File No.	180612	Committee Item No. 5	
		Board Item No.	

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee:	Land Use and Transportation Committee Date September	10, 2018
Board of Su Cmte Board	pervisors Meeting Date	·
	Motion Resolution Ordinance Legislative Digest Budget and Legislative Analyst Report Youth Commission Report Introduction Form Department/Agency Cover Letter and/or Report MOU Grant Information Form Grant Budget Subcontract Budget Contract/Agreement Form 126 – Ethics Commission Award Letter Application Public Correspondence	
OTHER	(Use back side if additional space is needed)	
	Referral FYI 061118	
		
	<u> </u>	
Completed I		8

NOTE:

[Administrative Code - San Francisco Special Tax Financing Law - Central SoMa]

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

Unchanged Code text and uncodified text are in plain Arial font.

Additions to Codes are in <u>single-underline italics Times New Roman font</u>.

Deletions to Codes are in <u>strikethrough italics Times New Roman font</u>.

Board amendment additions are in <u>double-underlined Arial font</u>.

Board amendment deletions are in <u>strikethrough Arial font</u>.

Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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

Section 1. FINDINGS.

The Board of Supervisors of the City and County of San Francisco hereby finds, determines and declares:

- A. The Central SoMa planning area (the "Central SoMa Plan Area") runs from 2nd Street to 6th Street, Market Street to Townsend Street, exclusive of those areas that are part of the Downtown Plan or in the C-3 zoning districts.
- B. In 2008, the City adopted the Eastern Neighborhoods Plan, including new land use controls and proposed community improvements for the eastern part of the South of Market neighborhood ("SoMa"), as well as the Central Waterfront, Mission, and Showplace Square/Potrero Hill neighborhoods. At that time, the City determined that the development potential of the industrially-zoned part of East SoMa, coupled with the improved transit to be provided by the Central Subway, necessitated a subsequent, focused planning process that

took into account the city's growth needs and City and regional environmental goals. The Central SoMa Plan is the result of that subsequent process.

- C. Since that time, the Planning Department released a draft Plan and commenced environmental review as required by the California Environmental Quality Act ("CEQA") in April 2013, released an Initial Study in February of 2014, released a revised Draft Plan and Implementation Strategy in August 2016, released the Draft Environmental Impact Report in December 2016, and released Responses to Comments on the Draft Environmental Impact Report in March 2018.
- D. The vision of the Central SoMa Plan is to create a sustainable neighborhood by 2040, where the needs of the present are met without compromising the ability of future generations to meet their own needs, and the Central SoMa Plan seeks to achieve sustainability in each of its aspects social, economic, and environmental which will require implementing the following three strategies: 1) Accommodate growth, 2) Provide public benefits; and 3) Respect and enhance neighborhood character.
- E. The Central SoMa Plan will accommodate development capacity for up to 33,000 jobs and 8,300 housing units by removing much of the Plan Area's industrially protective zoning and increasing height limits on many of the Plan Area's parcels.
- F. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 in accordance with Planning Code Section 340(c), to consider the General Plan Amendment, Planning Code and Administrative Code Amendment, Zoning Map Amendment, and Implementation Program related to the Central SoMa Plan Area. At the hearing, the Commission voted to recommend approval with modifications to the various ordinances, in Planning Commission Resolutions No. 20183, 20184, 20185, 20186, and 20187.
- G. The Planning Commission conducted a duly noticed public hearing on May 10, 2018 to review and consider the Final Environmental Impact Report for the Central SoMa

Plan ("Final EIR") and found the Final EIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Planning Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and by Motion No. 20182 certified the Final EIR for the Central SoMa Plan as accurate, complete, and in compliance with CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code. By Resolution No. 20183, the Planning Commission approved CEQA Findings, including a statement of overriding considerations, and adoption of a Mitigation Monitoring and Reporting Program ("MMRP"), under Case No. 2011. 1356E, for approval of the Central SoMa Plan.

