624	$611	$654	$619
Specialty/Organic	$510	$583	$658	$727	$698	$757	$756	$809	$719
Drug Stores	$724	$828	$657	$726	$667	$724	$629	$673	$737
Rite Aid	$421	$481	$560	$618	$549	$596	$556	$595	$573
CVS	$802	$917	$806	$890	$883	$958	$875	$936	$925
Restaurants Category	$429	$490	$496	$548	$480	$521	$486	$520	$520
Casual Dining	$431	$493	$578	$638	$563	$611	$567	$607	$587
Fast Food Chains	$431	$493	$507	$560	$492	$534	$543	$581	$542
Home Improvement	$269	$308	$278	$307	$287	$311	$301	$322	$312
Auto - DIY Stores (3)	$205	$234	$218	$241	$220	$239	$217	$232	$237
Other Retail Categories									
Accessories	$778	$889	$978	$1,080	$1,191	$1,292	$1,032	$1,104	$1,091
HBA, Home Fragrances	$541	$619	$474	$523	$531	$576	$519	$555	$568
Electronics & Appliances	$686	$784	$1,171	$1,293	$821	$891	$946	$1,012	$995
Office Supplies	$263	$301	$270	$298	$262	$284	$283	$303	$296
Sports	$226	$258	$239	$264	$252	$273	$253	$271	$267
Pet Supplies	$185	$212	$188	$208	$218	$237	$234	$250	$227
Book Superstores	$180	$206	$247	$273	$210	$228	$189	$202	$227
Toys	$320	$366	$333	$368	$312	$338	$220	$235	$327
Music Superstores	$318	$364	$317	$350	$314	$341	$292	$312	$342
Gifts, Hobbies & Fabrics	$124	$142	$136	$150	$137	$149	$151	$162	$151
Average of Other Retail Categories	$362	$414	$435	$481	$425	$461	$412	$441	$449

Sources: Retail MAXIM, "Alternative Retail Risk Analysis for Alternative Capital" 2011, 2012, 2013, and 2014 (all publications present figures in the prior year dollars); United States Bureau of Labor Statistics Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) Figures are adjusted to 2016 pursuant to the Annual and latest 2016 CPI Index for all urban consumers.
(2) Includes industry-and category-representative stores.
(3) Average reflects a four-year trend.

Exhibit 5
Pipeline Projects in the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,003,615	$800 (6)	2,505	2,636	0
Home Furnishings and Appliances	$726,613	$336	2,165	2,279	1,140
Building Materials and Garden Equip.	$856,336	$312	2,745	2,889	289
Food and Beverage Stores	$2,398,393	$669	3,584	3,772	3,018
Gasoline Stations	$1,524,851	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,007,447	$401	2,515	2,647	662
General Merchandise Stores	$1,897,448	$309	6,137	6,460	1,615
Food Services and Drinking Places	$1,856,758	$550	3,378	3,556	2,667
Other Retail Group	$1,743,739	$449	3,883	4,087	1,349
Subtotal	$14,015,200	--	26,912	28,328	10,739
Additional Service Increment (15% of total) (9)	N/A	N/A	4,749	4,999	3,749 (8)
Total	**N/A**	**N/A**	**31,661 (10)**	**33,327**	**14,489**
Total Rounded to Nearest 100			**31,700**	**33,300** (11)	**14,500**

Source: ALH Urban & Regional Economics.

="(1) See "&'E1. Rents, Income, Retail Spen'!B3&" for the amount of estimated retail sales demand from the Pipeline projects' households located in the LCD and Exhibit 3 for the percentage distrubtion by category."
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 6
Axis Development Group, 2675 Folsom Street
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$562,491	$800 (6)	703	740	0
Home Furnishings and Appliances	$203,988	$336	608	640	320
Building Materials and Garden Equip.	$240,406	$312	771	811	81
Food and Beverage Stores	$673,320	$669	1,006	1,059	847
Gasoline Stations	$428,084	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$282,829	$401	706	743	186
General Merchandise Stores	$532,686	$309	1,723	1,814	453
Food Services and Drinking Places	$521,263	$550	948	998	749
Other Retail Group	$489,534	$449	1,090	1,147	379
Subtotal	$3,934,600	--	7,555	7,953	3,015
Additional Service Increment (15% of total) (9)	N/A	N/A	1,333	1,403	1,053 (8)
Total	**N/A**	**N/A**	**8,888 (10)**	**9,356**	**4,067**
Total Rounded to Nearest 100			**8,900**	**9,400 (11)**	**4,100**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 7
Lennar, 1515 South Van Ness Boulevard
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Total Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$736,510	$800 (6)	921	969	0
Home Furnishings and Appliances	$267,096	$336	796	838	419
Building Materials and Garden Equip.	$314,781	$312	1,009	1,062	106
Food and Beverage Stores	$881,626	$669	1,317	1,387	1,109
Gasoline Stations	$560,521	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$370,328	$401	924	973	243
General Merchandise Stores	$697,484	$309	2,256	2,375	594
Food Services and Drinking Places	$682,527	$550	1,242	1,307	980
Other Retail Group	$640,982	$449	1,427	1,502	496
Subtotal	$5,151,854	--	9,892	10,413	3,948
Additional Service Increment (15% of total) (9)	N/A	N/A	1,746	1,838	1,378 (8)
Total	**N/A**	**N/A**	**11,638 (10)**	**12,251**	**5,326**
Total Rounded to Nearest 100			**11,600**	**12,300 (11)**	**5,300**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 8
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet of Commercial Space from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft. Amount (3)	Supportable Sq. Ft. Vacancy Adjusted (4)	Supportable Sq. Ft. Neighborhood-Oriented (5)
Motor Vehicles and Parts	$2,752,612	$800 (6)	3,441	3,622	0
Home Furnishings and Appliances	$998,237	$336	2,975	3,131	1,566
Building Materials and Garden Equip.	$1,176,453	$312	3,771	3,969	397
Food and Beverage Stores	$3,294,967	$669	4,924	5,183	4,146
Gasoline Stations	$2,094,875	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$1,384,054	$401	3,455	3,637	909
General Merchandise Stores	$2,606,757	$309	8,431	8,875	2,219
Food Services and Drinking Places	$2,550,857	$550	4,641	4,886	3,664
Other Retail Group	$2,395,589	$449	5,334	5,615	1,853
Subtotal	$19,254,400	--	36,972	38,918	14,754
Additional Service Increment (15% of total) (9)	N/A	N/A	6,524	6,868	5,151 (8)
Total	**N/A**	**N/A**	**43,496 (10)**	**45,785**	**19,905**
Total Rounded to Nearest 100			**43,500**	**45,800** (11)	**19,900**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households located near the LCD and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 9
Entitled and Non-entitled Residential Pipeline Projects In or Near the LCD
Supportable Square Feet from Project Households
2016 Dollars

Retail Category	Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$4,756,228	$800 (6)	5,945	6,258	0
Home Furnishings and Appliances	$1,724,850	$336	5,140	5,410	2,705
Building Materials and Garden Equip.	$2,032,789	$312	6,515	6,858	686
Food and Beverage Stores	$5,693,359	$669	8,507	8,955	7,164
Gasoline Stations	$3,619,726	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$2,391,501	$401	5,970	6,284	1,571
General Merchandise Stores	$4,504,204	$309	14,569	15,335	3,834
Food Services and Drinking Places	$4,407,615	$550	8,020	8,442	6,331
Other Retail Group	$4,139,328	$449	9,217	9,702	3,202
Subtotal	$33,269,600	--	63,883	67,245	25,493
Additional Service Increment (15% of total) (9)	N/A	N/A	11,274	11,867	8,900 (8)
Total	**N/A**	**N/A**	**75,157 (10)**	**79,112**	**34,393**
Total Rounded to Nearest 100			**75,200**	**79,100** (11)	**34,400**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 1 for the amount of estimated retail sales demand from the Pipeline projects' households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(6) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 10
Households and Mean Household Income
2015
Mission District and Latino Cultural District (LCD)

Geographic Area		Households	Mean Household Income 2015
Mission District Census Tracts (1)			
177		756	$112,144
201		2,910	$71,117
208		2,663	$107,806
209		1,823	$86,878
228.01		1,939	$136,756
228.03		1,610	$117,145
229.01		1,434	$97,385
229.02		794	$133,584
229.03		1,133	$108,556
Total/Weighted Average		**15,062**	**$103,551**
LCD (2)	**%**		
209	40%	302	$86,878
228.03	50%	805	$117,145
229.01	100%	1,434	$97,385
229.02	100%	794	$133,584
229.03	66%	748	$108,556
Total		**4,083**	**$109,587**

Sources: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015, page 8; "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD; and ALH Urban & Regional Economics.

(1) The census tract boundaries for the Mission District Neighborhood per the report by the City and County of San Francisco Board of Supervisors, "Displacement in the Mission District," dated October 2, 2015.

(2) The census tract percentages for the LCD portion of the Mission District per ALH Urban & Regional Economics using, "Calle24_CompletesPipeline_16_12_6" and Census Tract Lookup Finder for California by OHSPD. Percentages comrpise ALH Economics assumptions.

Exhibit 11
Mission District and LCD
Total Estimated Income and Spending on Retail from Existing Area Households
2016 Dollars

Area	Estimated Average Household Income 2015 (1)	Estimated Average Household Income 2016 (2)	Number of Households (1)	Percent Income Spent on Retail (3)	Per Household Retail Spending (4)	Total Retail Demand (4)
Mission	$103,551	$107,769	15,062	29%	$31,700	$477,080,800
LCD	$109,587	$114,051	4,083	29%	$33,500	$136,872,400

Source: US Census American Community Survey, "S1901: Income in the Past 12 Months (In 2015 Inflation-Adjusted Dollars) 2011-2015"; United States Department of Labor, Consumer Price Index - All Urban Consumers; and ALH Urban & Regional Economics.

(1) See Exhibit 10 for estimated 2015 household incomes.
(2) Incomes are inflated from 2015 to 2016 pursuant to a CPI adjustment for All Urban Consumers from July 2015 to July 2016. The CPI factors are 238.654 for July 2015 and 248.375 for July 2016, resulting in a 1.04073 inflation rate.
(3) Percent of income spent on retail is based on analysis of the U.S. Bureau of Labor Statistics Consumer Expenditure Survey, summarized in Exhibit 2, which demonstrates that as income increase the percent of income spent on retail decreases. The selected percentages by project were identified based upon interpolation of the findings summarized in Exhibit 2.
(4) Figures rounded to the nearest $1,000.

Exhibit 12
Mission District
Supportable Square Feet of Commercial Space from Households in the Mission District
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$68,203,552	$800 (6)	85,254	89,742	0
Home Furnishings and Appliances	$24,734,072	$336	73,705	77,584	38,792
Building Materials and Garden Equip.	$29,149,872	$312	93,429	98,346	9,835
Food and Beverage Stores	$81,641,874	$669	121,994	128,414	102,732
Gasoline Stations	$51,906,300	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$34,293,742	$401	85,605	90,110	22,528
General Merchandise Stores	$64,589,577	$309	208,911	219,906	54,976
Food Services and Drinking Places	$63,204,506	$550	115,003	121,056	90,792
Other Retail Group	$59,357,306	$449	132,175	139,132	45,913
Subtotal	$477,080,800	--	916,075	964,290	365,567
Additional Service Increment (15% of total) (9)	N/A	N/A	161,660	170,169	127,627 (8)
Total	**N/A**	**N/A**	**1,077,735 (10)**	**1,134,458**	**493,194**
Total Rounded to Nearest 100			**1,077,700**	**1,134,500** (11)	**493,200**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from Mission District Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 13
LCD
Supportable Square Feet of Commercial Space from Households in the LCD
2016 Dollars

Retail Category	2016 Total Retail Demand (1)	Sales Per Sq. Ft. (2)	Supportable Sq. Ft.		
			Amount (3)	Vacancy Adjusted (4)	Neighborhood-Oriented (5)
Motor Vehicles and Parts	$19,567,301	$800 (6)	24,459	25,746	0
Home Furnishings and Appliances	$7,096,097	$336	21,146	22,258	11,129
Building Materials and Garden Equip.	$8,362,971	$312	26,804	28,215	2,822
Food and Beverage Stores	$23,422,697	$669	34,999	36,842	29,473
Gasoline Stations	$14,891,691	NA (7)	N/A (7)	N/A (7)	0
Clothing and Clothing Accessories	$9,838,725	$401	24,560	25,852	6,463
General Merchandise Stores	$18,530,468	$309	59,936	63,090	15,773
Food Services and Drinking Places	$18,133,097	$550	32,994	34,730	26,048
Other Retail Group	$17,029,352	$449	37,920	39,916	13,172
Subtotal	$136,872,400	--	262,818	276,650	104,880
Additional Service Increment (15% of total) (9)	N/A	N/A	46,380	48,821	36,616 (8)
Total	**N/A**	**N/A**	**309,198 (10)**	**325,471**	**141,495**
Total Rounded to Nearest 100			**309,200**	**325,500** (11)	**141,500**

Source: ALH Urban & Regional Economics.

(1) See Exhibit 11 for the amount of estimated retail sales demand from LCD Households and Exhibit 3 for the percentage distribution by category.
(2) These figures reflect achievable sales per square foot estimates for each respective retail category except as noted. The figures reflect general industry averages as well as national averages reported in the Retail MAXIM publication "Alternative Retail Risk Analysis for Alternative Capital." See Exhibit 4.
(3) Reflects the estimated supportable square feet of retail for each category.
(4) Includes a 5% vacancy allowance for all categories of retail space.
(5) See assumptions by retail category presented in Table 2.
(6) The cited source for sales per square foot, Retail Maxim (see Exhibit 4), does not include sales figures for auto dealers. Sales figures for auto parts stores are included, and average $237 per square foot. However, auto dealer sales greatly outweigh these sales in the overall category. Such sales are typically very high, especially relative to the amount of building area required to support their sales. For analytical purposes ALH Urban & Regional Economics assumes such sales are high, and overall average $800 for the category.
(7) Gasoline sales are highly volatile, and gasoline stations do not typically require large increments of built space. Therefore, estimates for gasoline stations are excluded from this analysis.
(8) Assumes 75% of service space is neighborhood-oriented, including banks, insurance, copy services, etc.
(9) Includes an allocation of 15% of space to accommodate service retail, such as banks, personal, and business services.
(10) Excludes Gasoline Stations.
(11) Reflects the total amount of retail space supportable by 100% of the estimated households.

Exhibit 14
Average Rents And Vacancy Trends - Investment Grade Apartments (1)
San Francisco
1996 - 2016

Year	Monthly Rents: Studio	1 Bed/ 1 Bath	2 Bed/ 1 Bath	2 Bed/ 2 Bath	3 Bed/ 2 Bath	Average Rent	Average Vacancy
Monthly Rents							
1996	$940	$1,182	$1,239	$1,555	$1,563	$1,235	2.4%
1997	$1,054	$1,322	$1,416	$1,799	$1,808	$1,402	3.1%
1998	$1,161	$1,456	$1,560	$1,891	$2,015	$1,531	2.3%
1999	$1,251	$1,585	$1,656	$2,019	$2,294	$1,663	2.4%
2000	$1,544	$2,011	$2,327	$2,709	$3,147	$2,180	1.4%
2001	$1,512	$1,960	$2,332	$2,600	$3,111	$2,130	5.1%
2002	$1,314	$1,741	$1,979	$2,299	$2,826	$1,867	5.9%
2003	$1,262	$1,622	$1,875	$2,225	$2,878	$1,768	5.2%
2004	$1,267	$1,646	$1,821	$2,277	$2,679	$1,778	6.5%
2005	$1,334	$1,700	$1,885	$2,382	$2,643	$1,835	3.9%
2006	$1,439	$1,799	$1,930	$2,635	$2,390	$1,958	4.0%
2007	$1,586	$1,988	$2,192	$2,954	$2,610	$2,175	5.1%
2008	$1,723	$2,152	$2,359	$3,242	$2,702	$2,368	4.4%
2009	$1,584	$2,010	$2,258	$3,001	$2,812	$2,262	4.4%
2010	$1,595	$2,052	$2,149	$3,011	$2,902	$2,243	6.3%
2011	$1,894	$2,330	$2,403	$3,379	$2,983	$2,472	3.9%
2012	$2,136	$2,642	$2,735	$3,713	$3,024	$2,727	4.7%
2013	$2,327	$2,832	$3,135	$4,064	$3,652	$2,976	4.5%
2014	$2,575	$3,119	$3,379	$4,270	$4,082	$3,275	4.4%
2015	$2,839	$3,366	$3,607	$4,666	$4,322	$3,557	4.8%
2016	$2,831	$3,372	$3,621	$4,713	$4,582	$3,571	4.7%
1996-2016 Average							4.3%
Percent Change							
1996-1997	12.1%	11.8%	14.3%	15.7%	15.7%	13.5%	
1997-1998	10.2%	10.1%	10.2%	5.1%	11.4%	9.2%	
1998-1999	7.8%	8.9%	6.2%	6.8%	13.8%	8.6%	
1999-2000	23.4%	26.9%	40.5%	34.2%	37.2%	31.1%	
2000-2001	-2.1%	-2.5%	0.2%	-4.0%	-1.1%	-2.3%	
2001-2002	-13.1%	-11.2%	-15.1%	-11.6%	-9.2%	-12.3%	
2002-2003	-4.0%	-6.8%	-5.3%	-3.2%	1.8%	-5.3%	
2003-2004	0.4%	1.5%	-2.9%	2.3%	-6.9%	0.6%	
2004-2005	5.3%	3.3%	3.5%	4.6%	-1.3%	3.2%	
2005-2006	7.9%	5.8%	2.4%	10.6%	-9.6%	6.7%	
2006-2007	10.2%	10.5%	13.6%	12.1%	9.2%	11.1%	
2007-2008	8.6%	8.2%	7.6%	9.7%	3.5%	8.9%	
2008-2009	-8.1%	-6.6%	-4.3%	-7.4%	4.1%	-4.5%	
2009-2010	0.7%	2.1%	-4.8%	0.3%	3.2%	-0.8%	
2010-2011	18.7%	13.5%	11.8%	12.2%	2.8%	10.2%	
2011-2012	12.8%	13.4%	13.8%	9.9%	1.4%	10.3%	
2012-2013	8.9%	7.2%	14.6%	9.5%	20.8%	9.1%	
2013-2014	10.7%	10.1%	7.8%	5.1%	11.8%	10.0%	
2014-2015	10.3%	7.9%	6.7%	9.3%	5.9%	8.6%	
2015-2016	-0.3%	0.2%	0.4%	1.0%	6.0%	0.4%	
Average Annual Growth Rate							
	5.7%	5.4%	5.5%	5.7%	5.5%	5.5%	

Sources: RealAnswers; and ALH Urban & Regional Economics.

(1) Database characteristics as of 2016 YTD December, including 77 complexes (all over 50 units) with a total of 24,066 units.

APPENDIX C: GENTRIFICATION AND DISPLACEMENT LITERATURE OVERVIEW

IDENTIFIED REPRESENTATIVE LITERATURE

ALH Economics reviewed numerous papers or articles that address gentrification and residential displacement. While there are many papers or articles that are germane to the question of the relationship between the two phenomena, ALH Economics identified 11 that provide a solid overview and analysis of the subject by leading experts in the field as well as a representative sampling and discussion of other papers and associated commentaries. In some cases, the most relevant portion of the paper is the literature review, as this portion summarizes numerous other studies that also grapple with the question of the relationship between gentrification and displacement. In order of publication date, the specific papers reviewed for this purpose (and document links), include the following:

1. Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", *American Planning Association. Journal of the American Planning Association;* Winter 2004; 70, 1; ProQuest Direct Complete, page 39. http://www.astudentoftherealestategame.com/wp-content/uploads/2010/09/Freeman%2520and%2520Braconi%25202004%2520Gentrification%2520in%2520NY.pdf

2. Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research Working Paper 1403 (May 2008). http://www.nber.org/papers/w14036

3. Ingrid Gould Ellen, Katherine M. O'Regan, "How Low Income Neighborhoods Change: Entry, Exit, and Enhancement," Regional Science and Urban Economics, Volume 41, Issue 2 (March 2011). http://www.sciencedirect.com/science/article/pii/S0166046211000044 (abstract)

4. Silva Mathema, "Gentrification: An Updated Literature Review," Poverty & Race Research Action Council (October 2013). http://prrac.org/pdf/Gentrification_literature_review_-_October_2013.pdf

5. Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," (August 2014). http://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

6. Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary (June 2, 2015). http://cityobservatory.org/how-governing-got-it-wrong-the-problem-with-confusing-gentrification-and-displacement/ [*comments on Governing Magazine, "The 'G' Word: A Special Series on Gentrification" (February 2015)* http://www.governing.com/topics/urban/gov-gentrification-series.html]

7. Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015. http://www.citylab.com/housing/2015/09/the-complicated-link-between-gentrification-and-displacement/404161/

8. University of California, Berkeley, "Urban Displacement Project," (funded by the U.S. Department of Housing and Urban Development for the Bay Area Regional Prosperity Plan and the California Air Resources Board) (December 2015). http://www.urbandisplacement.org/sites/default/files/images/urban_displacement_project_-_executive_summary.pdf

9. Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief (May 2016). http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf

10. Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, (September 2016). https://www.philadelphiafed.org//media/communitydevelopment/publications/discussion-papers/discussion-paper_gentrification-and-residential-mobility.pdf?la=en

11. Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," *Cityscape*, Volume 18, Number 3, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, pp. 169-177 (November 2016). https://www.huduser.gov/portal/periodicals/cityscpe/vol18num3/index.html

As noted, there are many other studies and articles that analyze gentrification and displacement, and seek to find a relationship between the two phenomena. The cited articles, with summary reviews following, are considered a representative sampling of some of these papers and associated commentaries.

REPRESENTATIVE LITERATURE REVIEW

The 11 representative articles are summarized below, in order of their publication. In many cases, excerpts are provided directly from the studies, as this comprises the most succinct and direct method of presenting the study findings. It should be noted that much of the concern in the literature regarding gentrification pertains to impacts on lower-income or disadvantaged households and/or ethnic minorities, and thus the findings are often presented in this context. Accordingly, these findings may not be directly transferable to a residential district such as the LCD, with its strong Latino character and likely high proportion of rent controlled units. However, in the absence of studies conducted specific to these characteristics, the following studies provide general insight into what the academic community is finding regarding the relationship between gentrification and displacement.

1. Lance Freeman, Columbia University, and Frank Braconi, then Executive Director of Citizen Housing and Planning Council, New York City, 2004.

This article is one of the most oft-cited papers in the literature about gentrification and displacement. It was authored in 2004 by Lance Freeman, Ph.D., then Assistant Professor in the Urban Planning Department of the Graduate School of Architecture, Planning, and Preservation at Columbia University, and Frank Braconi, then Executive Director of the Citizen Housing and Planning Council in New York City, a nonpartisan policy research organization focusing on housing, planning, and economic development issues in city, state, and federal politics.

This paper presents findings on a study of gentrification and displacement in New York City in the 1990s. Freeman and Braconi conducted the study to advance the research findings on the relationship between residential displacement and gentrification, citing various results from prior studies with disparate and inconclusive findings regarding the relationship between the two phenomena. Using New York City as their subject, Freeman and Braconi set out to study the following:

> "To discern how gentrification is related to displacement, we examined the relationship between residence in a gentrifying neighborhood and residential mobility among disadvantaged households. If gentrification increases displacement, all other things being equal, we should observe higher mobility rates among disadvantaged households residing in gentrifying neighborhoods than among those residing elsewhere in the city."[51]

The statistical analysis completed by Freeman and Braconi included many variables on housing and demographic characteristics, as well as neighborhood classifications. There are many findings from this study, with some particularly germane to San Francisco, given the market presence of rent control, in both New York City and San Francisco. Some of the verbatim findings of the study, are as follows:

- "Rent stabilization is by far the more common form of rent regulation in New York City. Our results indicate that poor tenants in such units are insignificantly less likely to exit than those in unregulated units. Rent stabilization does appear, however, to substantially reduce the odds that a less-educated household will move from their dwelling unit during any given time period. ….. We also tested in our regressions a variable interacting residence in a rent-regulated unit and in a gentrifying area and found that it was not significant. This indicates that while rent regulation tends to decrease tenant mobility, it does not do so more in gentrifying areas than in others."[52]

- "We found that increases in rent are indeed related to the probability of a household moving. But as was the case with the seven gentrifying neighborhoods, these increases were associated with a *lower* probability of moving rather than a higher one."[53]

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[51] Lance Freeman and Frank Braconi, "Gentrification and Displacement: New York City in the 1990s", American Planning Association. Journal of the American Planning Association, Winter 2004, page 42.
[52] Ibid, page 45.
[53] Ibid, page 48.

- "Gentrification has typically been depicted as a process of higher socioeconomic households displacing disadvantaged households. Indeed, some have defined gentrification as this type of displacement… The assumption behind this view is that displacement is the principal mechanism through which gentrification changes the socioeconomic character of a neighborhood. The results presented here, …., suggest that a rethinking of the gentrification process is in order. Insofar as many of the other reasons people change residence (marriage or divorce, change of job, want a bigger unit, want to own, etc.) would not be expected to diminish as their neighborhood gentrifies, the reduced mobility rates we find in gentrifying neighborhoods are inconsistent with a process dependent on the massive displacement of disadvantaged residents. Rather, demographic change appears to occur primarily through normal housing succession and may even be slowed by a below-normal rate of exit by existing residents."[54]

There are other findings of this and subsequent studies on gentrification by Freeman. Some of these findings are included in the summaries below of other studies, many of which include literature reviews. However, in their conclusion, Freeman and Braconi state the following:

> "Our analysis indicates that rather than speeding up the departure of low-income residents through displacement, neighborhood gentrification in New York City was actually associated with a lower propensity of disadvantaged households to move. These findings suggest that normal housing succession is the primary channel through which neighborhood change occurs. Indeed, housing turnover may actually be slowed by the reduced mobility rates of lower-income and less-educated households. The most plausible explanation for this surprising finding is that gentrification brings with it neighborhood improvements that are valued by disadvantaged households, and they consequently make greater efforts to remain in their dwelling units, even if the proportion of their income devoted to rent rises."[55]

2. Terra McKinnish, University of Colorado at Boulder: Randall Walsh, University of Colorado at Boulder; and Kirk White, Duke University, 2008

In May 2008, three academics prepared a working paper for the National Bureau of Economic Research. These academics include Terra McKinnish, Ph.D., Professor of Economics at the University of Colorado at Boulder, Randall Walsh, Ph.D., Assistant Professor of Economics at the University of Colorado at Boulder (now Associate Professor of Economics at University of Pittsburgh, Department of Economics), and Kirk White, Ph.D., now Economist in the Business Economic Research Group, Center for Economic Studies (formerly of the USDA and US Census Bureau).

This paper uses confidential Census data, specifically the 1990 and 2000 Census Long Form data, to study the demographic processes underlying the gentrification of low-income urban neighborhoods during the 1990's. In contrast to previous studies, the analysis is conducted at the more refined census-tract level with a narrower definition of gentrification and more closely matched comparison neighborhoods. The analysis is also richly disaggregated by demographic characteristic, uncovering differential patterns by race, education, age, and family structure that would not have emerged in the more aggregate analysis in previous studies. The areas included in the study were the 72 Consolidated Metropolitan Statistical

[54] Ibid.
[55] Ibid, page 51.

Areas in the United States with populations of at least 500,000 in 1990, and thus includes a national sample.

The results provide no evidence of disproportionate displacement of low-education or minority householders in gentrifying neighborhoods.[56] But the study did find evidence that gentrifying neighborhoods disproportionately retain black householders with a high school degree. More specifically, "The bulk of the increase in average family income in gentrifying neighborhoods is attributed to black high school graduates and white college graduates. The disproportionate retention and income gains of the former and the disproportionate in-migration of the latter are distinguishing characteristics of gentrifying U.S. urban neighborhoods in the 1990's."[57]

This paper also included a literature review, with the authors citing that the literature most related to their study is that pertaining to the link between gentrification and out-migration in low-income neighborhoods. For this purpose, they review three specific studies, pertaining to 2002 analysis of Boston by Vigdor, a 2004 study by Freeman and Braconi in New York City, and a 2005 analysis by Freeman of a sample of U.S. neighborhoods. Of the Vigdor study, the authors state "He finds no evidence that low-income households are more likely to exist the current housing unit if they are located in a gentrifying zone."[58] Of the Freeman and Braconi study they cite that "Identifying seven neighborhoods in Manhattan and Brooklyn that gentrified during the 90's, they find that low-income households in the gentrifying neighborhoods were less likely to move than low-income households in non-gentrifying neighborhoods."[59] Finally, of the 2005 Freeman study, which extended the preceding work to a sample of U.S. neighborhoods, and thus required a broader definition of gentrification for study purposes, they state "He gain finds little evidence that gentrification is associated with displacement of low-income households."[60] Thus, in conclusion regarding this portion of their literature review, the authors cite the following: "This literature investigates whether there is empirical evidence to support the widely held belief that gentrification causes the displacement of low-income minorities from their neighborhoods. The most recent studies, although constrained by data limitations, find little evidence of displacement."[61]

3. Ingrid Gould Ellen and Katherine M. O'Regan, NYU, Wagner Graduate School and Furman Center, 2011

In March 2011 Ingrid Gould Ellen, Ph.D., and Katherine M. O'Regan, Ph.D., published an article on gentrification and displacement in the journal Regional Science and Urban Economics. At the time, Ellen was the Paulette Goddard Professor of Urban Policy and Planning and Director of the Urban Planning Program, NYU and O'Regan was Professor of Public Policy and Planning at NYU's Wagner Graduate School of Public Service (Regan is now Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development). The research in this paper was conducted while the authors were Special Sworn Status researchers of the U.S. Census Bureau at the New York Census Research Data Center.

The purpose of this paper was to examine whether the economic gains experienced by low-income neighborhoods in the 1990s followed patterns of classic gentrification, i.e., through the in-migration of higher income white, households, and out migration (or displacement) of the

[56] Terra McKinnish, Randall Walsh, Kirk White. "Who Gentrifies Low-Income Neighborhoods?" National Bureau of Economic Research, Working Paper 1403, May 2008, page 3.
[57] Ibid, page 2.
[58] Ibid, page 4.
[59] Ibid.
[60] Ibid, page 5.
[61] Ibid, page 4.

original lower income, usually minority residents, spurring racial transition in the process.[62] An abstract of this paper, published on-line, cites the following summary finding:

> "Using the internal Census version of the American Housing Survey, we find no evidence of heightened displacement, even among the most vulnerable, original residents. While the entrance of higher income homeowners was an important source of income gains, so too was the selective exit of lower income homeowners. Original residents also experienced differential gains in income and reported greater increases in their satisfaction with their neighborhood than found in other low-income neighborhoods. Finally, gaining neighborhoods were able to avoid the losses of white households that non-gaining low income tracts experienced, and were thereby more racially stable rather than less."

Further, as cited in the study findings, Ellen and O'Regan state:

> "The picture our analyses paint of neighborhood change is one in which original residents are much less harmed than is typically assumed. They do not appear to be displaced in the course of change, they experience modest gains in income during the process, and they are more satisfied with their neighborhoods in the wake of the change. To be sure, some individual residents are undoubtedly hurt by neighborhood change; but in aggregate, the consequences of neighborhood change — at least as it occurred in the 1990s — do not appear to be as dire as many assume."[63]

4. Silva Mathema, Poverty & Race Research Action Council, 2013

In October 2013, while a Research Associate with the Poverty & Race Research Action Council in Washington, D.C., Silva Mathema, Ph.D., prepared an updated literature review on gentrification, with a focus on the theories and realities of gentrification. Upon reviewing close to 30 cited papers on many aspects of gentrification, Mathema provides the following summary of recent gentrification research:

> "Some studies have found little to no evidence of gentrification-induced displacement and laud gentrification for promoting urban revival and development (Betancur 2011). Using American Housing Survey's data on residential turnover, Ellen and O'Regan (2011) did not find increased displacement of vulnerable original residents in neighborhoods that experienced large economic gains during the 1990s. They also did not observe any drastic change in racial composition of the neighborhoods in the 1990s. This finding is significant because gentrification is usually associated with exodus of low-income minority residents from transitioning neighborhoods. In fact, there was increase in level of neighborhood satisfaction among original residents in growing neighborhoods. Similarly, Freeman's (2009) research suggests that gentrification does not impact neighborhood level diversity negatively. Likewise, McKinnish (2010), analyzing the census tract data, found no evidence of displacement among minority households in gentrifying neighborhoods. In fact, he suggested that

[62] http://www.sciencedirect.com/science/article/pii/S0166046211000044.

[63] See paper excerpt cited in: https://journalistsresource.org/studies/economics/real-estate/gentrification-urban-displacement-affordable-housing-overview-research-roundup

these diverse neighborhoods were attractive to middle class black families who were likely to move into these areas." [64]

Mathema concludes by recognizing that gentrification has received renewed attention from policymakers, and states that localities experiencing such transformations will "need to be cognizant of the main players, the state of gentrification, and historical and racial context of the neighborhood, to be able to design programs that aim to promote social justice and equitable development in the gentrifying neighborhoods."[65]

5. Harvard Shorenstein Center Project, 2014

In 2014 the Harvard Shorenstein Center Project published an overview and research roundup on gentrification, urban displacement, and affordable housing. The roundup includes an overall summary of the literature prepared by the Center along with links and synopses of a selection of eight studies on gentrification and its effects, a few of which included analysis of displacement.

The Center's overall summary references that the first longitudinal studies quantifying trends in gentrification generally found that low-income resident displacement due to gentrification was limited. They state the following about Lance Freeman's 2005 study:

> "In 2005, Lance Freeman of Columbia University published an influential nationwide study that found that low-income residents of gentrifying urban neighborhoods were only slightly more likely to leave than those in non-gentrifying neighborhoods — 1.4% versus a 0.9%."[66]

They further indicated, however, that in 2008 Freeman indicated that more research was needed, and that "The empirical evidence [on gentrification] is surprisingly thin on some questions and inconclusive on others."[67]

This roundup cites other study findings, such as the following:

- "Recent studies of neighborhood change have examined other effects of gentrification on low-income residents. Research published in 2010 and 2011 found evidence that gentrification could boost income for low-income residents who remained and also raised their level of housing-related satisfaction.

- Even if the proportion of low-income residents displaced by gentrification is low, research indicates that the aggregate number displaced can be high and the consequences of displacement particularly harmful. A 2006 study estimated that about 10,000 households were displaced by gentrification each year in New York City.

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[64] Silva Mathema, "Gentrification: An updated Literature Review," Poverty & Race Research Action Council, October 2013, page 3.
[65] Ibid, page 5.
[66] Harvard University, Kennedy School of Government, Shorenstein Center on Media Politics and Public Policy, "Gentrification, Urban Displacement and Affordable Housing: Overview and Research Roundup," August 2014.
[67] Ibid.

> Follow-up interviews found that among those displaced, many ended up living in overcrowded apartments, shelters or even became homeless."[68]

These somewhat contrary statements indicate the literature is at odds, with limited definitive results. Toward this end, the roundup states:

> "The major studies on gentrification share several important limitations: They have not consistently examined the fate of displaced low-income residents; they do not look at the effects of gentrification over multiple decades; and most use data from the 1980s and 1990s — preceding major increases in rental prices throughout the 2000s and before the Great Recession. There is also no consensus on how to measure gentrification, so existing studies may be missing important demographic transitions in U.S. neighborhoods."[69]

6. Joseph Cortwright, City Commentary, cityobservatory.org, 2015

Economic Analyst Joseph Cortright, President and Principal Economist of Impressa, a Portland-based consulting firm specializing in metropolitan economies, knowledge-based industries, and education policy, recently authored an on-line commentary addressing the confusion between gentrification and displacement. This commentary was in response to a series on gentrification published by Governing Magazine in February 2015.

In his commentary, Cortright states that:

> "There's precious little evidence that there has been, in the aggregate, any displacement of the poor from the neighborhoods *Governing* flags as "gentrifying." If there were displacement, you'd expect the number of poor people in these neighborhoods to be declining. In fact, nationally, there are more poor people living in the neighborhoods that they identify as "gentrifying" in 2013 than there were in 2000. *Governing's* gentrifying neighborhoods have gained poor AND nonpoor residents according to Census data. And even after "gentrifying," these neighborhoods still have higher poverty rates, on average, than the national average.
>
> Careful academic studies of gentrifying neighborhoods, by Columbia's Lance Freeman and the University of Colorado's Terra McKinnish, show that improving neighborhoods actually do a better job of hanging on to previous poor and minority residents than poor neighborhoods that don't improve. The University of Washington's Jacob Vigdor has estimated that even when rents go up, existing residents generally attach a value to neighborhood improvements that more than compensates for the higher costs." [70]

Cortright further addresses other study findings, pertaining to poverty and gentrification, but these are separate from the discussion regarding the relationship between displacement and gentrification.

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[68] Ibid.
[69] Ibid.
[70] Joe Cortright, "How *Governing* got it wrong: The problem with confusing gentrification and displacement," *Cityobservatory.org* Commentary, June 2, 2015.

7. Richard Florida, Martin Prosperity Institute at the University of Toronto and Global Research Professor at New York University, 2015

Richard Florida, Ph.D., Professor of Business and Creativity, Rotman School of Management, University of Toronto, authored a commentary on gentrification and displacement in 2015 in CityLab, an on-line publication of The Atlantic Magazine. This commentary pertains to an August 2015 review of gentrification, displacement, and the role of public investment, published by the Federal Reserve Bank of San Francisco, and authored by academics from UC Berkeley and UCLA, but also includes summaries of other study findings regarding gentrification and displacement. Florida begins by citing some of the findings of Lance Freeman of Columbia University, including the first study cited in this section. Florida states the following about Freeman's work:

> "Perhaps the foremost student of gentrification and displacement is Lance Freeman of Columbia University. His 2004 study with Frank Braconi found that poor households in gentrifying neighborhoods of New York City were less likely to move than poor households in non-gentrifying neighborhoods. This of course may have to do with the fact that there are less poor households in gentrifying neighborhoods to begin with. Still, the authors concluded that "a neighborhood could go from a 30% poverty population to 12% in as few as 10 years without any displacement whatsoever." In a subsequent 2005 study, Freeman found that the probability that a household would be displaced in a gentrifying neighborhood was a mere 1.3 percent. A follow-up 2007 study, again with Braconi, examined apartment turnover in New York City neighborhoods and found that the probability of displacement declined as the rate of rent inflation increased in a neighborhood. Disadvantaged households in gentrifying neighborhoods were actually 15 percent less likely to move than those in non-gentrifying households.
>
> And, in a 2009 study, Freeman found that gentrifying neighborhoods are becoming more racially diverse by tracking neighborhood change from 1970-2000 (although he does note that cities overall are becoming more diverse as well). Freeman also discovered that changes in educational diversity were the same for both gentrifying and non-gentrifying areas. Ultimately, while some residents were displaced from 1970-2000, gentrifying neighborhoods were generally more diverse when it came to income, race, and education as opposed to non-gentrifying neighborhoods." [71]

Florida also references findings that suggest gentrification can reduce displacement. Specifically, he states:

> "Counterintuitively, several studies have even found that gentrification can in some cases reduce displacement. Neighborhood improvements like bars, restaurants, waterfronts, or extended transit can and sometimes do encourage less advantaged households to stay put in the face of gentrification. A 2006 study found that displacement accounted for only 6 to 10 percent of all moves in New York City due to housing expenses, landlord harassment, or displacement by private action (e.g. condo conversion) between 1989 and 2002. A 2011 study concluded that neighborhood income gains did not significantly predict household exit rates. What did predict

[71] Richard Florida, "The Complicated Link Between Gentrification and Displacement," *Citylab* (Atlantic Magazine), September 8, 2015.

outmigration was age, minority status, selective entry and exit, and renting as opposed to buying."[72]

In further discussing study findings, Florida cites that "Indeed, displacement is becoming a larger issue in knowledge hubs and superstar cities, where the pressure for urban living is accelerating. These particular cities attract new businesses, highly skilled workers, major developers, and large corporations, all of which drive up both the demand for and cost of housing. As a result, local residents - and neighborhood renters in particular - may feel pressured to move to more affordable locations." This Florida comment followed general reference to findings from the Urban Displacement Project at UC Berkeley, which has authored many articles about gentrification, and sought to develop indicators that would identify census tracts in the Bay Area that are at risk of displacement and/or gentrification. In particular, Florida provides a link to a paper written by one of his colleagues, which seeks to distill some of the Urban Displacement Project findings (see http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/). The author of this document, Tanvi Misra, who is a CityLab colleague of Florida's, summarizes Karen Chapple of the Urban Displacement Project's findings as follows, demonstrating the complex relationship between gentrification and displacement:

"Displacement can be physical (as building conditions deteriorate) or economic (as costs rise). It might push households out, or it might prohibit them from moving in, called exclusionary displacement. It can result from reinvestment in the neighborhood — planned or actual, private or public — or disinvestment.

Thus, displacement is often taking place with gentrification nowhere in plain sight. In fact, stable neighborhoods at both the upper and lower ends of the income spectrum are experiencing displacement."[73]

See a review below regarding some of the findings from the Urban Displacement Project.