- H. The Central SoMa Plan and accompanying Public Benefits Program describe special tax financing for certain facilities and services.
- I. In order to establish the legal authority for special tax financing of the facilities and services described in the Central SoMa Plan, the Board of Supervisors must make certain amendments to Article X of Chapter 43 of the Administrative Code.
- J. The Board of Supervisors wishes to further amend Article X of Chapter 43 of the Administrative Code as it determines to be in the public interest.
- Section 2. Article X of Chapter 43 of the San Francisco Administrative Code is hereby amended as follows:
 - A. Section 43.10.15 is hereby amended as follows:
 - SEC. 43.10.15. AUTHORIZED FACILITIES.

In addition to the facilities that may be financed under the Act, special taxes may be levied and bonds may be issued to finance or refinance the *following on any land in San Francisco:*

(a) The acquisition, installation and improvement of energy efficiency, water conservation, water pollution control, and renewable equipment with an estimated useful life

of five years or longer and/or energy efficiency, water conservation, water pollution control, and renewable energy improvements that are attached to or on real property and in buildings, whether such real property or buildings are privately or publicly owned. Energy efficiency, water conservation, water pollution control and renewable energy improvements may only be installed on a privately owned building and on privately owned real property with the prior written consent of the owner or owners of the building or real property.

In addition to the Facilities that may be financed under the Act, special taxes may be levied and bonds may be issued to finance (b)

The work deemed necessary to bring buildings or real property, including privately owned buildings or real property, into compliance with seismic safety standards or regulations. Only work certified as necessary to comply with seismic safety standards or regulations by local building officials may be financed. No project involving the dismantling of an existing building and its replacement by a new building, nor the construction of a new or substantially new building may be financed pursuant to this subparagraph. Work on qualified historical buildings or structures shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the Health and Safety Code). Work on privately owned property may only be financed with the prior written consent of the owner or owners of the privately owned property.

- (c) Sustainability studies and guideline documents related to development in the planning area governed by the Central SoMa Plan & Implementation Strategy.
- (d) The purchase, construction, expansion, improvement, or rehabilitation of real or other tangible property with an estimated useful life of three years or longer, whether such property is privately or publicly owned, if the Board of Supervisors has provided for the financing of such property in the resolution of formation for the special tax district and the ordinance levying the special taxes in the special tax district.
 - B. Section 43.10.16 is hereby amended as follows:

1

SEC. 43.10.16. AUTHORIZED SERVICES.

<u>(a)</u>	In addition	to the s	<u>ervices</u>	that ma	v be	<u>financed</u>	under	the 1	<u>Act,</u>	<u>special</u>	taxes	may	<u>be</u>
levied to fina	nce the follow	ving wi	thin San	Francis	sco:								

- Recreation program services, library services, maintenance services for elementary and secondary schoolsites and structures, and the operation and maintenance of museums and cultural facilities if they have been approved by the qualified electors, regardless of whether the qualified electors are landowners or registered voters.
- Any other services that the Board of Supervisors has authorized in the resolution of formation for the special tax district and the ordinance levying the special taxes in the special tax
- It is hereby specifically provided that in proceedings under this Article to finance Services, the limitations set forth in the penultimate paragraph of Section 53313 shall not

APPROVED AS TO FORM:

DENNÎS J. HERRER

Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - San Francisco Special Tax Financing Law - Central SoMa]

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

Existing Law

The Board of Supervisors has previously established various community facilities districts in the City under the Mello-Roos Act, and under the City's Special Tax Financing Law, constituting Article 43.10 of the Administrative Code ("Code"). Community facilities districts or special tax districts are formed for the purpose of financing and refinancing the acquisition, installation and improvement of certain capital improvements or to real property and in buildings, whether such real property or buildings are privately or publicly owned.

This Board of Supervisors is currently considering the establishment of City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa) ("Special Tax District") pursuant to Chapter 43, Article X of the San Francisco Administrative Code (the "Code"), which Code incorporates the Mello-Roos Community Facilities Act of 1982, as amended ("Act"). The Special Tax District is being formed for the purpose of financing costs of public infrastructure and other authorized facilities and services necessary or incident to development of the Central SoMa Plan Area.

The Special Tax District will be located in the Central SoMA planning area. The Central SoMa Plan is to create a sustainable neighborhood by 2040. The Central SoMa Plan will accommodate development capacity for up to 33,000 jobs and 8,300 housing units by removing much of the Plan Area's industrially protective zoning and increasing height limits on many of the Plan Area's parcels.