8. University of California, Berkeley, Urban Displacement Project, 2015

The Urban Displacement Project at the University of California at Berkeley is research and action initiative of UC Berkeley in collaboration with researchers at UCLA, community based organizations, regional planning agencies and the State of California's Air Resources Board. The project aims to understand the nature of gentrification and displacement in the Bay Area and Southern California. The studies prepared by this project have spawned a great many papers, both by the Urban Displacement Project and by others commenting on its findings and analyzing its datasets. This paper, in particular, is an Executive Summary including a succinct literature review, summary of case studies, brief comment on anti-displacement policy analysis, and summary methodology overview. This paper states that "As regions across California plan for and invest in transit oriented development, in part as a response to SB 375 and the implementation of their Sustainable Communities Strategies, communities are increasingly concerned about how new transit investment and related new development will affect the lives of existing residents, particularly low-income communities of color."[74] Thus, the

[72] Ibid.
[73] See http://www.citylab.com/housing/2015/08/mapping-gentrification-and-displacement-in-san-francisco/402559/).
[74] University of California, Berkeley, "Urban Displacement Project," December 2015, page 1.

Urban Displacement Project "analyzed the relationship between transit investment and neighborhood change, identifying factors that place neighborhoods at risk of displacement and mapping Bay Area neighborhoods according to levels of risk."[75]

The Urban Displacement Project defines gentrification as the influx of capital and higher-income, higher-educated residents into working-class neighborhoods, and says it has already transformed about 10% of Bay Area neighborhoods, with displacement, which can be physical or economic, occurring in 48% of Bay Area neighborhoods.[76] The Urban Displacement Project indicates that displacement, whether physical or economic, may result from disinvestment as well as investment, and thus is often taking place in the absence of visible gentrification.

This paper cites several key study findings from the Urban Displacement Project.

- Regionally, there has been a net gain in 94,408 low-income households between 2000 and 2013. However, there has been a concurrent loss of almost 106,000 naturally-occurring affordable housing units (where low-income people pay 30% or less of their income on rent).
- More than half of low-income households, all over the nine-county region, live in neighborhoods at risk of or already experiencing displacement and gentrification pressures.
- The crisis is not yet half over: More tracts are at risk of displacement in the future compared to those already experiencing it (in other words, the number of tracts at risk of displacement are 123% higher than the numbers already experiencing it).
- Still, more than half of neighborhoods in the nine-county Bay Area are quite stable, or just becoming poorer.
- In low-income areas, this is due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.
- Displacement extends far beyond gentrifying neighborhoods: The Bay Area's affluent neighborhoods have lost slightly more low-income households than have more inexpensive neighborhoods – a story of exclusion.
- We are losing "naturally occurring" affordable housing in neighborhoods often more quickly than we can build new housing.
- There is no clear relationship or correlation between building new housing and keeping housing affordable in a particular neighborhood.[77]

Notably, this paper identifies "exclusionary displacement" as what occurs when households are prohibited from moving in.

Beyond these key findings, this Executive Summary includes a summary literature review. This literature review does not shed much light on the question of displacement's relationship to gentrification, other than citing that despite analytic challenges in measuring displacement, "most studies agree that gentrification at a minimum leads to exclusionary displacement and may push out some renters as well."[78] However, this paper provides a few comments on case studies performed for nine Bay Area neighborhoods, and presents these additional findings (among others):

[75] Ibid.
[76] Ibid.
[77] Ibid, page 2.
[78] Ibid, page 3.

- Gentrification may not precede displacement. Gentrification is often assumed to be a precursor to residential displacement, yet in many of our cases we found that displacement precedes gentrification and that the two processes are often occurring simultaneously.

- Gentrification and displacement are regional. Although gentrification and displacement are often seen as a neighborhood or local phenomenon, our cases show that they are inherently linked to shifts in the regional housing and job market.

- Despite continued pressures and much anxiety, many neighborhoods that expected to be at risk of displacement — such as East Palo Alto, Marin City and San Francisco's Chinatown — have been surprisingly stable, at least until 2013, the most recent year with available data. This is likely due to a combination of subsidized housing production, tenant protections, rent control and strong community organizing.

- Policy, planning and organizing can stabilize neighborhoods. Many of the cases have shown remarkable stability, largely due to strengths of local housing policy, community organizing, tenant protections and planning techniques.

This Executive Summary concludes with the following statement: "Even though many Bay Area neighborhoods are at risk of displacement or exclusion, such change is not inevitable. Subsidized housing and tenant protections such as rent control and just-cause eviction ordinances are effective tools for stabilizing communities, yet the regional nature of the housing and jobs markets has managed to render some local solutions ineffective."[79]

9. Miriam Zuk and Karen Chapple, University of California, Berkeley, Institute of Governmental Studies, 2015

This research brief provides a summary of research into the relationship between housing production, filtering, and displacement based on analysis of an extensive dataset for the San Francisco Bay Area developed by the Urban Displacement Project at UC Berkeley. It was prepared by Zuk, Ph.D., Director and Senior Researcher, and Chapple, Ph.D., Professor of City and Regional Planning, both with the Center for Community Innovation at UC Berkeley's Institute of Governmental Studies. The study's findings regarding the impacts of market rate housing production on housing costs are discussed in a separate chapter in this report (see Chapter V. Housing Production Impacts on Housing Costs). However, the findings in this article also have relevancy to the question of the relationship between gentrification and displacement.

To the extent that new housing development can be construed as gentrification, the summary findings of this study are as follows:

- "At the regional level, both market-rate and subsidized housing reduce displacement pressures, but subsidized housing has over double the impact of market-rate units.

- Market-rate production is associated with higher housing cost burden for low-income households, but lower median rents in subsequent decades.

[79] Ibid, page 4.

- At the local, block group level in San Francisco, neither market-rate nor subsidized housing production has the protective power they do at the regional scale, likely due to the extreme mismatch between demand and supply. Although more detailed analysis is needed to clarify the complex relationship between development, affordability, and displacement at the local scale, this research implies the importance of not only increasing production of subsidized and market-rate housing in California's coastal communities, but also investing in the preservation of housing affordability and stabilizing vulnerable communities."[80]

In brief, this study appears to conclude that at the local level in San Francisco, the relationship between gentrification and displacement is indeterminate, and deserving of additional analysis to best probe the relationship.

10. Lei Ding, Federal Reserve Bank of Philadelphia, Jackelyn Hwang, Princeton University, and Eileen Divringi, Federal Reserve Bank of Philadelphia, 2016

This academic paper was prepared for the Federal Reserve Bank of Philadelphia in September 2016 by the following authors: Lei Ding, Ph.D., Community Development Economic Advisor, Community Development Studies & Education Department of the Federal Reserve Bank of Philadelphia; Jackelyn Hwang, Ph.D., Postdoctoral Research Fellow at Princeton University (forthcoming Assistant Professor of Sociology at Stanford University, September 2017); and Eileen Divringi, Community Development Research Analyst in the CDS&E Department of the Federal Reserve Bank of Philadelphia.

This paper also includes an extensive literature review section, with a topic specifically focused on gentrification and residential displacement, siting that residential displacement has been a central point of contention surrounding gentrification. In framing the review, the authors state:

> "As neighborhoods gentrify and new residents of a higher socioeconomic status relative to incumbent residents move in and housing values and rents rise, housing and living costs may lead less advantaged incumbent residents to move out of the neighborhood against their will. Most existing studies on the population composition of gentrifying neighborhoods find that demographic changes take place at the aggregate neighborhood level. This implies that long-term, less advantaged residents are indeed moving out of the neighborhood. Further, anecdotal accounts show that residents move out of gentrifying neighborhoods by choice or through eviction as landlords increase rents, property taxes increase as local home values and rents rise, or because developers offer existing residents relatively large cash sums and then renovate the properties for larger profits (Newman and Wyly, 2006; Freeman, 2005). Few studies, however, have examined the moves of individual residents in gentrifying neighborhoods to support this."[81]

The authors then proceed to review approximately ten studies exploring different aspects of the issue, many of which were cited by other authors reviewed above, as well as in this current analysis. While each study has its strengths and weaknesses, and unique data constraints, the authors conclude this literature review by stating:

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[80] Miriam Zuk, Karen Chapple, "Housing Production, Filtering and Displacement: Untangling the Relationships," University of California, Berkeley, Institute of Governmental Studies Research Brief May 2016, page 1.

[81] Lei Ding, Jackelyn Hwang, Eileen Divringi, "Gentrification and Residential Mobility in Philadelphia," Discussion Paper: Federal Reserve Bank of Philadelphia, September 2016, page 3.

> "Overall, existing studies generally do not find evidence of elevated rates of mobility among less advantaged residents compared with similar residents in low-income neighborhoods that do not gentrify. The findings suggest that residential moves from gentrifying neighborhoods reflect normal rates of housing turnover among less advantaged residents and that the neighborhood-level demographic changes are largely due to the in-migration of high socioeconomic status residents."

Some of the perceived weaknesses in these studies, or alternate explanations for not detecting higher mobility rates, are among the reasons the authors conducted their study, examining residential mobility in Philadelphia from 2002 – 2014. As noted by the authors in the study conclusions:

> "This case study of Philadelphia leverages a unique data set to shed light on the heterogeneous consequences of gentrification on residential mobility patterns. Our findings contribute to debates on gentrification and displacement by uncovering important nuances of residential mobility associated with the destinations of movers, vulnerable subpopulations, the pace of gentrification, and economic cycles. Previous studies have not explored these important dimensions of gentrification nor have they examined these patterns as gentrification has grown and expanded relative to its past since the late 1990s.
>
> We find that gentrifying neighborhoods in Philadelphia, especially those in the more advanced stages of gentrification, have higher mobility rates on average compared with nongentrifying neighborhoods, but these movers are more likely to be financially healthier residents moving to higher-quality neighborhoods. Consistent with other recent studies of mobility and gentrification (Ellen and O'Regan, 2011; Freeman, 2005; McKinnish et al., 2010), we generally do not find that more vulnerable residents in gentrifying neighborhoods have elevated rates of mobility. As discussed earlier, Philadelphia has a number of distinct features that may mitigate the pace of residential displacement, such as its high vacancy rates and property tax assessment practices. It is also possible that displacement among vulnerable residents has not yet occurred during the study period or could be better observed when more comprehensive data are available. The slightly higher mobility rates among low-score residents in neighborhoods already in the more advanced stages of gentrification lend support for this. It is also possible that we do not observe displacement occurring within census tracts, but, if this is the case, localized moves, though still costly, among vulnerable residents in gentrifying census tracts may have less negative consequences for these residents who would still be proximate to the increased amenities that come with gentrification (McKinnish et al., 2010).
>
> When more vulnerable residents move from gentrifying neighborhoods, however, they are more likely than their counterparts in nongentrifying neighborhoods to move to neighborhoods with lower incomes than the neighborhoods from where they move. These results suggest that gentrification redistributes less advantaged residents into less advantaged neighborhoods, contributing to the persistence of neighborhood disadvantage. Therefore, even though we do not observe higher mobility rates among these groups, the results still demonstrate that gentrification can have negative residential consequences for these subpopulations." [82]

[82] Ibid, pages 42 and 43.

11. Derek Hyra, American University, 2016

In this paper published in November 2016, Hyra, Ph.D., an Associate Professor in the Department of Public Administration and Policy at American University, cites that the causes and consequences of gentrification, e.g., an influx of upper-income people to low-income areas, are complex and multilayered.[83] He further states that perhaps the most controversial gentrification topic is its residential displacement consequences.[84] However, he cites that there is near empirical consensus that "mobility rates among low-income people are equivalent in gentrifying versus more stable low-income neighborhoods."[85] In supporting this statement he cites no less than six studies conducted between 2004 and 2015 (several of which are also cited herein). Hyra believes this should not be interpreted as evidence gentrification is not related to a shrinking supply of affordable housing units, but rather that low-income people tend to move at a high rate from all neighborhood types. While Hyra believes understanding the relationship between gentrification and residential displacement is critical, he believes other important gentrification consequences exist, and he spends the balance of his short paper on exploring other potential consequences, such as political and cultural displacement, and discussing potential future research questions. These research questions and investigations include exploring the role of race in supply and demand-side gentrification explanations, as well as future investigations and governmental policy reforms to increase the changes that low- and moderate-income people benefit from the process of gentrification, such as providing affordable housing opportunities and supporting community-led organizations.[86]

[83] Derek Hyra, "Commentary: Causes and Consequences of Gentrification and the Future of Equitable Development Policy," November 2016, page 170.
[84] Ibid, page 171.
[85] Ibid.
[86] Ibid, page 173.

Appendix B

Eastern Neighborhoods / Mission District Transportation and Demographic Trends

FEHR PEERS

January 12, 2017

Chris Kern
Senior Environmental Planner
1650 Mission Street, Suite 400
San Francisco, CA 94103

Subject: **Eastern Neighborhoods / Mission District Transportation and Demographic Trends**

Dear Chris:

Fehr & Peers has prepared this letter summarizing key transportation trends that have occurred since the adoption of the Eastern Neighborhoods Plan in August 2008, focusing on the Mission District. Specifically, San Francisco Planning staff identified three key questions regarding the transportation analysis prepared for the Eastern Neighborhoods Plan environmental review process and subsequent effects on the transportation network due to new development:

- If new construction based on the Eastern Neighborhoods Plan results in displacement of lower income workers, do these workers then move to distant suburbs and increase the number of automobile commute trips and regional VMT compared to the Eastern Neighborhoods Plan EIR?
- Does new housing in the Eastern Neighborhoods plan area attract higher income residents, who own more cars and are therefore adding additional automobile trips than were accounted for in the Eastern Neighborhoods Plan EIR?
- Do commuter shuttles have transportation impacts not considered in the Eastern Neighborhoods Plan EIR?

Overall, Fehr & Peers has found that the Eastern Neighborhoods Plan EIR took a fairly conservative approach to transportation analysis and findings. The EIR generally estimated that a slightly higher percentage of new trips would be made by private vehicles than recent traffic counts as well as census travel survey data would suggest are occurring. On a more detailed level, Fehr & Peers found that while the Mission has undergone significant demographic and economic

change, residents on average still appear to own around the same number of vehicles, and use non-auto modes at similar rates as in the period from 2000 – 2009.[1]

With regards to the effects of potential displacement of lower-income households, data tracking individuals or households who move out of the neighborhood is not available, limiting our ability to state with certainty whether displacement of lower income workers is leading those same workers to increase their vehicle travel. Collecting this data would require a long-term focused survey effort on a different horizon that which is available for the preparation of this letter report .

In absence of this data, Fehr & Peers has conducted an analysis and review of the regional models used to develop the travel demand estimates for the Eastern Neighborhoods Plan EIR and, more generally, the role that they play in planning/CEQA efforts. This review of the travel model focuses on available data, and how that data can be used to answer the questions posed above. The regional model uses available data, such as existing mode share, trends in travel time to work, and current research on travel behavior to assess how changes in population or employment affect vehicle travel on our transportation facilities. The growth in households and jobs included in the model is based on regional and local planning efforts such as Plan Bay Area, City general plans, and specific plans such as the Eastern Neighborhoods Plan.

The growth in the share of households and jobs located in dense, urban areas (as planned for in Plan Bay Area and the Eastern Neighborhoods Plan) is expected to generally decrease regional vehicle miles traveled per capita between now and 2040. In the short term, the distance between Bay Area residents and their places of employment has increased slightly from 2004 to 2014; this has not, however, been accompanied by a similar increase in the share of regional commuting by single-occupant vehicle.

In addition to these demographic and economic variables, several new technologies and programs have affected transportation in the Eastern Neighborhoods area. Commuter shuttles to campuses in the Peninsula and South Bay have grown in amount and ridership, and some members of the community are concerned they may be negatively affecting traffic or public transit operations. Fehr & Peers has not found any evidence that their effects have not been contained in the envelope of traffic effects analyzed in the Eastern Neighborhoods Plan EIR.

[1] Fehr & Peers has attempted to maintain consistency across data sources. Census data is used from the 2000 decennial census, and from the 2004 – 2009 and 2009 – 2014 five-year average reports of the American Community Survey. Non-Census data may use other base years.

With regards to non-automotive travel, Planning and SFMTA have both undertaken substantial citywide efforts to encourage non-auto modes of travel, including MuniForward and Planning's Transportation Sustainability Program (TSP); these provide mechanisms for encouraging shifts to sustainable modes of travel, although it is still too early in their implementation to provide detailed analysis on their efficacy. These programs would be expected to have the effect of decreasing overall vehicular travel, and perhaps increasing transit ridership.

Background and Literature on Factors Surrounding Travel Behavior

While this letter focuses on the interplay between jobs and housing and the effect that relationship has on local and regional travel patterns, these elements are only one potential factor in individual travel behavior. Regional traffic and travel patterns are the combination of many different factors that influence individual decisions; these factors include items related to the built environment, local land use, regional distributions of housing and jobs, household socioeconomic factors, roadway network design and capacity, and availability of alternative transportation services such as transit.

When used in travel demand models, these variables can be sorted into four groups: socioeconomic characteristics, travel options, local land use characteristics, and regional land use characteristics, all of which influence total regional travel[2]. The below narrative discusses how these complicated factors are reflected in the variables selected for use in the regional model; these variables rely on data that is readily available, and broad enough for regional use. Many other individual circumstances are not reflected in the model, even though they may influence decisions with respect to residential location, employment, and household formation. Instead, the model focuses on the outcomes of these decisions, and uses past trends to predict future changes in variables that can more easily be included in the model. The following is a summary of some of the factors used in modeling travel behavior, and definitions or explanations of each for reference.

Socioeconomic Characteristics

For modeling purposes, several variables are used as proxies for socioeconomic characteristics that influence travel. These variables include the number of workers and non-workers in each

[2] Hu, H., Choi, S., Wen, F., Walters, G., & Gray, C. J. (2012, February). Exploring the Methods of Estimating Vehicle Miles of Travel. In *51th Annual Meeting of the Western Regional Science Association*.

household, the age of household members, and median household income. Generally, larger households make more trips by all modes; people between ages 16 – 64 are more likely to drive, and higher income individuals are more likely to own a car; as such, analysis areas with populations meeting these characteristics tend to generate a larger number of vehicle trips in the model. Other individual traits, including English proficiency, ability to obtain a driver's license, and ability or disability may also influence travel decisions at this level, but are too generalized to be included in a regional travel demand model, despite their importance to individual decisions.

Travel Options

Travel options variables include considerations of transit access, transit quality, and access to a vehicle. Each of these factors can determine the mode an individual chooses to make a given trip. Generally, individuals will choose the most efficient mode among those that they have access to. Efficiency can include considerations such as cost, estimated travel time, comfort, wait times, or convenience, among other concerns. In travel models, these factors are considered through proxy variables such as car ownership, distance from transit, and the frequency at which nearby transit operates.

Local Land Use and Built Environment

Local land use variables include variables often referred to as "the D's": density of jobs and housing, diversity of land uses, design of roadway facilities and the urban environment, and similar elements. These factors help to create urban environments that are more walkable, and tend to have a lower automobile modeshare[3]. The academic literature surrounding the effects of land use on transportation choices has shown fairly consistently that dense, mixed-use neighborhoods with strong regional access have the lowest levels of vehicle trip-making.[4] When used in travel models, these are usually translated into measures of density for a given area, such as the number of dwelling units or jobs per acre.

Regional Land Use and Built Environment

Regional land use patterns determine travel patterns mostly as a function of where people live versus places they typically travel to; the most common example of this is the relationship

[3] Cervero, R., & Kockelman, K. (1997). Travel demand and the 3Ds: density, diversity, and design. *Transportation Research Part D: Transport and Environment*, *2*(3), 199-219.

[4] Ewing, R., & Cervero, R. (2010). Travel and the built environment: a meta-analysis. *Journal of the American planning association*, *76*(3), 265-294.

between a person's home and workplace. Regional accessibility, such as the availability of longer distance transportation options (including regional transit such as BART and Caltrain, as well as freeways and major arterials) also plays a key role in transportation decisions. Ongoing jobs-housing imbalances have been shown to have a substantial effect on the distance households travel to work, while regional accessibility (as measured by the mix of destinations easily accessible by a household) also tends to encourage non-auto trips[5,6,7].

Number of Long-Distance Commute Trips

In addressing the question of whether the new residential construction in the Eastern Neighborhoods plan displaces lower income workers and therefore leads to longer commute trips from distant suburbs, Fehr & Peers focused on available data which includes regional data on inter-county commutes, and data showing the regional distance between a worker's home and workplace. While speculation exists that individuals that move out of the Mission commute longer distances to existing jobs, the literature on job change following residential relocation is very limited. As such, it cannot be ascertained whether individuals moving from the Mission to outlying areas keep or change their job location.

In addition to the potential for longer commute trips, households moving from the Mission to areas with fewer non-auto transportation options may increase their use of private vehicles for non-work trips. This increase in trips may be offset by individuals who move into denser neighborhoods and then use private vehicles less often, particularly if new housing growth is concentrated in these denser neighborhoods.

As an example of how residential location affects commute patterns, **Table 1** summarizes the number of commuters who both live and work in the same Bay Area County, the number who live and work in different counties and drive alone to work, and the median rent by county to serve as a proxy for cost of living. Counties that have a lower than average share of residents who drive alone to work in another county are Santa Clara County, Sonoma County, and San Francisco County, while counties with the largest share of residents who drive alone to work in another county are San Mateo, Contra Costa, and Solano Counties.

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[5] Ewing, R. (1995). Beyond density, mode choice, and single-purpose trips. *Transportation Quarterly*, *49*(4), 15-24.

[6] Levinson, D. M. (1998). Accessibility and the journey to work. *Journal of Transport Geography*, *6*(1), 11-21.

[7] Cervero, R. (1996). Jobs-housing balance revisited: trends and impacts in the San Francisco Bay Area. *Journal of the American Planning Association*, *62*(4), 492-511.

Based on these figures, we would assume that a net movement of households from San Francisco to counties such as Contra Costa County and Solano County without a corresponding movement in jobs would result in a higher share of individuals driving longer distances to work. However, job and housing growth projections prepared by ABAG indicate that population growth will be concentrated in areas that, in general, have fewer individuals driving alone to work across county lines.[8]

TABLE 1: COMMUTERS LIVING AND WORKING IN DIFFERENT COUNTIES, 2010[1]

County	Employed Residents	Residents Working in Same County	Percentage Working in Same County	Drove Alone to Another County for Work	Percentage Drive Alone to Another County	2010 Median Rent[2]
Santa Clara	817,000	712,000	87%	85,000	10%	$1,471
Sonoma	226,000	188,000	83%	29,000	13%	$1,227
San Francisco	432,000	331,000	77%	68,000	16%	$1,446
Napa	62,000	48,000	77%	12,000	19%	$1,218
Alameda	693,000	468,000	68%	142,000	20%	$1,233
Marin	121,000	79,000	65%	29,000	24%	$1,563
Contra Costa	466,000	281,000	60%	121,000	26%	$1,311
San Mateo	349,000	205,000	59%	101,000	29%	$1,525
Solano	184,000	109,000	59%	55,000	30%	$1,199
Grand Total	**3,350,000**	**2,421,000**	**72%**	**642,000**	**19%**	**$1,353**

1. VitalSigns does not provide data prior to 2010.
2. Median rents are based on self-reported rents paid by current residents across a variety of unit types, and do not reflect the rent accepted by new residents. Amounts shown are adjusted for inflation to 2014 dollars.
Source: Metropolitan Transportation Commission VitalSigns, 2016; Fehr & Peers, 2016

To study the total *future* change in vehicle trips and vehicle miles traveled due to demographic shifts and changing development patterns, a travel model is typically employed studying conditions both with and without a demographic change.

[8] ABAG projections are taken from Plan Bay Area 2013.

Fehr & Peers performed a brief review of the model data used in developing the future year VMT and travel forecasts used for CEQA purposes, and found that they do account for changes in the number of households by income level, as well as changes in the number of jobs throughout the region. Travel models are used to forecast future year conditions, as well as changes in traffic due to major land use changes (such as the adoption of the Eastern Neighborhoods Plan). These models are designed to use research on current travel patterns to estimate how changes in roadway configurations, population locations, and jobs can affect vehicle travel as well as travel by other modes. The San Francisco specific model, SF-CHAMP, uses the same data as the regional model, but reassigns growth within San Francisco to reflect local planning efforts. Individual model runs can provide estimates of traffic levels on individual roadways, and as noted above are often used for portions of the traffic and VMT analyses prepared for CEQA purposes.

In order to provide these estimates, SF-CHAMP estimates travel behavior at the level of transportation analysis zones (TAZs). There are 981 TAZs within San Francisco that vary in size from single city blocks in the downtown core, to multiple blocks in outer neighborhoods, to even larger geographic areas in historically industrial areas like the Hunters Point Shipyard. It also includes zones outside of San Francisco, for which it uses the same geography as the current MTC Model: "Travel Model One". For each TAZ, the model estimates the travel demand based on TAZ population and employment assumptions developed by the Association of Bay Area Governments (ABAG). Essentially, the model does its best to represent average travel choices and patterns of "people" (the daytime service population) that represent all travelers making trips to and from each TAZ the entire day[9].

Neither SF-CHAMP nor the regional travel model explicitly link low-income workers living in one area with lower paying jobs in another area, or high-income workers with high-paying jobs for that matter; this level of analysis is generally considered to be more fine-grained than is appropriate for regional travel forecasts. Instead, household-job links are established using existing research on typical commute patterns and distances, including the distribution of workers living in a given area who travel longer distances to work, and so forth. Future concentrations of jobs and housing are based on the most recent regional planning documents prepared by ABAG.

Regardless of the model assumptions, some households will move from San Francisco and have increased commute distances, while others may change jobs and have decreased commute

[9] Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

distances. However, the model does indicate that overall aggregate regional growth is expected to help reduce the average distance that a typical worker travels between home and work. The SFCTA has estimated that existing average VMT per household is 17.2 for the region and 8.4 in San Francisco. The regional VMT per household is expected to decrease to approximately 16 7.5 by the year 2040[10]. Employment data shows that the share of Bay Area residents living more than ten miles from their employer increased from 2004 to 2014 (See **Table 2**); over the same period, the absolute number of individuals living more than ten miles from their employer also increased. As such, a larger number of individuals are likely driving alone to work across longer distances. This does not, however, translate into a higher share of individuals driving alone to work; the regional drive alone commute modeshare is at its lowest point since 1960, based on census data.

TABLE 2: DISTANCE FROM HOME CENSUS BLOCK TO WORK CENSUS BLOCK[1], BAY AREA RESIDENTS, 2004 - 2014

Distance	2004[2]		2014	
	Number of Workers	Share of Workers	Number of Workers	Share of Workers
Less than 10 miles	1,507,000	52%	1,600,000	47%
10 to 24 miles	800,000	27%	944,000	28%
25 to 50 miles	351,000	12%	445,000	13%
Greater than 50 miles	255,000	9%	390,000	12%
Drive-Alone Commute Modeshare	79%		76%	

1. LEHD data uses payroll and other labor information; distances may not represent an employee's typical workplace, but rather the location of their employer's office for labor reporting purposes.
2. 2004 base year is used due to data from 2000 not being available
Source: Longitudinal Employer-Household Dynamics, 2016; MTC VitalSigns, 2016; Fehr & Peers, 2016

Vehicle Trip Rates and Demographics of New Residents

While data are unavailable for households moving away from the Mission, a look at ACS data shows some insight on households that have recently moved to the Mission from elsewhere.

[10] Schwartz, Michael, Coper, Drew. (2016, February). Quantification of Impacts under CEQA following new guidelines from the Governor's Office of Planning and Research. And Kosinski, Andy. (2016, April). VMT Analysis for 2675 Folsom Street, Case No 2014-000601. 2675 Folsom Street Transportation Impact Analysis Project Record

Around 15 percent of Mission residents had moved within the past year; of these, around half moved to the Mission from outside of San Francisco (**Table 3**). New residents, particularly those moving from outside of California, tend to have higher incomes than existing residents.

TABLE 3: MIGRATION STATUS OF MISSION RESIDENTS[1] IN PAST YEAR AND MEDIAN INDIVIDUAL INCOME

Year		Did not move in past year	Moved; within San Francisco	Moved; from different county in CA	Moved; from different state	Moved; from abroad
2004-2009	% of Residents	86%	9%	2%	2%	1%
	Median Income (2014 Dollars)	$37,000	$40,000	$32,000	$40,000	$15,000
2009 -2014	% of Residents	86%	8%	3%	2%	1%
	Median Income (2014 Dollars)	$35,000	$43,000	$32,000	$76,000	$46,000

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S0701, 5-year averages, 2004-2009, 2009-2014; Fehr & Peers, 2016

Generally, higher income households tend to have more vehicles per household, and also tend to drive more (See **Table 4**). However, a preliminary look at trends studied in the Census and American Community Survey (ACS) indicate that this effect has had a minimal effect on overall vehicular use in the Mission district from 2000 to 2014.

TABLE 4: DRIVE ALONE MODESHARE BY INCOME GROUP, MISSION RESIDENTS[1] (2009- 2014)

Worker Earnings	% Driving Alone to Work
<$15,000	16%
$15,000 – $25,000	21%
$25,000 - $50,000	24%
$50,000 – $75,000	28%
>$75,000	29%
Average, All Incomes	**27%**

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: ACS Table S1901, 5-year averages, 2009-2014; Fehr & Peers, 2016

Partially due to the in-migration of higher income earners shown in **Table 3**, the median household living in the Mission in 2014 has a significantly higher income than the median household living there in 2000 (see **Table 5**). Median annual income increased from around $67,000 to around $74,000 during that time period (in 2014 inflation-adjusted dollars). This reflects the migration patterns partially discussed above, as well as some level of general increases in incomes over that time. The same pattern can be seen by examining the share of all households with incomes above $100,000, which has more than doubled from 2000 to 2014.

However, although the typical household has a higher income, vehicles per househols has not increased over the same time period. The same percentage of households have zero cars (39 – 40 percent of households), and the average number of vehicles per household has remained nearly constant over that same period. Similarly, the share of Mission residents commuting to work by driving alone has also remained steady, at 25 – 29 percent. Due to population growth, this does result in more vehicles and more people driving alone compared to in 2000; however, this growth is in line with past trends, and does not exceed the level of vehicle travel projected in the Eastern Neighborhoods EIR, as discussed below.

In addition to census data, Planning has conducted three case studies at residential developments built in the past ten years in the Mission Neighborhood. These sites are located at 2558 Mission Street, 555 Bartlett Street, and 1600 15th Street. Each building consists of newer, largely market-rate housing, although 555 Bartlett Street and 1600 15th Street each have between 15 and 20 percent of units set aside as below market rate housing. Surveys at these sites were conducted during the extended AM and PM peak hours, and consisted of intercepting individuals at all project entrances and exits to inquire about their mode choice. In addition, person counts and vehicle counts were conducted at all entrances. Results from these surveys are shown by site in **Table 6**.

TABLE 5: COMPARISON OF SHIFTS IN INCOME AND AUTOMOBILE TRAVEL INDICATORS, MISSION RESIDENTS[1]

Year	Median Household Income (2014 Dollars)	Average Household Income (2014 Dollars)	Share of Households with Income Above $100,000 (nominal)	Share of Commuters Driving Alone to Work	Share of Households with Zero Cars Available	Vehicles Available per Household
2000	$67,000	$81,000	15%	29 %	39%	.85
2004 - 2009	$70,000	$98,000	31%	25 %	40%	.82
(% Change from 2000)	+ 4%	+21%	+ 106%	- 14%	<1%	-3%
2009 – 2014	$74,000	$109,000	40%	27 %	40%	.82
(% Change from 2000)	+ 10%	+35%	+ 166%	- 7%	<1%	-3%

1. Census data for Mission residents includes Census tracts 177, 201, 202, 207, 208, 209, 210, 228.01, 228.03, 229.01, and 229.02.
Source: American Community Survey, Tables B25044, B08130, S1901, 5-year averages, 2004 – 2009 and 2009 - 2014 ; Decennial Census, Tables H044, P030, DP3, 2000; Fehr & Peers, 2016

TABLE 6: OBSERVED MODE SPLITS AT RESIDENTIAL DEVELOPMENTS IN THE MISSION								
Address	**Drive Alone**	**Carpool**	**Walk**	**Taxi / TNC**	**Bike**	**SF Muni**	**BART**	**Private Shuttle**
1600 15th St (162 market rate units, 40 BMR units, 596 total person trips)	19%	15%	33%	4%	5%	7%	16%	2%
555 Bartlett Street (49 market rate units, 9 BMR units, 183 total person trips)	25%	28%	19%	3%	6%	4%	14%	1%
2558 Mission Street (114 market rate units, 288 total person trips)	13%	13%	38%	8%	1%	7%	17%	4%

Based on trips made between 7AM – 10AM and 3PM – 7PM on a typical weekday in the summer. Total number of trips represented all counted person trips; response rates to survey varied between sites. Final percentages are imputed from survey responses and vehicle counts.

Source: SF Planning, 2015; Fehr & Peers, 2016

The three sites showed a drive alone modeshare that ranged from 13 percent to 25 percent, all of which are below the average drive alone commute mode for the area (of around 27 percent; see **Table 5**). The total auto modeshare (drive alone + carpool + taxi/TNC) ranges from 34 percent to 56 percent of all trips, which is similar to the total auto modeshare for all trips as modeled by SF-CHAMP (ranging from 31 percent to 53 percent for key transportation analysis zones in the Mission).[11]

Transit Modeshare Over Time

The share of Mission residents commuting via transit has remained fairly steady from 2000 to 2014, based on ACS journey to work data (see **Table 7**). Transit modeshare has decreased slightly in recent years, from a high of 46 percent in 2004 – 2009; most of this shift has been to bicycling and "other means" (which may include trips made by TNC). This fluctuation is well within a typical margin of error, and includes a period of decreased Muni transit service during the Great Recession; service was restored in 2015.

[11] SF-CHAMP auto modeshare is based on the Central SoMa 2012 Baseline model run; the presented modeshares are for the analysis zones where each of the case study developments are located.

TABLE 7: MISSION RESIDENT TRANSIT MODESHARE TRENDS, 2000 – 2014 (COMMUTE TRIPS ONLY)				
Year	**Total Transit Modeshare**	**Muni Bus or Rail[1]**	**BART[2]**	**Caltrain[3]**
2000	42%	24%	16%	1%
2004 – 2009	46%	29%	16%	1%
2009 – 2014	44%	24%	18%	3%

1. "Bus or trolley bus" and "Streetcar or trolley car" categories
2. "Subway or elevated" category
3. "Railroad" category

Source: ACS 2014; Fehr & Peers, 2016

Expected and Observed Peak Hour Vehicle Traffic Growth

The Eastern Neighborhoods Transportation Impact Study (TIS) and EIR analyzed several intersections within the Mission District. Fehr & Peers worked with Planning to select four of these intersections and conduct one-day PM peak hour turning movement counts in December 2016[12]; these intersection counts do not include Mission Street due to the installation of bus-only lanes (which act to divert some private vehicle traffic from Mission Street) in 2015. These counts were then compared to the expected level of traffic growth based on the total change in housing units constructed in the Mission from 2011 – 2015. Full turning movement volumes and estimated calculations are included in **Attachment A**.

Overall, the current level of reported development from the Eastern Neighborhoods Monitoring Report was estimated to represent around 65 percent of background, no project growth (based on progress from 2000 baseline year to 2016 relative to the 2025 projections), and around 10 percent complete[13] for the growth projected under EIR Option C. While the preferred alternative does not precisely match any of the three options set forth in the EIR, Fehr & Peers selected Option C for comparison purposes as it showed the highest level of residential growth in the Mission. **Table 8** shows a summary of observed and estimated traffic volumes for the intersections analyzed.

[12] While vehicle counts are typically not taken in December due to changes in travel patterns during that time, schedule constraints necessitated immediate counts. Counts were collected on a weekday with average weather, while area schools were still in session.

[13] Estimate of 10 percent complete includes 25 percent of estimated increase in housing units and 4 percent of estimated increase in non-residential square footage from the 2000 baseline. This does not include the reduction in total PDR square footage.

On average, observed traffic volumes in 2016 were around 5 - 10 percent lower than expected based on the Eastern Neighborhoods EIR and the percentage of estimated development complete[14]. At three of the four intersections counted, total traffic volume had in fact decreased from the 2000 baseline count data. The exception is at 16th Street and South Van Ness, where there was an increase in traffic volume traveling northbound and southbound. This likely reflects shifts from other north/south streets such as Mission Street that have seen changes in their roadway configurations that were not anticipated by the analysis in the Eastern Neighborhoods Plan. The observed traffic counts also include only one day of count data, which introduces a chance that the observations are not representative; however, traffic volumes at urban intersections tend to be fairly stable with respect to the amount of peak hour traffic. Overall, this reflects that the Eastern Neighborhoods TIS and EIR took a fairly conservative approach to modeling the levels of local traffic generated by the changes in land use allowed by the Plan.

TABLE 8: COMPARISON OF OBSERVED AND ESTIMATED TRAFFIC VOLUMES AT MISSION INTERSECTIONS

Intersection	2000 Baseline Total Volume	2025 Option C Projected Volume	2016 To Date Projected Volume[1]	2016 Observed Volume	Net Difference (2016 Observed – 2016 Projected)	% Difference
Guerrero / 16th	2,704	2,895	2,729	2,628	-101	-4%
S. Van Ness / 16th	2,513	2,682	2,534	2,692	158	6%
Valencia / 16th	1,848	2,168	1,885	1,572	-313	-17%
Valencia / 15th	2,287	2,438	2,311	1,913	-398	-17%
				Average	-164	-7%

1. 2016 to date projected volume is derived from the 2000 baseline volume plus 10 percent of Option C added project trips. Actual completed development analyzed in Option C amounts to 25% of studied residential units, and 4% of non-residential new development.
Source: Fehr & Peers, 2016; Eastern Neighborhoods TIS, 2008

[14] While not shown in Table 8, projected traffic volumes for EIR Option A (at 30% complete) and the No Project scenario were similar to those for Option C, and were on average higher than the observed 2016 traffic volumes.

Policy and Program Changes since Adoption of Eastern Neighborhoods Plan

The above analysis represents a look at how 2016 compares to conditions considered in the Eastern Neighborhoods Plan TIS and EIR. However, since the adoption of the Eastern Neighborhoods Plan, the City has embarked on several projects and programs designed to better accommodate sustainable growth. Future transportation investments are anticipated to align with these goals, and include a focus on transit capital and operational investments, bicycle infrastructure, and pedestrian safety. Many of these improvements may be financed by fees collected from new developments.

San Francisco Bicycle Plan

The 2009 San Francisco Bicycle Plan was adopted shortly after the adoption of the Eastern Neighborhoods Plan. It identifies specific bicycle route improvement projects, and is intended to foster a safe and interconnected bicycle network that supports bicycling as an attractive alternative to driving. This plan identified sixty total bicycle projects and bicycle route improvements, several of which are located within the Eastern Neighborhoods Plan area. In the Mission, this includes facilities on 17th Street and 23rd Street, as well as potential long-term improvements on Shotwell Street and Capp Street.

Better Streets Plan

The Better Streets Plan, adopted in 2010, includes streetscape policies and guidelines that outline streetscape requirements for new development, as well as generally guide the design of new street improvement projects. It seeks to enhance the pedestrian environment, and includes guidelines for width and design of sidewalks, crosswalks, and general enhancements to the pedestrian environment, including street trees, lighting, and other elements. New developments are expected to bring relevant streetscape elements near their project into compliance with the Better Streets Plan as part of the development review process.

Muni Forward

Muni Forward is an adopted plan following the findings of the Transit Effectiveness Project (TEP). The TEP was an in-depth planning process that sought to evaluate and enhance the Muni system; in 2014, the SFMTA Board of Directors adopted many of these recommendations, which included an overall 12 percent increase in Muni service citywide. Major projects affecting the Mission include the installation of red bus-only lanes on Mission Street, as well as service improvements

on the 14 and 14R buses, which provide a key connection for Mission residents to sites along the Mission Street corridor.

Vision Zero

Vision Zero, adopted in 2014, represents an action plan for building better and safer streets, with the goal of having zero traffic fatalities by the year 2024. This goal utilizes a "safe systems" approach to protect people from serious injury or death when a crash occurs by creating safe roads, slowing speeds, improving vehicle design, educating people, and enforcing existing laws. Part of this process includes identifying high injury corridors, where people are more likely to experience serious injury or death as a result of automobile collisions. Guerrero Street, Valencia Street, Mission Street, South Van Ness Avenue, Harrison Street, 15th Street, 16th Street, 17th Street, 24th Street, Cesar Chavez Street, and segments of 18th Street and Dolores Street are all included in the Vision Zero High Injury Network. High priority projects to address these issues in the Mission include the installation of bus-only lanes on Mission Street, as well as installation of pedestrian countdown signals at key intersections on Guerrero Street and S. Van Ness Avenue.