The Central SoMa Plan and accompanying Public Benefits Program describe special tax financing for certain facilities and services. In order to establish the legal authority for special tax financing of the facilities and services described in the Central SoMa Plan, the Board of Supervisors must make certain amendments to the Code.

Background Information

The proposed Ordinance would amend Article 43.10 of the Administrative Code to allow financing by the Central SoMA Special Tax District of facilities and services supporting the Public Benefits Program.

As well, the amendments to the Code would permit the Board of Supervisors to approve other facilities and services identified in formation proceedings of other special tax districts to be established and located in the City from time to time.

To:

Mchugh, Eileen (BOS)

Subject:

RE: Old Mint Central SoMa Letter

From: Son, Chanbory (CPC)

Sent: Tuesday, August 14, 2018 11:26 AM

To: Lau, Jon (ECN) < ion.lau@sfgov.org>; Rahaim, John (CPC) < iohn.rahaim@sfgov.org>; Frye, Tim (CPC)

<tim.frye@sfgov.org>; Switzky, Joshua (CPC) <joshua.switzky@sfgov.org>; Chen, Lisa (CPC) sa.chen@sfgov.org>; Ionin,

Jonas (CPC) < <u>ionas.ionin@sfgov.org</u>>; Calvillo, Angela (BOS) < <u>angela.calvillo@sfgov.org</u>>; Andrew Wolfram

<andrew@tefarch.com>; Aaron Jon Hyland - HPC <aaron.hyland.hpc@gmail.com>; Black, Kate (CPC)

<u>Dianematsuda@hotmail.com</u>; Jonathan Pearlman < <u>jonathan.pearlman.hpc@gmail.com</u>>; Rich Hillis

(richhillissf@gmail.com) <ri>richhillissf@gmail.com>; Melgar, Myrna (CPC) <myrna.melgar@sfgov.org>; 'Rodney Fong'

<planning@rodneyfong.com>; Johnson, Milicent (CPC) <milicent.johnson@sfgov.org>; Koppel, Joel (CPC)

<<u>ioel.koppel@sfgov.org</u>>; Moore, Kathrin (CPC) <<u>kathrin.moore@sfgov.org</u>>; Richards, Dennis (CPC)

<dennis.richards@sfgov.org>; Brown, Vallie (BOS) <vallie.brown@sfgov.org>; Cohen, Malia (BOS)

<malia.cohen@sfgov.org>; Fewer, Sandra (BOS) <sandra.fewer@sfgov.org>; Kim, Jane (BOS) <jane.kim@sfgov.org>;

Peskin, Aaron (BOS) <aaron.peskin@sfgov.org>; Ronen, Hillary <hillary.ronen@sfgov.org>; Safai, Ahsha (BOS)

<ahsha.safai@sfgov.org>; MandelmanStaff, [BOS] <mandelmanstaff@sfgov.org>; Tang, Katy (BOS)

<katy.tang@sfgov.org>; Yee, Norman (BOS) <norman.yee@sfgov.org>

Cc: Feliciano, Josephine (CPC) < josephine.feliciano@sfgov.org>; Chen, Lisa (CPC) < lisa.chen@sfgov.org>

Subject: Old Mint Central SoMa Letter

Everyone,

Please accept this letter on behalf of the Historic Preservation Commission regarding the Central SoMa Public Benefits Package and the Old U.S. Mint.

Sincerely,

Chanbory Son, Executive Secretary Commission Affairs

San Francisco Planning Department 1650 Mission Street, Suite 400 San Francisco, CA 94103 Direct: 415.575.6926 | www.sfplanning.org San Francisco Property Information Map



August 14, 2018

Land Use and Transportation Committee of the Board of Supervisors City Hall, Legislative Chamber, Room 250 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Re: Central SoMa Public Benefits Package and the Old U.S. Mint

Chair Katy Tang and Members of the Land Use and Transportation Committee,

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

Reception: 415.558.6378

15.558.6409

Planning Information: 415.558.6377

At its August 1, 2018 hearing the Historic Preservation Commission (HPC) discussed the proposal to reduce the amount of potential funding from the Central SoMa Public Benefits Program towards the rehabilitation of the Old U.S. Mint (Old Mint), City Landmark No. 236. While a much greater investment is needed to realize the full potential of the Old Mint, the HPC strongly encourages the Land Use Committee to recommend retention of the 1% allocation (potentially \$20,000,000) considering its potential as a facility that supports the community and the City's history.

Built in 1874, The Old Mint is not only a locally-designated Landmark; it is listed as a National Historic Landmark, the highest recognition bestowed upon only the most significant places in America. In 1997, the federal government sold the Old Mint to the City of County of San Francisco for one dollar on the condition that it would be rehabilitated for public use. In 2015 the Old Mint was listed by the National Trust for Historic Preservation on its America's eleven most endangered places due to lack of investment. Despite stops and starts to revive the Old Mint, the City Family has made significant progress over the last three years by actively working with community partners to reposition the structure as one that represents the activity, safety, and stability of the surrounding neighborhood.

The HPC supports the many goals of the Public Benefits Package and agrees that the Central SoMa Plan should not shoulder the entire cost of rehabilitating the structure. The 1% allocation is a fraction of the total resources required to bring the Old Mint to current safety standards but remains a critical contribution to realizing its potential. As one of the most significant public buildings in the West, our community partners, along with the City family, are committed to sharing the financial responsibilities to reimagine the Old Mint as an anchor of safety, utility, and in service to the many communities that make up Central SoMa. The HPC strongly urges the Land Use Committee and the Board of Supervisors to retain the opportunity for the Old Mint to potentially capture \$20,000,000 from the Public Benefits Package commitment.

Sincerely,

Andrew Wolfram

President

Historic Preservation Commission

www.sfplanning.org

cc: Board of Supervisors

Angela Calvillo, Clerk of the Board of Supervisors

Historic Preservation Commission

Planning Commission

Jonas Ionin, Office of Commission Affairs

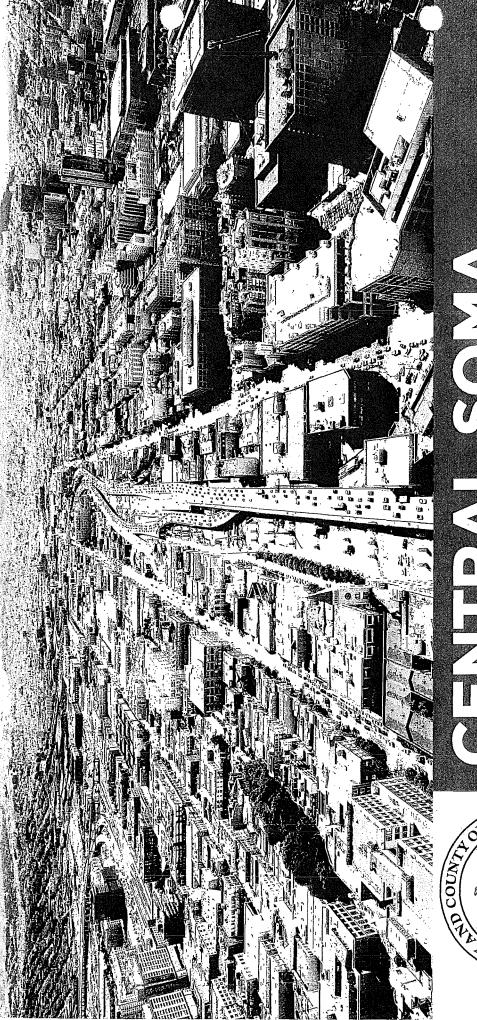
Jon Lau, Mayor's Office of Employment and Workforce Development

John Rahaim, Planning Department

Timothy Frye, Planning Department

Josh Switzky, Planning Department

Lisa Chen, Planning Department



PLAN & MPLEMENTATION STRATEGY

Board of Supervisors - Land Use & Transportation Committee Hearing July 9, 2018

Superiction Superiction

TODAY'S PRESENTATION

1 Overview of the Central SoMa Plan

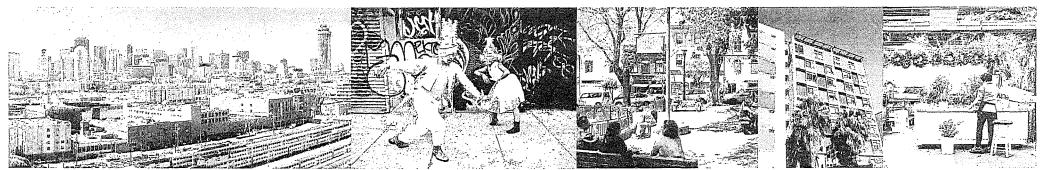
- » Plan vision & goals
- » Public Benefits package