Propositions A and B (2014)

In 2014, San Francisco voters passed Propositions A and B, both of which provided additional funding for transportation projects, almost all of which was designated for transit, pedestrian, and bicycle improvements. Proposition A authorized $500 million in general obligation bonds for transportation infrastructure needs citywide. Funds were earmarked for specific project types that focused on transit, bicycle, and pedestrian improvements, including construction of transit-only lanes and separated bikeways, transit boarding islands, escalator upgrades, new pedestrian signals, sidewalk improvements, and Muni maintenance facilities. Proposition B required that the City's contributions to SFMTA increase based on population growth, including both the daytime and night-time populations. Additionally, Proposition B required the 75 percent of any population-based increase be used to improve Muni service, and 25 percent be used for improving street safety.

Transportation Sustainability Program

The Transportation Sustainability Program (TSP) reflects plans to adopt smart planning and investment practices to improve and expand on the existing transportation system. They include requiring new developments to adopt comprehensive transportation demand management (TDM) programs (anticipated to be in effect early 2017) in order to reduce the number of trips

made by automobile, as well as adoption of the new Transportation Sustainability Fee for new developments, and environmental review guidance that prioritizes smart growth in the form of infill development near quality transit service.

Commuter Shuttle Program

The SFMTA implemented a formal Commuter Shuttle Program in 2014 to regulate how long-distance commuter shuttles utilize public roadways and public curb space, including bus stops. An October 2015 review found that the program was eligible for a categorical exemption (Case No. 2015-007975ENV). The analysis used for this determination also examined the total number of shuttles and shuttle stop incidents. This study found that shuttle vehicles would remain less than 10 percent of vehicles traveling on arterials with shuttle stop locations, and that this increase was not expected to substantially affect traffic operations on arterial roadways. As shown in **Table 8**, current levels of traffic within the Mission remain below expected volumes based on the amount of development completed under the Eastern Neighborhoods Plan.

On-Demand Smartphone Ride Companies

At the time of the Eastern Neighborhoods EIR, transportation network companies (TNCs) such as Lyft, Uber, and Chariot did not exist. In recent years, this method of transportation has grown significantly. However, many details regarding how these companies fit into the larger transportation picture in San Francisco is unclear. To date, no holistic study has examined whether TNC users are making trips they would not otherwise make, or substituting a Lyft or Uber ride for either a public transit trip or private vehicle trip. Based on the surveys conducted at newer residential developments, the combination of Taxi and on-demand / smartphone-based transportation represents between three and eight percent of all trips. These trips have not led to growth in traffic at Eastern Neighborhoods study intersections that exceed what was predicted, based on actual intersection-level counts, and can reasonably be considered to fall within the envelope of transportation effects identified in the Eastern Neighborhoods EIR.

Sincerely,

FEHR & PEERS

Eric Womeldorff, P.E.
Principal

Teresa Whinery
Transportation Planner

Attached:

Attachment A

Option A Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option A Plan Total (Delta from Baseline)	104,400	37,200	422,021	-448,753	114,000	0	782
Progress	-24%	41%	26%	46%	35%	100%	65%
Progress: Non-Residential & Non-PDR	20%						
Progress: Residential	65%						
Percent Complete, Option A	**40%**						

Option C Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN Option C Plan Total (Delta from Baseline)	609,480	49,448	2,214,011	-3,370,350	598,323	10,274	2,054
Progress	-4%	31%	5%	6%	7%	0%	25%
Progress: Non-Residential & Non-PDR	4%						
Progress: Residential	25%						
Percent Complete, Option C	**10%**						

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No Project Percent Complete

	CIE	Medical	Office	PDR	Retail	Visitor	Residential
Net Change, 2011 - 2015	-25,211	15,200	108,400	-206,311	40,119	0	506
EN CNP Total (Delta from Baseline)	134,700	36,900	551,400	-513,185	144,000	1	420
Progress	-19%	41%	20%	40%	28%	100%	120%
Progress: Non-Residential & Non-PDR	16%						
Progress: Residential	120%						
Rounded Estimate Complete, No Project	**70%**						
Time Estimate Complete, No Project (2016 - 2000) / (2025 - 2000)	**64%**						

Attachment A - Turning Movement (Option A)

		2000 Baseline	2025 NP	2025 Option A	2016 NP Estimate	2016 Option A To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Observed	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	86	78	78	2,789	16	2,628	-161	
	NBT	649	721	761	695	694		599			
	NBR	60	67	72	64	65		52			80%
	SBL	50	52	53	51	51		10			
	SBT	748	784	760	771	753		815			
	SBR	43	45	44	44	43		76			106%
	EBL	16	17	18	17	17		8			
	EBT	301	314	305	309	303		291			
	EBR	61	64	68	63	64		64			95%
	WBL	81	87	87	85	83		55			
	WBT	537	572	571	559	551		521			
16th & Guerrero	WBR	85	91	91	89	87		121			97%
	NBL	0	0	0	0	0	2,591	70	2,692	101	
	NBT	530	578	567	561	545		656			
	NBR	96	104	104	101	99		67			123%
	SBL	0	0	0	0	0		65			
	SBT	575	587	616	583	591		689			
	SBR	39	40	42	40	40		44			126%
	EBL	0	0	0	0	0		9			
	EBT	448	476	474	466	458		295			
	EBR	52	64	74	60	61		71			72%
	WBL	0	0	0	0	0		7			
	WBT	674	727	728	708	696		653			
S. Van Ness & 16th	WBR	99	106	105	103	101		66			91%

3373

	NBL	59	63	71	62	64	2,018	39	1,572	-446	
	NBT	442	480	535	466	479		417			
	NBR	0	0	0	0	0		0			84%
	SBL	0	0	0	0	0		2			
	SBT	549	553	557	552	552		407			
	SBR	199	218	224	211	209		162			75%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	108	93	87		54			
	WBT	443	632	655	564	528		396			
Valencia & 16th	WBR	83	118	123	105	99		95			76%
	NBL	49	50	51	50	50	2,376	40	1,913	-463	
	NBT	398	433	497	420	438		323			
	NBR	73	74	78	74	75		71			77%
	SBL	70	74	77	73	73		43			
	SBT	499	530	535	519	513		364			
	SBR	50	53	54	52	52		48			71%
	EBL	28	30	29	29	28		36			
3374	EBT	318	336	334	330	324		272			
	EBR	65	69	67	68	66		44			84%
	WBL	58	62	63	61	60		52			
	WBT	604	647	645	632	620		549			
Valencia & 15th	WBR	75	80	81	78	77		71			89%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

Attachment A - Turning Movement (Option C)

		2000 Baseline	2025 NP	2025 Option C	2016 NP Estimate	2016 Option C To Date Estimate	Intersection Level Total Estimate	2016 Count	Intersection Level Total Count	Change from To-Date Estimate	% of Estimated Traffic
	NBL	73	81	87	78	74	2,729	16	2,628	-101	
	NBT	649	721	776	695	662		599			
	NBR	60	67	72	64	61		52			84%
	SBL	50	52	52	51	50		10			
	SBT	748	784	772	771	750		815			
	SBR	43	45	44	44	43		76			107%
	EBL	16	17	18	17	16		8			
	EBT	301	314	301	309	301		291			
	EBR	61	64	70	63	62		64			96%
	WBL	81	87	88	85	82		55			
	WBT	537	572	585	559	542		521			
16th & Guerrero	WBR	85	91	92	89	86		121			98%
	NBL	0	0	0	0	0	2,534	70	2,692	158	
	NBT	530	578	589	561	536		656			
3375	NBR	96	104	107	101	97		67			125%
	SBL	0	0	0	0	0		65			
	SBT	575	587	598	583	577		689			
	SBR	39	40	41	40	39		44			130%
	EBL	0	0	0	0	0		9			
	EBT	448	476	457	466	449		295			
	EBR	52	64	78	60	55		71			74%
	WBL	0	0	0	0	0		7			
S. Van Ness &	WBT	674	727	741	708	681		653			
16th	WBR	99	106	108	103	100		66			93%

	NBL	59	63	69	62	60	1,885	39	1,572	-313	
	NBT	442	480	518	466	450		417			
	NBR	0	0	0	0	0		0			89%
	SBL	0	0	0	0	0		2			
	SBT	549	553	583	552	552		407			
	SBR	199	218	230	211	202		162			76%
	EBL	0	0	0	0	0		0			
	EBT	0	0	0	0	0		0			
	EBR	0	0	0	0	0		0			100%
	WBL	73	104	99	93	76		54			
	WBT	443	632	603	564	459		396			
Valencia & 16th	WBR	83	118	113	105	86		95			88%
	NBL	49	50	53	50	49	2,311	40	1,913	-398	
	NBT	398	433	477	420	406		323			
	NBR	73	74	79	74	74		71			82%
	SBL	70	74	77	73	71		43			
	SBT	499	530	550	519	504		364			
	SBR	50	53	55	52	51		48			73%
3376	EBL	28	30	29	29	28		36			
	EBT	318	336	326	330	319		272			
	EBR	65	69	67	68	65		44			85%
	WBL	58	62	63	61	59		52			
	WBT	604	647	657	632	609		549			
Valencia & 15th	WBR	75	80	82	78	76		71			90%

Sources:

2000 Baseline: Eastern Neighborhoods Plan TIS

2025 NP: Eastern Neighborhoods Plan TIS

2025 + Opt. A: Eastern Neighborhoods Plan TIS

2025 + Opt. B: Eastern Neighborhoods Plan TIS

2016 NP Estimate: = (2000 Baseline) + [(2025 NP) - (2000 Baseline)] * [(2016 - 2000) / (2025 - 2000)]

2016 Opt. A Estimate: = (2000 Baseline) + [(2025 Opt. A) - (2000 Baseline)] * (Opt. A % Complete)

2016 Opt. C Estimate: = (2000 Baseline) + [(2025 Opt. C) - (2000 Baseline)] * (Opt. C % Complete)

Exhibit C

SAN FRANCISCO
PLANNING DEPARTMENT

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

Reception:
415.558.6378

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Information:
415.558.6377

Subject to: (Select only if applicable)

- ☒ Affordable Housing (Sec. 415)
- ☒ Transportation Sustainability Fee (Sec. 411A)
- ☒ Eastern Neighborhoods Impact Fee (Sec. 423)
- ☒ First Source Hiring (Admin. Code)
- ☒ Residential Child Care Fee (Sec. 414A)
- ☐ Other

Planning Commission Motion No. 20066

HEARING DATE: NOVEMBER 30, 2017
CORRECTED DATE: DECEMBER 15, 2017

Case No.:	**2014.0376CUA**
Project Address:	**2918 Mission Street**
Zoning:	Mission St NCT (Neighborhood Commercial Transit) Zoning District 45-X, 55-X and 65-B Height and Bulk Districts
Block/Lot:	6529/002, 002A and 003
Project Sponsor:	Mark Loper – Reuben, Junius & Rose , LLP One Bush Street, Suite 600 San Francisco, CA 94104
Staff Contact:	Linda Ajello Hoagland – (415) 575-6823 linda.ajellohoagland@sfgov.org

ADOPTING FINDINGS RELATING TO A CONDITIONAL USE AUTHORIZATION, PURSUANT TO PLANNING CODE SECTION 121.1, 303, 754 AND THE MISSION 2016 INTERIM ZONING CONTROLS (PLANNING COMMISSION RESOLUTION NO. 19865), FOR THE DEVELOPMENT OF A LARGE LOT IN A NEIGHBORHOOD COMMERCIAL DISTRICT FOR THE PROPOSED PROJECT CONSISTING OF THE DEMOLITION OF A 5,200 SQUARE FOOT, SINGLE-STORY COMMERCIAL BUILDING, AND NEW CONSTRUCTION OF AN EIGHT-STORY, 84-FOOT, 8-INCH-TALL, 67,314 SQUARE FOOT MIXED-USE BUILDING WITH 75 DWELLING UNITS AND APPROXIMATELY 6,724 SQUARE FEET OF GROUND FLOOR RETAIL, WHICH WOULD UTILIZE THE STATE DENSITY BONUS LAW (CALIFORNIA GOVERNMENT CODE SECTIONS 65915-65918), AND PROPOSES WAIVERS FROM 1) REAR YARD (PLANNING CODE SECTION 134); 2) DWELLING UNIT EXPOSURE (PLANNING CODE SECTION 140); 3) HEIGHT (PLANNING CODE SECTIONS 250); AND, 4) BULK (PLANNING CODE SECTION 270), AT 2918 MISSION STREET WITHIN THE MISSION STREET NEIGHBORHOOD COMMERCIAL TRANSIT (NCT) ZONING DISTRICT AND A 45-X, 55-X AND 65-B HEIGHT AND BULK DISTRICT, AND ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

PREAMBLE

On January 8, 2016, Mark Loper (hereinafter "Project Sponsor"), on behalf of RRTI, Inc. (Property Owner), filed an application with the Planning Department (hereinafter "Department") for a Conditional Use Authorization for the proposed project at 2918 Mission Street, Lots 002, 002A, 003, Block 6529 (hereinafter "subject property"), pursuant to Planning Code Sections 121.1, 303 and 754, and the Mission

2016 Interim Zoning Controls, to demolish a 5,200 square-foot (sq. ft.), single-story, approximately 15-foot-tall commercial building and to construct an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units and 6,724 sq. ft. of ground floor retail within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District, and 45-X, 55-X and 65-B Height and Bulk District.

The Project Sponsor seeks to proceed under the State Density Bonus Law, Government Code Section 65915 et seq ("the State Law"). Under the State Law, a housing development that includes affordable housing is entitled to additional density, concessions and incentives, and waivers from development standards that might otherwise preclude the construction of the project. In accordance with the Planning Department's policies regarding projects seeking to proceed under the State Law, the Project Sponsor has provided the Department with a 55 unit "Base Project" that would include housing affordable to very-low income households. Because the Project Sponsor is providing 7 units of housing affordable to very-low income households, the Project seeks a density bonus of 35% and waivers of the following development standards: 1) Rear Yard (Planning Code Section 134); 2) Dwelling Unit Exposure (Planning Code Section 140); 3) Height (Planning Code Sections 250); and, 4) Bulk (Planning Code Section 270).

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

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

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

On August 30, 2017, the Department determined that the proposed application did not require further environmental review under Section 15183 of the CEQA Guidelines and Public Resources Code Section 21083.3. The Project is consistent with the adopted zoning controls in the Eastern Neighborhoods Area Plan and was encompassed within the analysis contained in the Eastern Neighborhoods Final EIR. Since the Eastern Neighborhoods Final EIR was finalized, there have been no substantial changes to the Eastern Neighborhoods Area Plan and no substantial changes in circumstances that would require major revisions to the Final EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Final EIR. The file for this project, including the Eastern Neighborhoods Final EIR and the Community Plan Exemption certificate, is available for review at the San Francisco Planning Department, 1650 Mission Street, Suite 400, San Francisco, California.

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

The Planning Department Commission Secretary is the custodian of records; the file for Case No. 2014.0376CUA is located at 1650 Mission Street, Suite 400, San Francisco, California.

On September 14, 2017, the San Francisco Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting on Conditional Use Authorization Application No. 2014-0376CUA. At this meeting, the Commission continued this project to the public hearing on November 30, 2017.

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

MOVED, that the Commission hereby authorizes the Conditional Use Authorization requested in Application No. 2014.0376CUA, subject to the conditions contained in "EXHIBIT A" of this motion, based on the following findings:

FINDINGS

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

1. The above recitals are accurate and constitute findings of this Commission.

2. **Site Description and Present Use.** The site ("Project Site"), Lots 002, 002A and 003 in the Assessor's Block 6529, is located on the west side of Mission Street, between 25th and 26th Streets in the Mission Street Neighborhood Commercial Transit (NCT) Zoning District. The property is currently developed with a single-story, 5,200 square foot commercial building that is 15 feet in

height and an associated surface parking lot. The subject properties are located mid-block with a combined street frontage of approximately 120 feet on Mission Street. In total, the site is approximately 11,653 square feet.

3. **Surrounding Properties and Neighborhood.** The Project Site is located along a mixed-use corridor within the Mission Area Plan. The Project Site has two frontages: Mission Street, which is a two-way street with parallel on-street parking on both sides of the street; and Osage Alley, which is a one-way alley with no on-street parking. The immediate context is mixed in character with a mix of residential, commercial, retail and public uses. The immediate neighborhood includes a commercial bank to the north at the corner of Mission and 25th Street, the Zaida T. Rodriguez Early Education School to the south, and a residential apartment building and parking garage to the west. The Zaida T. Rodriguez annex child development center on Bartlett Street is across Osage Alley from the project site, as are two- to three-story multi-family residential uses. There are three schools (Zaida T. Rodriguez Early Education School, Synergy Elementary School and Saint Anthony – Immaculate Conception School) located within 1,000 feet of the Project Site. Access to Highway 101 and Interstate 80 is about one block to the east at the on- and off-ramps located at South Van Ness Avenue and the Central Freeway. The Project Site is located along Mission Street, which is a high injury pedestrian and vehicular corridor. Other zoning districts in the vicinity of the Project Site include: PDR-1-G (Production, Distribution, and Repair - General); RM-1 (Residential Mixed - Low Density); NCT-3 (Moderate Scale Neighborhood Commercial Transit); and, P (Public).

4. **Project Description.** The project includes the demolition of an existing 5,200 square foot, single-story, approximately 15-foot-tall commercial building and new construction of an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units, 6,724 sq. ft. of ground floor retail, 76 Class 1 bicycle parking spaces and 14 Class 2 bicycle parking spaces. The project does not propose any off-street vehicular parking. The dwelling unit mix includes 18 studios, 27 one-bedroom units and 30 two-bedroom units. The Project includes 9,046 sf of usable open space through a combination of private (10 units totaling 2,045 sf) and common open space (7,001 sf). Six new trees would be planted adjacent to the subject property along Mission Street and the existing curb cut on Mission Street will be removed and replaced with new sidewalk. The Project would also merge three existing lots to create one 11,653 square foot lot. Pursuant to California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law.

5. **Public Comment.** To date, the Department has received one hundred and eighty one (181) letters of support and eighty-six (86) letters opposing the project. Both supporting and opposing comments received were predominantly form letters (see attached samplings of each). Those in favor of the project are supportive because the Project will provide 75 new residential units on a major transit corridor one block away from BART without displacing anyone. Those in opposition of the Project state that it would contribute to the gentrification and displacement of long-term residents of the Mission; it would provide 65 luxury units to Mission Street; it will result in less than 12 percent of the units affordable to low-income residents; and it will result in a domino effect of higher overall rents in the neighborhood, displacement of local, legacy

businesses serving the community, and the erasure of Latino residents from the Mission. Both groups state that the City should purchase the Project at fair market value to develop a 100 percent affordable housing project, as offered by the property owner/Project Sponsor.

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

   A. **Permitted Uses in NCT Zoning Districts.** Planning Code Section 754 states that residential uses are a principally permitted use within the Mission Street NCT Zoning District. Retail uses are principally, conditionally or not permitted.

   The Project would construct new residential and retail uses within the Mission Street NCT Zoning District; therefore, the Project complies with Planning Code Section 754. Depending on the specific retail tenant(s), they will comply as principally permitted retail uses per Sec. 754 or seek a Conditional Use, as required by the Planning Code.

   B. **Floor Area Ratio.** Planning Code Section 124 establishes a FAR (Floor Area Ratio) of 3.6:1 for properties within the Mission Street NCT Zoning District and a 45-X, 55-X and 65-B Height and Bulk District.

   The subject lots are 11,653 sq. ft. in total, thus resulting in a maximum allowable floor area of 41,950 sq. ft. for non-residential uses. The Project would construct approximately 6,954 sq. ft. of retail space, and would comply with Planning Code Section 124.

   C. **Rear Yard**. Planning Code Section 134 requires a minimum rear yard equal to 25 percent of the total lot depth of the lot to be provided at every residential level.

   The Project includes an above-grade rear yard, which measures approximately 2,570 sq. ft. The required rear yard does not measure the entire length of the lot. In certain locations, the required rear yard depth is less than 25 percent.

   Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for rear yard requirements, which are defined in Planning Code 134. This reduction in the rear yard requirements is necessary to enable the construction of the project with the increased density provided by as required under Government Code Section 65915(d).

   D. **Usable Open Space.** Within the Mission Street NCT, Planning Code Section 754, a minimum of 80 sq. ft. of open space per dwelling unit if private or 100 sq. ft. if common is required for each dwelling unit.

   Per Planning Code Section 134(g), private usable open space shall have a minimum horizontal dimension of six feet and a minimum area of 36 sq ft if located on a deck, balcony, porch or roof, and shall have a minimum horizontal dimension of 10 feet and a minimum area of 100 sq ft if located on open ground, a terrace or the surface of an inner or outer court.

Common usable open space shall be at least 15 feet in every horizontal dimension and shall be a minimum are of 300 sq. ft. Further, inner courts may be credited as common useable open space if the enclosed space is not less than 20 feet in every horizontal dimension and 400 sq ft in area, and if the height of the walls and projections above the court on at least three sides is such that no point on any such wall or projection is higher than one foot for each foot that such point is horizontally distant from the opposite side of the clear space in the court.

The Project includes 10 units with private open space meeting the size and dimensional requirements of the Planning Code. For the remaining 65 units, 7,001 sq. ft. of common open space is provided with common terraces on the second and sixth floors and roof deck; therefore, the Project complies with Planning Code Section 754.

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

The subject lot is not located in close proximity to an Urban Bird Refuge as defined in Section 139, and the Project meets the requirements for feature-related hazards.

F. **Dwelling Unit Exposure.** Planning Code Section 140 requires that at least one room of all dwelling units face onto a public street, rear yard or other open area that meets minimum requirements for area and horizontal dimensions. To meet exposure requirements, a public street, public alley at least 20 feet wide, side yard or rear yard must be at least 25 feet in width, or an open area (either inner court or a space between separate buildings on the same lot) must be no less than 25 feet in every horizontal dimension for the floor at which the dwelling unit is located.

The Project organizes the dwelling units to have exposure on Mission Street or along the rear yard. As proposed, 39 dwelling units face the non-complying rear yard and 3 south-facing units only face a side yard that does not meet the dimensional requirements. Therefore, 42 of the 75 dwelling units do not meet the dwelling unit exposure requirements of the Planning Code; therefore, the Project does not comply with Planning Code Section 140.

Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for dwelling unit exposure, which are defined in Planning Code 140. This reduction in the dwelling unit exposure requirement is necessary to enable the construction of the project with the increased density provided by Government Code Section 65915(d).

G. **Street Frontage in Neighborhood Commercial Districts.** Planning Code Section 145.1 requires off-street parking at street grade on a development lot to be set back at least 25 feet on the ground floor; that no more than one-third of the width or 20 feet, whichever is less, of any given street frontage of a new structure parallel to and facing a street shall be devoted to parking and loading ingress or egress; that space for active uses be provided within the first 25 feet of building depth on the ground floor; that non-residential uses have a minimum

floor-to-floor height of 14 feet; that the floors of street-fronting interior spaces housing non-residential active uses and lobbies be as close as possible to the level of the adjacent sidewalk at the principal entrance to these spaces; and that frontages with active uses that are not residential or PDR be fenestrated with transparent windows and doorways for no less than 60 percent of the street frontage at the ground level.

The Project meets the requirements of Planning Code Section 145.1. The Project does not possess off-street parking. The Project features active uses on the ground floor with a residential lobby, and retail space along Mission Street. The ground floor ceiling height of the non-residential uses are at least 14 feet tall and provide required ground level transparency and fenestration. Therefore, the Project complies with Planning Code Section 145.1.

H. **Bicycle Parking.** Planning Section 155.2 of the Planning Code requires one Class 1 bicycle parking space per dwelling unit and one Class 2 bicycle parking spaces for every 20 dwelling units. Additional bicycle parking requirements apply based on classification of non-residential uses; at least two Class 2 spaces are required for retail uses.

The Project includes 75 dwelling units; therefore, the Project is required to provide 75 Class 1 bicycle parking spaces and four Class 2 bicycle parking spaces for residential uses and one Class 1 bicycle space and three Class 2 bicycle parking spaces for the ground floor non-residential uses. The Project will provide seventy-six (76) Class 1 bicycle parking spaces and fourteen (14) Class 2 bicycle parking spaces, which exceeds the requirement. Therefore, the Project complies with Planning Code Section 155.2.

I. **Transportation Demand Management (TDM) Plan.** Pursuant to Planning Code Section 169 and the TDM Program Standards, the Project shall finalize a TDM Plan prior to Planning Department approval of the first Building Permit or Site Permit. As currently proposed, the Project must achieve a target of 14 points.

The Project submitted a completed Environmental evaluation Application prior to September 4, 2016. Therefore, the Project must only achieve 50% of the point target established in the TDM Program Standards, resulting in a target of 7 points. As currently proposed, the Project will achieve its required 7 points through the following TDM measures:

- *Bicycle Parking (Option A)*
- *On-site Affordable Housing (Option B)*
- *Parking Supply (Option K)*

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

For the 75 dwelling units, the Project is required to provide at least 30 two-bedroom units or 23 three-bedroom units. The Project provides 18 studios, 27 one-bedroom units and 30 two-bedroom. Therefore, the Project meets and exceeds the requirements for dwelling unit mix.

K. **Height and Bulk.** Planning Code Section 250 and 252 outlines the height and bulk districts within the City and County of San Francisco. The Project is located in three height and bulk districts: 45-X, 55-X and 65-B. Therefore, the proposed development is permitted up to a height of 45 to 55 feet with no bulk limit in the 45-X and 55-X Height and Bulk Districts, and up to a height of 65 feet and a 110 foot maximum length and 125 foot maximum diagonal for a height above 50 feet in the 65-B Height and Bulk District.

The Project would construct a new mixed-use development up to 84 feet, 8 inches tall and exceeds the height limits by approximately 20 feet. The portion of the Project located in the 65-B bulk district above 50 feet in height has a maximum length of 117 feet, exceeding the 110 foot limit, and a maximum diagonal dimension of 122 feet, 8 inches, complying with bulk restrictions. The total diagonal dimension of the Project above 50 feet is 146 feet, 1 inch, including the portion of the Project site zoned 45-X and 55-X, which is not subject to bulk limits.

Per California Government Code Sections 65915-65918, the Project Sponsor has elected to utilize the State Density Bonus Law, and proposes a waiver from the development standards for height and bulk, which are defined in Planning Codes 250, 252, and 270. These expansions beyond the height and bulk requirements are necessary to enable the construction of the project with the increased density provided by Government Code Section 65915(f)(2).

L. **Narrow Streets.** Planning Code Section 261.1 outlines height and massing requirements for projects that front onto a "narrow street", which is defined as a public right of way less than or equal to 40-feet in width. Osage Alley measures approximately 15-feet wide and is considered a narrow street. For the subject frontage along a narrow street, a 10 foot setback is required above a height of 31-feet, 4-inches. Subject frontage is defined as any building frontage more than 60-ft from an intersection with a street wider than 40-feet.

Along Osage Alley, the Project is setback at least 10-feet from the property line where the height is above 31-feet, 4-inches; therefore the Project complies with Planning Code Section 261.1.

M. **Shadow.** Planning Code Sections 147 and 295 restricts net new shadow, cast by structures exceeding a height of 40-feet, upon property under the jurisdiction of the Recreation and Park Commission. Any project in excess of 40-feet in height and found to cast net new shadow must be found by the Planning Commission, with comment from the General Manager of the Recreation and Parks Department, in consultation with the Recreation and Park Commission, to have no adverse impact upon the property under the jurisdiction of the Recreation and Park Commission.

The Planning Department prepared a preliminary shadow fan analysis and determined that the proposed project would not cast shadows on any parks or open spaces at any time during the year.

N. **Transportation Sustainability Fee.** Planning Code Section 411A is applicable to new development that results in more than twenty dwelling units.

The Project includes approximately 60,006 gsf of new residential use and 6,724 gsf of non-residential use. This square footage shall be subject to the Transportation Sustainability Fee, as outlined in Planning Code Section 411A. The Project filed an environmental review application on or before July 21, 2015, thus the residential use will be subject to 50 percent of the applicable residential TSF.

O. **Residential Childcare Impact Fee.** Planning Code Section 414A is applicable to any residential development citywide that results in the addition of a residential unit.

The Project includes approximately 60,006 gsf of residential use. The proposed Project is subject to fees as outlined in Planning Code Section 414A.

P. **Inclusionary Affordable Housing Program in Mission Street NCT Zoning District.** Planning Code Section 415 sets forth the requirements and procedures for the Inclusionary Affordable Housing Program. Under Planning Code Section 415.3, these requirements would apply to any housing project that consists of 10 or more units where an individual project or a phased project is to be undertaken and where the total undertaking comprises a project with 10 or more units, even if the development is on separate but adjacent lots. For any development project that submitted a complete Environmental Evaluation application on or prior to January 12, 2016, affordable units in the amount of 14.5 percent of the number of units shall be constructed on-site.

The Project Sponsor seeks to develop under the State Density Bonus Law, and therefore must include on-site affordable units in order to construct the Project at the requested density and with the requested waivers of development standards. The Project Sponsor submitted a complete Environmental Evaluation on July 21, 2015, thus is required to provide affordable units in the amount of 14.5 percent of the number of units constructed on site. The Project Sponsor has demonstrated that it is eligible for the On-Site Affordable Housing Alternative under Planning Code Sections 415.5 and 415.6 and has submitted an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to satisfy the requirements of the Inclusionary Affordable Housing Program by providing on-site affordable housing. The Project Sponsor is providing 14.5 percent of the base project units as affordable to satisfy the Inclusionary Affordable Housing Program obligation, which includes 8 units (2 studios, 3 one-bedroom and 3 two-bedroom) of the 75 units provided will be affordable units.

In order for the Project Sponsor to be eligible for the On-Site Affordable Housing Alternative, the Project Sponsor must submit an 'Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415,' to the Planning Department stating that any affordable units designated as on-site units shall be sold as ownership units and will remain as ownership units for the life of the project or submit to the Department a contract demonstrating that the projects on- or offsite units are not subject to the Costa Hawkins Rental Housing Act, California Civil Code Section 1954.50 because, under Section 1954.52(b), the Project Sponsor has entered into an agreement with a public entity in consideration for a direct financial contribution or any other form of assistance specified in California Government Code Sections 65915 et seq. and submits an Affidavit of such to the Department. All such contracts entered into with the City and County of San Francisco must be reviewed and approved by the Mayor's Office Housing and Community Development and the City Attorney's Office. The Project Sponsor has indicated the intention to enter into an agreement with the

City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and concessions provided by the City and approved herein. The Project Sponsor submitted such Affidavit on July 24, 2017. The applicable percentage is dependent on the total number of units in the project, the zoning of the property, and the date that the project submitted a complete Environmental Evaluation Application. A complete Environmental Evaluation Application was submitted on July 21, 2015; therefore, pursuant to Planning Code Section 415.3 the Inclusionary Affordable Housing Program requirement for the On-site Affordable Housing Alternative is to provide 14.5 percent of the total proposed dwelling units in the Base Project as affordable.

The Project Sponsor will satisfy the Inclusionary Housing requirements by providing seven units, or 11 percent of the total proposed dwelling units in the Base Project as affordable to very-low income households (as defined in California Health and Safety Code section 50105) and by providing one additional inclusionary unit at the affordability levels specified in the City's Inclusionary Housing Program or any successor program applicable to on-site below-market rate units, totaling 14.5% of the proposed dwelling units in the Base Project.. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative prior to issuance of the first construction document, this conditional use approval shall be deemed null and void. If the Project becomes ineligible to meet its Inclusionary Affordable Housing Program obligation through the On-site Affordable Housing Alternative after construction, the City shall pursue any and all available remedies at law.

Q. **Eastern Neighborhood Infrastructure Impact Fee**. Planning Code Section 423 is applicable to any development project within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District that results in the addition of gross square feet of residential and non-residential space.

The Project includes approximately 67,314 gsf of new development consisting of approximately 60,006 sq. ft. of residential use and 6,724 sq. ft. of retail use. These uses are subject to Eastern Neighborhood Infrastructure Impact Fees, as outlined in Planning Code Section 423. These fees must be paid prior to the issuance of the building permit application.

7. **State Density Bonus Law:** Per California Government Code Section 65915-65918 and Planning Code section 206.6, the Project Sponsor has elected to utilize the State Density Bonus Law. The State Law permits a 35 percent density bonus if at least 11 percent of the "Base Project" units are affordable to very-low-income households (as defined in California Health and Safety Code section 50105). The "Base Project" includes the amount of residential development that could occur on the project site as of right without modifications to the physical aspects of the Planning Code (ex: open space, dwelling unit exposure, etc.). Under the State Density Bonus Law, the Project Sponsor is entitled to a specified number of concessions or incentives, as well as waivers for any development standard that would physically preclude construction of the project at the proposed density and with the concessions or incentives.

The Project is providing 11 percent of units in the Base Project as affordable to very-low income households (as defined in California Health and Safety Code section 50105) and is entitled to a 35 percent density bonus and three concessions or incentives under State Law. The Project also seeks waivers to the

development standards for: 1) Rear Yard (Planning Code Section 134); 2) Dwelling Unit Exposure (Planning Code Section 140); 3) Height (Planning Code Sections 250); and, 4) Bulk requirement (Planning Code Section 270), which are necessary to construct the Project at the proposed density.

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

   1) The proposed new uses and building, at the size and intensity contemplates and at the proposed location, will provide a development that is necessary of desirable, and compatible with, the neighborhood or the community.

      The Project will demolish a single-story commercial building that is currently occupied by a laundromat and associated surface parking lot, and construct a new eight-story mixed-use development with 75 dwelling units and ground floor retail space. Given the objectives of the Mission Area Plan, the Project is necessary and desirable in preserving the diversity and vitality of the Mission, while also maintaining and contributing to the important aspects of the existing neighborhood, such as providing new housing opportunities and minimizing displacement. Housing is a top priority for the City and County of San Francisco. The size and intensity of the proposed development is necessary and desirable for this neighborhood and the surrounding community because it will provide new opportunities for housing and add new site amenities that will contribute to the character of the surrounding neighborhood. The Project will also replace an underutilized site, while also providing new public amenities, including landscaping, sidewalk improvements and bicycle parking. The Project is consistent with the neighborhood uses, which include a mix of ground floor commercial uses with residential above, educational facilities, multi-family residential building and commercial uses. The influx of new residents will contribute to the economic vitality of the existing neighborhood by adding new patrons for the nearby retail uses. In summary, the Project is an appropriate urban invention and infill development.

   2) That such use or feature as proposed will not be detrimental to the health, safety, convenience or general welfare of persons residing or working in the vicinity, or injurious to property, improvements or potential development on the vicinity, with respect to aspects including but not limited to the following:

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

         The Project site is a three-parcel, L-shaped lot with frontage on both Mission Street and Osage Alley, totaling 11,653 square feet in area. The site is currently developed with a 6,433 square foot surface parking lot and a 5,500 square foot commercial building containing a laundromat. The Project will consist of a single structure that maintains a street wall along all frontages at the ground floor, with a podium-level rear yard 18 to 40-feet deep fronting Osage Alley. The building massing is oriented towards the more prominent Mission Street frontage with the 6th(partial), 7th and 8th stories sculpted back. The building is also sculpted back on the 7th and 8th stories from Osage Alley and the

adjacent condominium building to the west of the property at 3421 25th Street. Overall, the Project, which would establish a new six- to eight-story building with ground floor retail in an existing mixed-use neighborhood, will be beneficial to the surrounding neighborhood.

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

The Project would not adversely affect public transit in the neighborhood. The Project site is located one block from the 24th Street BART Station and is close to several MUNI bus lines, including the 12, 14,14R, 27, 48, 49, 55, 67 and 800. The Project provides no off-street parking, which supports the City's transit first policies. Provision of bicycle storage areas along with the close proximity to mass transit is anticipated to encourage residents, employees and visitors to use alternate modes of transportation. The Project also incorporates an on-street loading zone in front of the building on Mission Street.

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

The Project will comply with Title 24 standards for noise insulation. The Project will also be subject to the standard conditions of approval for lighting and construction noise. Construction noise impacts would be less than significant because all construction activities would be conducted in compliance with the San Francisco Noise Ordinance (Article 29 of the San Francisco Police Code, as amended November 2008). The SF Board of Supervisors approved the Construction Dust Control Ordinance (Ordinance 176-08, effective July 30, 2008) with the intent of reducing the quantity of dust generated during site preparation, demolition and construction work in order to protect the health of the general public and of on-site workers, minimize public nuisance complaints, and to avoid orders to stop work by the Department of Building Inspection. Therefore, the Project would be required to follow specified practices to control construction dust and to comply with this ordinance. Overall, the Project is not expected to generate dust or odor impacts.

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

The Project will provide the required number of street trees and bicycle parking along the public-rights-of-way. The Project will also remove a curb cut along the Mission Street frontage and replace it with new sidewalk. These upgrades will be beneficial to the surrounding neighborhood because it will provide new street improvements, lighting and vegetation.

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

The Project complies with all relevant requirements and standards of the Planning Code, except for those requirements for which the Project Sponsor seeks a waiver under the State Density Bonus Law

(California Government Code Sections 65915-65918). The Commission finds that these waivers are required in order to construct the Project at the density allowed by State Law. The Project is consistent with objectives and policies of the General Plan as detailed below.

4) That the use as proposed would provide development that is in conformity with the purpose of the applicable Neighborhood Commercial District.

Per Planning Code Section 754, the Mission St NCT Zoning District is described as:

> *This District has a mixed pattern of larger and smaller lots and businesses, as well as a sizable number of upper-story residential units. Controls are designed to permit moderate-scale buildings and uses, protecting rear yards above the ground story and at residential levels. New neighborhood-serving commercial development is encouraged mainly at the ground story. While offices and general retail sales uses may locate at the second story of new buildings under certain circumstances, most commercial uses are prohibited above the second story. Continuous retail frontage is promoted by requiring ground floor commercial uses in new developments and prohibiting curb cuts. Housing development in new buildings is encouraged above the ground story. Housing density is not controlled by the size of the lot but by requirements to supply a high percentage of larger units and by physical envelope controls. Existing residential units are protected by prohibitions on upper-story conversions and limitations on demolitions, mergers, and subdivisions. Accessory Dwelling Units are permitted within the district pursuant to subsection 207(c)(4) of this Code.*

The Project will be in conformity with the Mission Street NCT in that it will provide a mixed-use development that provides ground floor retail space with a continuous retail frontage and residential units above, consistent with surrounding neighborhood.

9. **Planning Code Section 121.1** establishes criteria for the Planning Commission to consider when reviewing applications for Developments of Large Lots In Neighborhood Commercial Districts. On balance, the project complies with said criteria in that:

a) The mass and facade of the proposed structure are compatible with the existing scale of the district.

The Project's design includes a mass and façade that borrows elements present in the surrounding neighborhood, such as traditional bay windows, painted plaster and terracotta cladding, to ensure a design that is of an appropriate scale for this larger development site. The Mission Street façade's massing is broken up horizontally by two large retail storefronts on the ground floor and differentiated exterior finished on the 8th floor. Vertically, the façade is broken up with a series of bay window projections with accent colors and varying wall planes.

b) The facade of the proposed structure is compatible with design features of adjacent facades that contribute to the positive visual quality of the district.

The Mission is one of the City's most distinctive neighborhoods as identified in the City's General Plan. The proposed facade design and architectural treatments with various vertical and horizontal elements and a pedestrian scale ground floor which is consistent with the unique identity of the Mission. The new building's character ensures the best design of the times with high-quality building materials (including terracotta cladding, glass reinforced concrete (GRC) cladding, painted plaster, and stone tile) that relate to the surrounding structures that make-up the Mission's distinct character while acknowledging and respecting the positive attributes of the older buildings. The Project also includes blind wall murals its northern and southern facades to be commissioned to local artists. It also provides an opportunity for an increased visual interest that enhances and creates a special identity with a unique image of its own in the neighborhood. Overall, the Project offers an architectural treatment, which provides for contemporary, yet contextual, architectural design that appears consistent and compatible with the surrounding neighborhood

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

HOUSING ELEMENT

Objectives and Policies

OBJECTIVE 1
IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

Policy 1.1
Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

Policy 1.4
Ensure community based planning processes are used to generate land use controls.

Policy 1.6
Consider greater flexibility in number and size of units within established building envelopes in community based planning processes, especially if it can increase the number of affordable units in multi-family structures.

Policy 1.8
Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional, or other single use development projects.

Policy 1.10
Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a higher density mixed-use development on an underutilized lot along a primary vehicular transit corridor. The Project Site is an ideal infill site that is currently occupied by a commercial use (laundromat) and ancillary surface parking lot. The proposed Project would add 75 units of housing to the site with a dwelling unit mix of studio, one-bedroom, and two-bedroom units. The Project is consistent with the Mission Street NCT Zoning District, which encourages housing development in new buildings above the ground story and that is affordable to people with a wide range of incomes. The Project includes eight on-site affordable housing units for ownership, which complies with the Mission Street NCT District's goal to provide a higher level of affordability. As noted by the Project Sponsor, the Project is "affordable by design," since the Project incorporates economically efficient dwelling units, which average 402 sf for studios, 563 sf for one-bedrooms, and 818 sf for two-bedrooms. The Project does not possess any vehicular parking. The Project would satisfy its inclusionary affordable housing requirement by designating 8 on-site affordable housing units to satisfy the Inclusionary Affordable Housing obligation.