2 Plan Evolution

- » Changes from 2016 Draft Plan through May 10th Planning Commission Adoption
- 3 Planning Commission Recommendations
- 4 Conclusion

TODAY'S ACTIONS

- 1. Amendments to the General Plan (180490)
- 2. Amendments to the Planning Code and Administrative Code (180184)
- 3. Amendments to the Zoning Map (180185)
- 4. Approval of the Housing Sustainability District (180453)
- 5. Amendments to the Special Tax Financing Law (180612)



CENTRAL SOMA PLAN - CONTENTS

General Plan

Planning Code & Administrative Code

Zoning Map

Implementation Program

(adopted by reference)

- Creation of the Central SoMa Plan
- Amendments to East SoMa & Western SoMa Plans
- Planning Code: creation of the Central SoMa Special Use District (SUD)
- Admin Code: PDR protection
- Amendments to Height and Bulk District Maps
- Amendments to Zoning Use District Maps
- Implementation Matrix
- Public Benefits Program
- Guide to Urban Design
- Key Development Sites Guidelines
- Key Streets Guidelines

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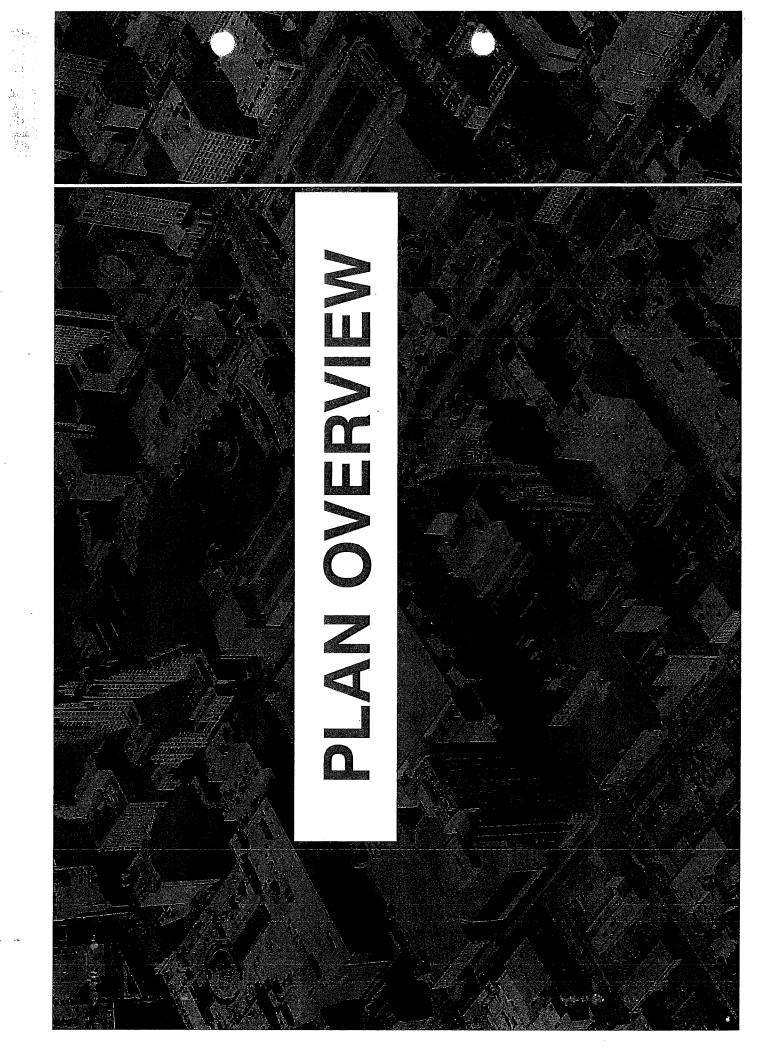
CENTRAL SOMA PLAN - CONTENTS