OBJECTIVE 4
FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.

Policy 4.1
Develop new housing, and encourage the remodeling of existing housing, for families with children.

Policy 4.4
Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible.

Policy 4.5
Ensure that new permanently affordable housing is located in all of the City's neighborhoods, and encourage integrated neighborhoods, with a diversity of unit types provided at a range of income levels.

The Project will add 75 dwelling units to the City's housing stock, and meets the affordable housing requirements by providing for eight on-site permanently affordable units for rental, thus encouraging diversity among income levels within the new development.

OBJECTIVE 11
SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

Policy 11.1
Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

Policy 11.2
Ensure implementation of accepted design standards in project approvals.

Policy 11.3
Ensure growth is accommodated without substantially and adversely impacting existing residential neighborhood character.

Policy 11.4
Continue to utilize zoning districts which conform to a generalized residential land use and density plan and the General Plan.

Policy 11.6
Foster a sense of community through architectural design, using features that promote community interaction.

Policy 11.8
Consider a neighborhood's character when integrating new uses, and minimize disruption caused by expansion of institutions into residential areas.

The Project responds to the site's location within a mixed-character neighborhood. The Project would construct a new eight-story mixed-use building on the west side of Mission Street. The scale of the Project is appropriate from an urban design perspective because it recognizes the significance of this location along the Mission Street transit corridor, one block from the 24th Street BART station. Overall, the Project's massing also recognizes the existing block pattern as it relates to the street frontage along Mission Street. The neighborhood is characterized by a wide variety of residential, commercial, retail and PDR uses. In addition, the Project includes projecting vertical and horizontal architectural elements, which provide vertical and horizontal modulation along the street facades and provides a high-quality material palate which invokes the traditional architecture found in the Mission.

OBJECTIVE 12
BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

Policy 12.2
Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing.

The Project is located in proximity to many neighborhood amenities. The Project is located on Mission Street between 25th and 26th Streets, which provide a variety of retail establishments, restaurants, small grocery stores, educational facilities and cafes. The Project is also located near the Mission Cultural Center and the 24th Street BART Station.

OBJECTIVE 13
PRIORITIZE SUSTAINABLE DEVELOPMENT IN PLANNING FOR AND CONSTRUCTING NEW HOUSING.

Policy 13.1
Support "smart" regional growth that locates new housing close to jobs and transit.

Policy 13.3
Promote sustainable land use patterns that integrate housing with transportation in order to increase transit, pedestrian, and bicycle mode share.

The Project Site is located within a quarter mile of several local transit lines including MUNI lines 12, 14,14R, 27, 48, 49, 55, 67 and 800. The 24th Street Bart Station is on block away. Residential mixed-use development at this site would support a smart growth and sustainable land use pattern in locating new housing in the urban core close to jobs and transit. Furthermore, the bicycle network in the Mission District is highly developed and utilized. The Project provides 76 Class 1 bicycle parking spaces on-site in addition to14 Class 2 bicycle parking along the frontage.

RECREATION AND OPEN SPACE ELEMENT

Objectives and Policies

OBJECTIVE 2:
INCREASE RECREATION AND OPEN SPACE TO MEET THE LONG-TERM NEEDS OF THE CITY AND BY REGION

Policy 2.11:
Assure that privately developed residential open spaces are usable, beautiful, and environmentally sustainable.

The Project proposes landscaped open space at the rear of the first residential level, and the roof deck has potential for planters and additional landscaping.

OBJECTIVE 3:
IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE

Policy 3.6:
Maintain, restore, expand and fund the urban forest.

The Project will add to the urban forest with the addition of street trees.

TRANSPORTATION ELEMENT

Objectives and Policies

OBJECTIVE 24:
IMPROVE THE AMBIENCE OF THE PEDESTRIAN ENVIRONMENT.

Policy 24.2:
Maintain and expand the planting of street trees and the infrastructure to support them.

Policy 24.4:

Preserve pedestrian-oriented building frontages.

The Project will install new street trees along Mission Street. Frontages are designed with transparent glass and intended for active spaces oriented at the pedestrian level.

OBJECTIVE 28:
PROVIDE SECURE AND CONVENIENT PARKING FACILITIES FOR BICYCLES.

Policy 28.1:
Provide secure bicycle parking in new governmental, commercial, and residential developments.

Policy 28.3:
Provide parking facilities which are safe, secure, and convenient.

The Project includes 76 Class 1 and 14 Class 2 bicycle parking spaces in secure, convenient locations.

OBJECTIVE 34:
RELATE THE AMOUNT OF PARKING IN RESIDENTIAL AREAS AND NEIGHBORHOOD COMMERCIAL DISTRICTS TO THE CAPACITY OF THE CITY'S STREET SYSTEM AND LAND USE PATTERNS.

Policy 34.3:
Permit minimal or reduced off-street parking supply for new buildings in residential and commercial areas adjacent to transit centers and along transit preferential streets.

Policy 34.5:
Minimize the construction of new curb cuts in areas where on-street parking is in short supply and locate them in a manner such that they retain or minimally diminish the number of existing on-street parking spaces.

The Project does not provide any off-street vehicular parking, which complies with Planning Code Section 151.1. Further, the project will infill the existing curb cut on the project site along the Mission Street frontage.

URBAN DESIGN ELEMENT

Objectives and Policies

OBJECTIVE 4:
IMPROVEMENT OF THE NEIGHBORHOOD ENVIRONMENT TO INCREASE PERSONAL SAFETY, COMFORT, PRIDE AND OPPORTUNITY.

Policy 4.4:
Design walkways and parking facilities to minimize danger to pedestrians.

Policy 4.13:
Improve pedestrian areas by providing human scale and interest.

Policy 4.15:
Protect the livability and character of residential properties from the intrusion of incompatible new buildings.

The Project does not provide any off-street vehicular parking; therefore, the Project limits conflicts with pedestrians and bicyclists. New street trees will be planted on Mission Street and an existing curb cut will be removed. Along the project site, the pedestrian experience will be greatly improved.

MISSION AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1
STRENGTHEN THE MISSION'S EXISTING MIXED USE CHARACTER, WHILE MAINTAINING THE NEIGHBORHOOD AS A PLACE TO LIVE AND WORK.

Policy 1.1.7
Permit and encourage greater retail uses on the ground floor on parcels that front 16th Street to take advantage of transit service and encourage more mixed uses, while protecting against the wholesale displacement of PDR uses.

The Project will provide 6,724 square feet of retail space on the ground floor of the building while also providing new housing on a site where none currently exists. Therefore strengthening the mixed use character and maintaining the neighborhood as a place to live and work.

OBJECTIVE 1.2
IN AREAS OF THE MISSION WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

Policy 1.2.1
Ensure that in-fill housing development is compatible with its surroundings.

Policy 1.2.2
For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require ground floor commercial uses in new housing development. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

Policy 1.2.3
In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

The Project will replace a single-story commercial building and associated parking lot with a new mixed-use building with ground floor retail space and residential units above, consistent with the existing residential and commercial uses in the neighborhood. Additionally, the Project complies with the applicable the bedroom mix requirements and is seeking waivers from the height and bulk standards through utilization of the State Density Bonus Law.

Housing

OBJECTIVE 2.3
ENSURE THAT NEW RESIDENTIAL DEVELOPMENTS SATISFY AN ARRAY OF HOUSING NEEDS WITH RESPECT TO TENURE, UNIT MIX AND COMMUNITY SERVICES.

Policy 2.3.3
Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments unless all Below Market Rate units are two or more bedrooms.

Policy 2.3.5
Explore a range of revenue-generating tools including impact fees, public funds and grants, assessment districts, and other private funding sources, to fund community and neighborhood improvements.

Policy 2.3.6
Establish an impact fee to be allocated towards an Eastern Neighborhoods Public Benefit Fund to mitigate the impacts of new development on transit, pedestrian, bicycle, and street improvements, park and recreational facilities, and community facilities such as libraries, child care and other neighborhood services in the area.

The Project includes 18 studios, 27 one-bedroom units and 30 two-bedroom units of which 8 will be Below Market Rate (BMR). Three of the BMR units will be two-bedroom units. Furthermore, the Project will be subject to the Eastern Neighborhood Impact Fee, Transportation Sustainability Fee and Residential Childcare Fee.

OBJECTIVE 2.6
CONTINUE AND EXPAND THE CITY'S EFFORTS TO INCREASE PERMANENTLY AFFORDABLE HOUSING PRODUCTION AND AVAILABILITY.

Policy 2.6.1
Continue and strengthen innovative programs that help to make both rental and ownership housing more affordable and available.

The Project will create seventy-five residential units, eight of which are BMR units, on a site where no housing currently exists, thus increasing affordable housing production and availability.

Built Form

OBJECTIVE 3.1
PROMOTE AN URBAN FORM THAT REINFORCES THE MISSION'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

Policy 3.1.6
New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

The Project will replace an unremarkable single-story commercial building with a well-articulated, contemporary, mixed-use building. The Project will be constructed with high quality materials and within the allowed height limits for the zoning district to respect the surrounding buildings.

OBJECTIVE 3.2
PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

Policy 3.2.1
Require high quality design of street-facing building exteriors.

Policy 3.2.2
Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

Policy 3.2.3
Minimize the visual impact of parking.

Policy 3.2.4
Strengthen the relationship between a building and its fronting sidewalk.

The Project is largely residential, but includes a moderately-sized ground floor retail component along Mission Street, with a ceiling height for the retail is approximately of 16 feet, 6 inches. The Project provides the mix of uses encouraged by the Area Plan for this location. In addition, the Project includes the appropriate dwelling-unit mix, since 40% or 30 of the 75 units are two-bedroom dwelling units. The Mission is one of the City's most distinctive neighborhoods as identified in the City's General Plan. The new building's character ensures the best design of the times with high-quality building materials that relates to the surrounding structures that make-up the Mission's distinct character while acknowledging and respecting the positive attributes of the older buildings. It also provides an opportunity for an increased visual interest that enhances and creates a special identity with a unique image of its own in the neighborhood. Overall, the Project offers an architectural treatment that is contemporary, yet contextual, and that is consistent and compatible with the surrounding neighborhood. The Project does not include any off-street parking and will eliminate the existing curb cut along Mission Street.

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

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

    Currently, the existing building on the Project Site is a one-story laundromat. Although the Project would remove this use, the Project does provide for 6,724 square feet of new retail space at the ground level. The Project improves the urban form of the neighborhood by adding new residents, visitors, and employees to the neighborhood, which would assist in strengthening nearby retail uses.

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

    No housing exists on the Project Site. The Project will provide 75 new dwelling units, thus resulting in a significant increase in the neighborhood housing stock. The Project offers an architectural treatment that is contemporary, yet contextual, and an architectural design that is consistent and compatible with the surrounding neighborhood. For these reasons, the Project would protect and preserve the cultural and economic diversity of the neighborhood.

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

    The Project will not displace any affordable housing because there is currently no housing on the site. The Project will comply with the City's Inclusionary Housing Program, therefore increasing the stock of affordable housing units in the City.

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

    The Project Site is served by public transportation. Future residents would be afforded close proximity to bus or rail transit. The Project also provides bicycle parking for residents and their guests.

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

    The Project is consistent with the Mission Area Plan, which encourages mixed-use development along Mission Street. The Project does not involve the creation of commercial office development. The Project would enhance opportunities for resident employment and ownership in retail sales and service sectors by providing for new housing and retail space, which will increase the diversity of the City's housing supply (a top priority in the City) and provide new potential neighborhood-serving uses and employment opportunities.

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

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

G. That landmarks and historic buildings be preserved.

There are no landmarks or historic buildings on the Project Site.

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

The Planning Department prepared a preliminary shadow fan analysis and determined that the proposed project would not cast shadows on any parks or open spaces at any time during the year.

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

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

13. The Project is consistent with and would promote the general and specific purposes of the Code provided under Section 101.1(b) in that, as designed, the Project would contribute to the character and stability of the neighborhood and would constitute a beneficial development.

14. The Commission hereby finds that approval of the Conditional Use Authorization would promote the health, safety and welfare of the City.

DECISION

That based upon the Record, the submissions by the Applicant, the staff of the Department and other interested parties, the oral testimony presented to this Commission at the public hearings, and all other written materials submitted by all parties, the Commission hereby **APPROVES Conditional Use Authorization Application No. 2014.0376CUA** subject to the following conditions attached hereto as "EXHIBIT A" in general conformance with plans on file, dated November 30, 2017, and stamped "EXHIBIT B", which is incorporated herein by reference as though fully set forth.

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

APPEAL AND EFFECTIVE DATE OF MOTION: Any aggrieved person may appeal this Conditional Use Authorization to the Board of Supervisors within thirty (30) days after the date of this Motion No. 20066. The effective date of this Motion shall be the date of this Motion if not appealed (After the 30-day period has expired) OR the date of the decision of the Board of Supervisors if appealed to the Board of Supervisors. For further information, please contact the Board of Supervisors at (415) 554-5184, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94012.

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

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

I hereby certify that the Planning Commission ADOPTED the foregoing Motion on November 30, 2017.

Jonas P. Ionin
Commission Secretary

AYES: Fong, Johnson, Koppel and Richards

NAYS: Melgar and Moore

ABSENT: Hillis

ADOPTED: November 30, 2017

EXHIBIT A

AUTHORIZATION

This authorization is a Conditional Use Authorization to allow the demolition of an existing 5,200 square-foot (sq. ft.), single-story, approximately 15-foot-tall commercial building and construction of an eight-story, 84-foot, 8-inch-tall 67,314 sq. ft. mixed-use building with 75 dwelling units and 6,724 sq. ft. of ground floor retail located at 2918 Mission Street, Block 6529, Lots 002, 002A, 003, pursuant to Planning Code Sections 121.2, 303 and 754 and the Mission 2016 Interim Zoning Controls (Planning Commission Resolution No. 19865) within the Mission Street NCT (Neighborhood Commercial Transit) Zoning District, and 45-X, 55-X and 65-B Height and Bulk Districts; in general conformance with plans, dated November 30, 2017, and stamped "EXHIBIT B" included in the docket for Record No. 2014.0376CUA and subject to conditions of approval reviewed and approved by the Commission on November 30, 2017 under Motion No. 20066. This authorization and the conditions contained herein run with the property and not with a particular Project Sponsor, business, or operator.

RECORDATION OF CONDITIONS OF APPROVAL

Prior to the issuance of the building permit or commencement of use for the Project the Zoning Administrator shall approve and order the recordation of a Notice in the Official Records of the Recorder of the City and County of San Francisco for the subject property. This Notice shall state that the project is subject to the conditions of approval contained herein and reviewed and approved by the Planning Commission on November 30, 2017 under Motion No. 20066.

PRINTING OF CONDITIONS OF APPROVAL ON PLANS

The conditions of approval under the 'Exhibit A' of this Planning Commission Motion No. 20066 shall be reproduced on the Index Sheet of construction plans submitted with the Site or Building permit application for the Project. The Index Sheet of the construction plans shall reference to the Conditional Use authorization and any subsequent amendments or modifications.

SEVERABILITY

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

CHANGES AND MODIFICATIONS

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

Conditions of Approval, Compliance, Monitoring, and Reporting

PERFORMANCE

1. **Validity.** The authorization and right vested by virtue of this action is valid up to two (2) years from the effective date of the Motion. The Department of Building Inspection shall have issued a Building Permit or Site Permit to construct the project and/or commence the approved use within this two-year period.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

2. **Expiration and Renewal.** The Commission shall conduct a public hearing in order to consider the revocation of the Authorization and shall consider the project's progress and intent to construct/build. Should the Commission not revoke the Authorization following the closure of the public hearing, the Commission shall determine the extension of time for the continued validity of the Authorization.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

3. **Diligent Pursuit.** Once a site or Building Permit has been issued, construction must commence within the timeframe required by the Department of Building Inspection and be continued diligently to completion. Failure to do so shall be grounds for the Commission to consider revoking the approval if more than two (2) years have passed since this Authorization was approved.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

4. **Extension.** All time limits in the preceding three paragraphs may be extended at the discretion of the Zoning Administrator where implementation of the project is delayed by a public agency, an appeal or a legal challenge and only by the length of time for which such public agency, appeal or challenge has caused delay.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

5. **Conformity with Current Law.** No application for Building Permit, Site Permit, or other entitlement shall be approved unless it complies with all applicable provisions of City Codes in effect at the time of such approval.
   For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

6. **Mitigation Measures.** Mitigation measures described in the MMRP for the Eastern Neighborhoods Plan EIR (Case No. 2014.0376ENV) attached as Exhibit C are necessary to avoid potential significant effects of the proposed project and have been agreed to by the Project Sponsor.

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

DESIGN

7. **Final Materials.** The Project Sponsor shall continue to work with Planning Department on the building design. Final materials, glazing, color, texture, landscaping, and detailing shall be subject to Department staff review and approval. The architectural addenda shall be reviewed and approved by the Planning Department prior to issuance.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

8. **Garbage, Composting and Recycling Storage.** Space for the collection and storage of garbage, composting, and recycling shall be provided within enclosed areas on the property and clearly labeled and illustrated on the building permit plans. Space for the collection and storage of recyclable and compostable materials that meets the size, location, accessibility and other standards specified by the San Francisco Recycling Program shall be provided at the ground level of the buildings.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

9. **Rooftop Mechanical Equipment.** Pursuant to Planning Code 141, the Project Sponsor shall submit a roof plan to the Planning Department prior to Planning approval of the building permit application. Rooftop mechanical equipment, if any is proposed as part of the Project, is required to be screened so as not to be visible from any point at or below the roof level of the subject building.
   For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

10. **Lighting Plan.** The Project Sponsor shall submit an exterior lighting plan to the Planning Department prior to Planning Department approval of the building / site permit application.
    For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

11. **Transformer Vault.** The location of individual project PG&E Transformer Vault installations has significant effects to San Francisco streetscapes when improperly located. However, they may not have any impact if they are installed in preferred locations. Therefore, the Planning Department recommends the following preference schedule in locating new transformer vaults, in order of most to least desirable:
    a. On-site, in a basement area accessed via a garage or other access point without use of separate doors on a ground floor façade facing a public right-of-way;
    b. On-site, in a driveway, underground;
    c. On-site, above ground, screened from view, other than a ground floor façade facing a public right-of-way;

d. Public right-of-way, underground, under sidewalks with a minimum width of 12 feet, avoiding effects on streetscape elements, such as street trees; and based on Better Streets Plan guidelines;
e. Public right-of-way, underground; and based on Better Streets Plan guidelines;
f. Public right-of-way, above ground, screened from view; and based on Better Streets Plan guidelines;
g. On-site, in a ground floor façade (the least desirable location).