Special Tax District

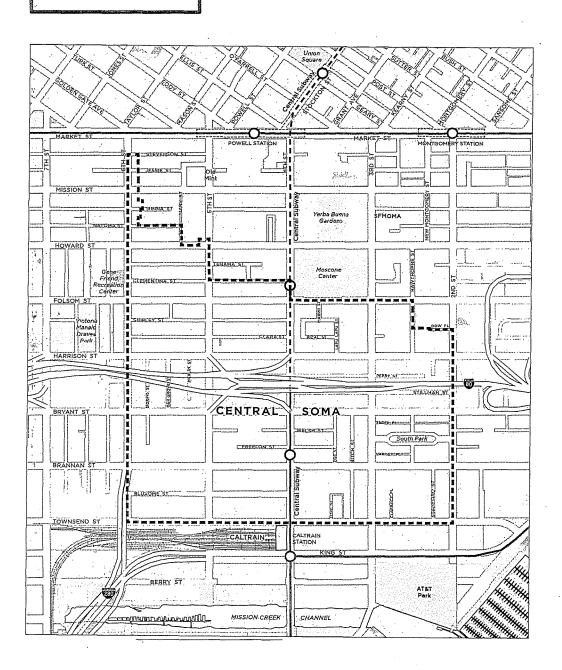
Housing
Sustainability District

- Amendments to Administrative Code Special Tax Financing Law
- Resolutions of Intention (ROIs) and Ordinances to establish the Central SoMa Special Tax District*
- Amendments to Business & Tax Regulations and Planning Codes to create a Central SoMa Housing Sustainability District (HSD), pursuant to California AB73

^{*} Trailing legislation



PLAN AREA



PLAN VISION A sustainable neighborhood: socially, economically, environmentally

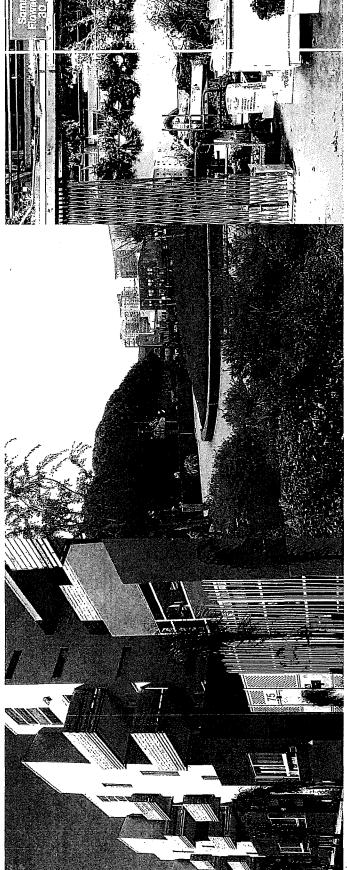
Central Subway under construction, expected to open in 2019

BART/Muni Metro Subway

Muni Metro (Surface)

PLAN STRATEGY

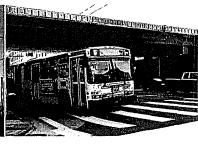
Respect and Enhance Neighborhood Character 급 Provide Public Benefits 급 Accommodate Demand