Unless otherwise specified by the Planning Department, Department of Public Work's Bureau of Street Use and Mapping (DPW BSM) should use this preference schedule for all new transformer vault installation requests.
For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works at 415-554-5810, http://sfdpw.org

PARKING AND TRAFFIC

12. **Bicycle Parking.** Pursuant to Planning Code Sections 155.2, the Project shall provide no fewer than 90 bicycle parking spaces (76 Class 1 spaces for the residential portion of the Project and 14 Class 2 spaces for both the residential and commercial/PDR portion of the Project).
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

13. **Managing Traffic During Construction.** The Project Sponsor and construction contractor(s) shall coordinate with the Traffic Engineering and Transit Divisions of the San Francisco Municipal Transportation Agency (SFMTA), the Police Department, the Fire Department, the Planning Department, and other construction contractor(s) for any concurrent nearby Projects to manage traffic congestion and pedestrian circulation effects during construction of the Project.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

PROVISIONS

14. **Anti-Discriminatory Housing.** The Project shall adhere to the requirements of the Anti-Discriminatory Housing policy, pursuant to Administrative Code Section 1.61.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

15. **First Source Hiring.** The Project shall adhere to the requirements of the First Source Hiring Construction and End-Use Employment Program approved by the First Source Hiring Administrator, pursuant to Section 83.4(m) of the Administrative Code. The Project Sponsor shall comply with the requirements of this Program regarding construction work and on-going employment required for the Project.
For information about compliance, contact the First Source Hiring Manager at 415-581-2335, www.onestopSF.org

16. **Transportation Sustainability Fee.** The Project is subject to the Transportation Sustainability Fee (TSF), as applicable, pursuant to Planning Code Section 411A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

17. **Child Care Fee - Residential.** The Project is subject to the Residential Child Care Fee, as applicable, pursuant to Planning Code Section 414A.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

18. **Eastern Neighborhoods Infrastructure Impact Fee.** The Project is subject to the Eastern Neighborhoods Infrastructure Impact Fee, as applicable, pursuant to Planning Code Section 423.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org

MONITORING

19. **Enforcement.** Violation of any of the Planning Department conditions of approval contained in this Motion or of any other provisions of Planning Code applicable to this Project shall be subject to the enforcement procedures and administrative penalties set forth under Planning Code Section 176 or Section 176.1. The Planning Department may also refer the violation complaints to other city departments and agencies for appropriate enforcement action under their jurisdiction.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

OPERATION

20. **Sidewalk Maintenance.** The Project Sponsor shall maintain the main entrance to the building and all sidewalks abutting the subject property in a clean and sanitary condition in compliance with the Department of Public Works Streets and Sidewalk Maintenance Standards. *For information about compliance, contact Bureau of Street Use and Mapping, Department of Public Works, 415-695-2017, http://sfdpw.org/*

21. **Community Liaison.** Prior to issuance of a building permit to construct the project and implement the approved use, the Project Sponsor shall appoint a community liaison officer to deal with the issues of concern to owners and occupants of nearby properties. The Project Sponsor shall provide the Zoning Administrator with written notice of the name, business address, and telephone number of the community liaison. Should the contact information change, the Zoning Administrator shall be made aware of such change. The community liaison shall report to the Zoning Administrator what issues, if any, are of concern to the community and what issues have not been resolved by the Project Sponsor.
For information about compliance, contact Code Enforcement, Planning Department at 415-575-6863, www.sf-planning.org

ENTERTAINMENT COMMISSION – NOISE ATTENUATION CONDITIONS

22. **Chapter 116 Residential Projects.** The Project Sponsor shall comply with the "Recommended Noise Attenuation Conditions for Chapter 116 Residential Projects," which were recommended by the Entertainment Commission on January 29, 2016. These conditions state:

    a) **Community Outreach.** Project Sponsor shall include in its community outreach process any businesses located within 300 feet of the proposed project that operate between the hours of 9PM-5AM. Notice shall be made in person, written or electronic form.

    b) **Sound Study.** Project sponsor shall conduct an acoustical sound study, which shall include sound readings taken when performances are taking place at the proximate Places of Entertainment, as well as when patrons arrive and leave these locations at closing time. Readings should be taken at locations that most accurately capture sound from the Place of Entertainment to best of their ability. Any recommendation(s) in the sound study regarding window glaze ratings and soundproofing materials including but not limited to walls, doors, roofing, etc. shall be given highest consideration by the project sponsor when designing and building the project.

    c) **Design Considerations.**

        i. During design phase, project sponsor shall consider the entrance and egress location and paths of travel at the Place(s) of Entertainment in designing the location of (a) any entrance/egress for the residential building and (b) any parking garage in the building.

        ii. In designing doors, windows, and other openings for the residential building, project sponsor should consider the POE's operations and noise during all hours of the day and night.

    d) **Construction Impacts.** Project sponsor shall communicate with adjacent or nearby Place(s) of Entertainment as to the construction schedule, daytime and nighttime, and consider how this schedule and any storage of construction materials may impact the POE operations.

    e) **Communication.** Project Sponsor shall make a cell phone number available to Place(s) of Entertainment management during all phases of development through construction. In addition, a line of communication should be created to ongoing building management throughout the occupation phase and beyond.

INCLUSIONARY HOUSING REQUIREMENTS

23. **Affordable Units.** The following Inclusionary Affordable Housing Requirements are those in effect at the time of Planning Commission action. In the event that the requirements change, the Project Sponsor shall comply with the requirements in place at the time of issuance of first construction document..

    a) **Number of Required Units.** Pursuant to Planning Code Section 415.3, the Project is currently required to provide 14.5% of the proposed dwelling units in the Base Project as affordable to qualifying households. The Project Sponsor has elected to satisfy the Inclusionary Affordable Housing obligation by providing on-site inclusionary units. The

Project Sponsor will fulfill this requirement by providing the 8 affordable units on-site. As required for the project to achieve a 35% density bonus under the State Density Bonus Law and Planning Code section 206.6, 7 (11%) of the eight required units shall be affordable for a term of 55 years to households earning less than 50% of area median income and, upon the expiration of the 55 year term, shall thereafter be rented at the rates specified in the inclusionary affordable housing program. The remaining inclusionary unit is subject to the requirements as set forth in Section 415. If the number of market-rate units change, the number of required affordable units shall be modified accordingly with written approval from Planning Department staff in consultation with the Mayor's Office of Housing and Community Development ("MOHCD"), and in accordance with the State Density Bonus Program and Planning Code section 206.6.

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

b) **Unit Mix.** The Base Project contains 15 studios, 17 one-bedroom, and 23 two-bedroom units; therefore, the required affordable unit mix is 2 studios, 3 one-bedroom, and 3 two-bedroom units. If the market-rate unit mix changes, the affordable unit mix will be modified accordingly with written approval from Planning Department staff in consultation with MOHCD.

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

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

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

d) **Phasing.** If any building permit is issued for partial phasing of the Project, the Project Sponsor shall have designated not less than fourteen and one half percent (14.5%), or the applicable percentage as discussed above, of the each phase's total number of dwelling units as on-site affordable units.

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

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

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

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

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

As provided in the Inclusionary Affordable Housing Program, the applicable Procedures Manual is the manual in effect at the time the subject units are made available for sale.
For information about compliance, contact the Case Planner, Planning Department at 415-558-6378, www.sf-planning.org or the Mayor's Office of Housing and Community Development at 415-701-5500, www.sf-moh.org.

(i) The affordable unit(s) shall be designated on the building plans prior to the issuance of the first construction permit by the Department of Building Inspection ("DBI"). The affordable unit(s) shall (1) reflect the unit size mix in number of bedrooms of the market rate units, (2) be constructed, completed, ready for occupancy and marketed no later than the market rate units, and (3) be evenly distributed throughout the building; and (4) be of comparable overall quality, construction and exterior appearance as the market rate units in the principal project. The interior features in affordable units should be generally the same as those of the market units in the principal project, but need not be the same make, model or type of such item as long they are of good and new quality and are consistent with then-current standards for new housing. Other specific standards for on-site units are outlined in the Procedures Manual.

(ii) If the units in the building are offered for rent, seven (11%) of the affordable unit(s) shall be rented to very low-income households, as defined in California Health and Safety Code Section 50105 and/or California Government Code Sections 65915-65918, the State Density Bonus Law. Any remaining inclusionary units shall be rented to low-income households, as defined in the Planning Code and the Procedures Manual. The initial and subsequent rent level of such units shall be calculated according to the Procedures Manual. Limitations on (i) occupancy, (ii) lease changes, and (iii) subleasing are set forth in the Inclusionary Affordable Housing Program and the Procedures Manual.

(iii) The Project Sponsor is responsible for following the marketing, reporting, and monitoring requirements and procedures as set forth in the Procedures Manual. MOHCD shall be responsible for overseeing and monitoring the marketing of

affordable units. The Project Sponsor must contact MOHCD at least six months prior to the beginning of marketing for any unit in the building.

(iv) Required parking spaces shall be made available to initial buyers or renters of affordable units according to the Procedures Manual.

(v) Prior to the issuance of the first construction permit by DBI for the Project, the Project Sponsor shall record a Notice of Special Restriction on the property that contains these conditions of approval and a reduced set of plans that identify the affordable units satisfying the requirements of this approval. The Project Sponsor shall promptly provide a copy of the recorded Notice of Special Restriction to the Department and to MOHCD or its successor.

(vi) The Project Sponsor has demonstrated that it is eligible for the On-site Affordable Housing Alternative under Planning Code Section 415.6 instead of payment of the Affordable Housing Fee, and has submitted the *Affidavit of Compliance with the Inclusionary Affordable Housing Program: Planning Code Section 415* to the Planning Department stating the intention to enter into an agreement with the City to qualify for a waiver from the Costa-Hawkins Rental Housing Act based upon the proposed density bonus and waivers (as defined in California Government Code Section 65915 et seq.) provided herein. The Project Sponsor has executed the Costa Hawkins agreement and will record a Memorandum of Agreement prior to issuance of the first construction document.

(vii) If the Project Sponsor fails to comply with the Inclusionary Affordable Housing Program requirement, the Director of DBI shall deny any and all site or building permits or certificates of occupancy for the development project until the Planning Department notifies the Director of compliance. A Project Sponsor's failure to comply with the requirements of Planning Code Section 415 et seq. shall constitute cause for the City to record a lien against the development project and to pursue any and all available remedies at law.

(viii) If the Project becomes ineligible for the On-site Affordable Housing Alternative prior to the issuance of the first construction permit, the approvals shall be null and void. If the Project becomes ineligible after issuance of its first construction permit, the Project Sponsor or its successor shall pay the Affordable Housing Fee on the entirety of the project, including any additional density as allowed under State law, and shall notify the Department and MOHCD and pay interest on the Affordable Housing Fee and penalties, if applicable, and the City shall pursue any and all available remedies at law.

Anthony J. Martorana
3440-25th Street
San Francisco, CA 94110

BOS-11
Cpage
File No. 180019

February 7, 2018

Angela Calvillo
Clerk Of the Board
City Hall, Room 244
1Dr.Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Objection to proposed project
File NO. 180019
2918-2924 Mission Street

To the Honorable Board of Supervisors:

As a resident of San Francisco for all of life (76years) and a resident of the Mission District, I am appalled that such a development would be approved. It is in total conflict with the neighborhood and follows none of the guidelines of the city planning commission. They say it is approved due to the new law by the State of California which is non-sense and if taken by every developer would destroy our city.

This project does not take into consideration the people of the neighborhood. It is a rectangular box 84-foot-tall looking over the children's school, casting shades and eliminating views from adjoining properties. The planning code states to grant a conditional use the project is necessary, desirable and compatible with the neighborhood. This project has none of the above. There is no setback for rear yard, open space, dwelling unit exposure.

There is no reason to approve a project which has only 10% affordable when the city requires 30%.

I thank you for your review of my comments. I trust that the project will follow the guidelines as set forth by the planning commission and no waivers granted for this project.

Sincerely,

Anthony J. Martorana

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	HEARING NOTICE: Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on February 13, 2018
Date:	Tuesday, January 30, 2018 10:44:41 AM
Attachments:	image001.png

Good morning,

The Office of the Clerk of the Board has scheduled a hearing for Special Order before the Board of Supervisors on **February 13, 2018, at 3:00 p.m.**, to hear an appeal of Community Plan Evaluation under CEQA for the proposed project at 2918-2924 Mission Street.

Please find the following link to the hearing notice for the matter.

Hearing Notice - January 30, 2018

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Brent Jalipa
Legislative Clerk
Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org

Click here to complete a Board of Supervisors Customer Service Satisfaction form

BOARD of SUPERVISORS

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

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following appeal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: **Tuesday, February 13, 2018**

Time: **3:00 p.m.**

Location: **Legislative Chamber, City Hall, Room 250**
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

Subject: **File No. 180019.** Hearing of persons interested in or objecting to a Community Plan Evaluation issued by the Planning Department under the California Environmental Quality Act on August 30, 2017, for the proposed project at 2918-2924 Mission Street, approved on November 30, 2017, to demolish an approximately 5,200 square-foot, one-story, commercial building and adjacent 6,400 square-foot surface parking lot to construct an eight-story, 85 foot-tall, residential building with ground floor retail. (District 9) (Appellant: J. Scott Weaver of West Bay Law, on behalf of Calle 24 Latino Cultural District Council) (Filed January 2, 2018)

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, February 9, 2018.

Angela Calvillo
Clerk of the Board

DATED/MAILED/POSTED: January 30, 2018

From:	BOS Legislation, (BOS)
To:	jscottweaver@aol.com; Mark H. Loper; rrti@pacbell.net
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Rahaim, John (CPC); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street - Appeal Hearing on February 13, 2018
Date:	Monday, January 08, 2018 11:43:36 AM
Attachments:	image001.png

Good morning,

The Office of the Clerk of the Board has scheduled an appeal hearing for Special Order before the Board of Supervisors on **February 13, 2018, at 3:00 p.m**. Please find linked below a letter of appeal filed for the proposed project at 2918-2924 Mission Street, as well as direct links to the Planning Department's timely filing determination, and an informational letter from the Clerk of the Board.

Community Plan Evaluation Appeal Letter - January 2, 2018

Planning Department Memo - January 4, 2018

Clerk of the Board Letter - January 5, 2018

I invite you to review the entire matter on our Legislative Research Center by following the link below:

Board of Supervisors File No. 180019

Regards,

Brent Jalipa
Legislative Clerk
Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org

Click here to complete a Board of Supervisors Customer Service Satisfaction form

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

January 5, 2018

J. Scott Weaver
West Bay Law
4104 24th Street #957
San Francisco, CA 94114

Subject: File No. 180019 - Appeal of CEQA Community Plan Evaluation - 2918-2924 Mission Street Project

Dear Mr. Weaver:

The Office of the Clerk of the Board is in receipt of a memorandum dated January 4, 2018, from the Planning Department regarding their determination on the timely filing of appeal of the Community Plan Evaluation issued by the Planning Department under CEQA for the proposed project at 2918-2924 Mission Street.

The Planning Department has determined that the appeal was filed in a timely manner (copy attached).

Pursuant to Administrative Code, Section 31.16, a hearing date has been scheduled for **Tuesday, February 13, 2018, at 3:00 p.m.**, at the Board of Supervisors meeting to be held in City Hall, 1 Dr. Carlton B. Goodlett Place, Legislative Chamber, Room 250, San Francisco, CA 94102.

Please provide to the Clerk's Office by noon:

20 days prior to the hearing: names and addresses of interested parties to be notified of the hearing, in spreadsheet format; and

11 days prior to the hearing: any documentation which you may want available to the Board members prior to the hearing.

For the above, the Clerk's office requests one electronic file (sent to bos.legislation@sfgov.org) and two copies of the documentation for distribution.

Continues on next page

NOTE: If electronic versions of the documentation are not available, please submit 18 hard copies of the materials to the Clerk's Office for distribution. If you are unable to make the deadlines prescribed above, it is your responsibility to ensure that all parties receive copies of the materials.

If you have any questions, please feel free to contact Legislative Clerks Brent Jalipa at (415) 554-7712, or Lisa Lew at (415) 554-7718.

Very truly yours,

Angela Calvillo
Clerk of the Board

c: Mark Loper, Reuben, Junius and Rose, LLP, Project Sponsor
Robert Tillman, Project Sponsor
Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Kristen Jensen, Deputy City Attorney
John Rahaim, Planning Director
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Joy Navarette, Environmental Planning, Planning Department
Laura Lynch, Environmental Planning, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
Dan Sider, Policy Advisor, Planning Department
Linda Ajello-Hoagland, Staff Contact, Planning Department
Julie Moore, Staff Contact, Planning Department
Jonas Ionin, Planning Commission Secretary, Planning Department

SAN FRANCISCO
PLANNING DEPARTMENT

MEMO

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

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

DATE: January 4, 2018

TO: Angela Calvillo, Clerk of the Board of Supervisors

FROM: Wade Wietgrefe, Principal Planner for Lisa Gibson, Environmental Review Officer

RE: Appeal Timeliness Determination – 2918-2924 Mission Street, Planning Department Case No. 2014.0376ENV

On January 2, 2018 J. Scott Weaver filed an appeal of the community plan evaluation for the proposed project at 2918-2924 Mission Street with the Office of the Clerk of the Board on behalf of the Calle 24 Latino Cultural District Community Council (Appellant). As explained below, the appeal is timely.

Date of Approval Action	30 Days after Approval Action/ Appeal Deadline	First Business Day after Appeal Deadline	Date of Appeal Filing	Timely?
Thursday, November 30, 2017	Saturday, December 30, 2017	Tuesday, January 2, 2018	Tuesday, January 2, 2018	Yes

Approval Action: The Planning Department issued a certificate of determination for the project at 2918-2924 Mission Street on August 30, 2017. The certificate identified the approval action for the project as the conditional use authorization by the Planning Commission, as provided for in Planning Code section 121.1. The Planning Commission granted the conditional use authorization on November 30, 2017 (date of the approval action).

Appeal Deadline: Section 31.16(a) and (e) of the San Francisco Administrative Code states that any person or entity may appeal an exemption determination to the Board of Supervisors during the time period beginning with the date of the exemption determination and ending 30 days after the date of the approval action. Thirty days after the date of the approval action was Saturday, December 30, 2017. However, because the offices of the Clerk of the Board and of the Planning Department were closed on December 30, 2017, through January 1, 2018, the 30-day appeal period was extended to January 2, 2018.

Appeal Filing and Timeliness: The Appellant filed the appeal of the exemption determination on January 2, 2018, which is within the time frame specified above. Therefore, the appeal is considered timely.

From:	BOS Legislation, (BOS)
To:	Rahaim, John (CPC)
Cc:	GIVNER, JON (CAT); STACY, KATE (CAT); JENSEN, KRISTEN (CAT); Sanchez, Scott (CPC); Gibson, Lisa (CPC); Navarrete, Joy (CPC); Lynch, Laura (CPC); Sider, Dan (CPC); Starr, Aaron (CPC); Ajello Hoagland, Linda (CPC); Moore, Julie (CPC); Ionin, Jonas (CPC); Calvillo, Angela (BOS); Somera, Alisa (BOS); BOS-Supervisors; BOS-Legislative Aides; BOS Legislation, (BOS)
Subject:	Appeal of CEQA Exemption Determination - 2918 Mission Street - Timeliness Determination Request
Date:	Wednesday, January 03, 2018 2:35:48 PM
Attachments:	Appeal Ltr 010218.pdf COB Ltr 010318.pdf

Good afternoon, Director Rahaim:

The Office of the Clerk of the Board is in receipt of an appeal of the CEQA Exemption Determination for the proposed project at 2918 Mission Street. The appeal was filed by J. Scott Weaver of West Bay Law, on behalf of the Calle 24 Latino Cultural District Council, on January 2, 2018.

Please find the attached letter of appeal and timely filing determination request letter from the Clerk of the Board.

Kindly review for timely filing determination.

Regards,

Brent Jalipa
Legislative Clerk
Board of Supervisors - Clerk's Office
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102
(415) 554-7712 | Fax: (415) 554-5163
brent.jalipa@sfgov.org | www.sfbos.org

BOARD of SUPERVISORS

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Fax No. 554-5163
TDD/TTY No. 544-5227

January 3, 2018

To: John Rahaim
Planning Director

From: Angela Calvillo
Clerk of the Board of Supervisors

Subject: Appeal of California Environmental Quality Act (CEQA) Determination of Exemption from Environmental Review - 2918 Mission Street

An appeal of the CEQA Determination of Exemption from Environmental Review for the proposed project at 2918 Mission Street was filed with the Office of the Clerk of the Board on January 2, 2018 by J. Scott Weaver, on behalf of the Calle 24 Latino Cultural District Council.

Pursuant to Administrative Code, Chapter 31.16, I am forwarding this appeal, with attached documents, to the Planning Department to determine if the appeal has been filed in a timely manner. The Planning Department's determination should be made within three (3) working days of receipt of this request.

If you have any questions, please feel free to contact Legislative Clerks Brent Jalipa at (415) 554-7712, or Lisa Lew at (415) 554-7718.

c: Jon Givner, Deputy City Attorney
Kate Stacy, Deputy City Attorney
Kristen Jensen, Deputy City Attorney
Scott Sanchez, Zoning Administrator, Planning Department
Lisa Gibson, Environmental Review Officer, Planning Department
Joy Navarette, Environmental Planning, Planning Department
Laura Lynch, Environmental Planning, Planning Department
Dan Sider, Policy Advisor, Planning Department
Aaron Starr, Manager of Legislative Affairs, Planning Department
Linda Ajello-Hoagland, Staff Contact, Planning Department
Julie Moore, Staff Contact, Planning Department
Jonas Ionin, Planning Commission Secretary, Planning Department

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☑ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning :"Supervisor [ ] inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No. [ ] from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No. [ ]
- ☐ 9. Reactivate File No. [ ]
- ☐ 10. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

☐ Small Business Commission ☐ Youth Commission ☐ Ethics Commission

☐ Planning Commission ☐ Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Clerk of the Board

Subject:

Hearing - Appeal of Determination of Community Plan Evaluation - 2918-2924 Mission Street

The text is listed:

Hearing of persons interested in or objecting to a Community Plan Evaluation issued by the Planning Department under the California Environmental Quality Act on August 30, 2017, for the proposed project at 2918-2924 Mission Street, approved on November 30, 2017, to demolish an approximately 5,200 square-foot, one-story, commercial building and adjacent 6,400 square-foot surface parking lot to construct an eight-story, 85 foot-tall, residential building with ground floor retail. (District 9) (Appellant: J. Scott Weaver of West Bay Law, on behalf of Calle 24 Latino Cultural District Council) (Filed January 2, 2018)

Signature of Sponsoring Supervisor: Alisa Somera

For Clerk's Use Only

fr 180019