PLAN PHILOSOPHY

keep what's great







Diversity of Residents and Jobs

Diversity of Buildings and Architecture

Abundant Local and Regional Transit

Renowned Culture and Nightlife

address what's not



Unaffordable Rents



Unsafe and Unpleasant Streets



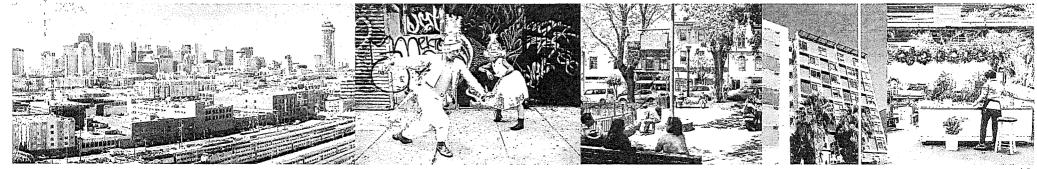
Lack of Public Parks and Greenery



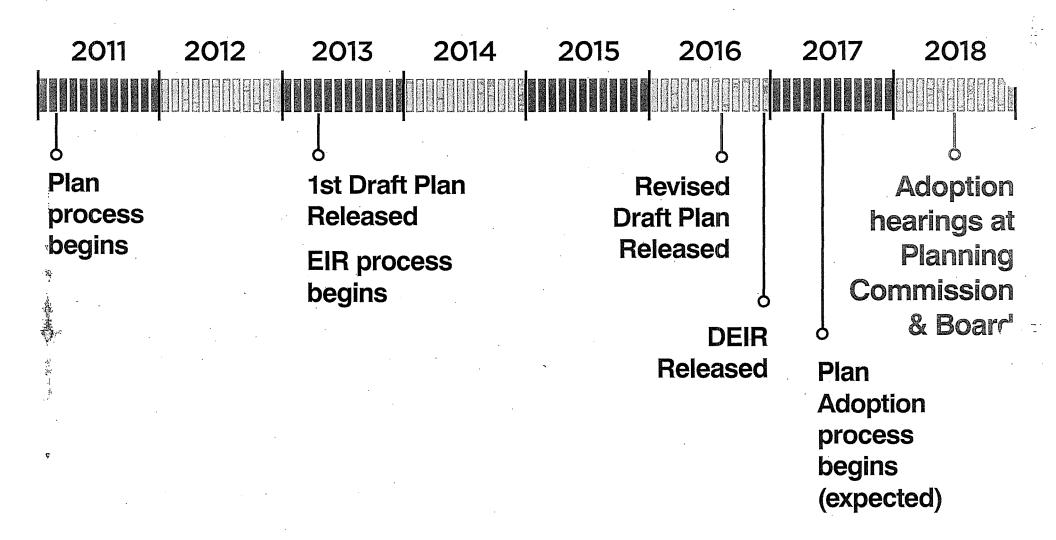
Inefficient Zoning and Insufficient Funding

PLAN GOALS

- 1. Accommodate a Substantial Amount of Jobs and Housing
- 2. Maintain the Diversity of Residents
- 3. Facilitate an Economically Diversified and Lively Jobs Center
- 4. Provide Safe and Convenient Transportation that Prioritizes Walking, Bicycling, and Transit
- 5. Offer an Abundance of Parks and Recreational Opportunities
- 6. Create an Environmentally Sustainable and Resilient Neighborhood
- 7. Preserve and Celebrate the Neighborhood's Cultural Heritage
- 8. Ensure that New Buildings Enhance the Character of the Neighborhood and the City

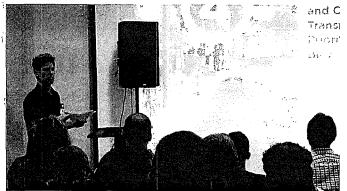


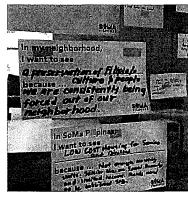
PLAN TIMELINE



OUTREACH PROCESS: 2011 - 2018







- 15 public workshops, office hours, charrettes, walking tours
- Public surveys
- 17 hearings at Planning Commission
 & Historic Preservation Commission
- 2 informational hearings at Board of Supervisors (Land Use Committee)





OUTREACH: ADVOCACY GROUPS (PARTIAL LIST)

77 Dow Place HOA

Alliance for Better District 6

Arden HOA

Asian Neighborhood Design

California Culture and Music Association

Central City SRO Collaborative

Central Subway Outreach Committee

Clementina Cares

Eastern Neighborhoods Citizens Advisory Committee

Filipino-American Development Foundation

Good Jobs for All

Housing Action Coalition (HAC)

One Bluxome HOA

Rincon Hill /South Beach/Mission Bay Neighborhood Association

San Francisco Bicycle Coalition

San Francisco Planning and Urban Research (SPUR)

San Francisco Senior and Disability Action

San Francisco Youth Commission

SF BLU HOA

SoMa Community Coalition

SoMa Community Collaborative

SoMa Community Stabilization Fund Citizens Advisory Committee

SoMa Pilipinas

South Beach/Mission Bay Merchants Association

South of Market Action Network (SOMCAN)

South of Market Business Association (SOMBA)

South of Market Leadership Council

South of Market Project Area Committee (SOMPAC)

TODCO

Walk SF

We Are SoMa

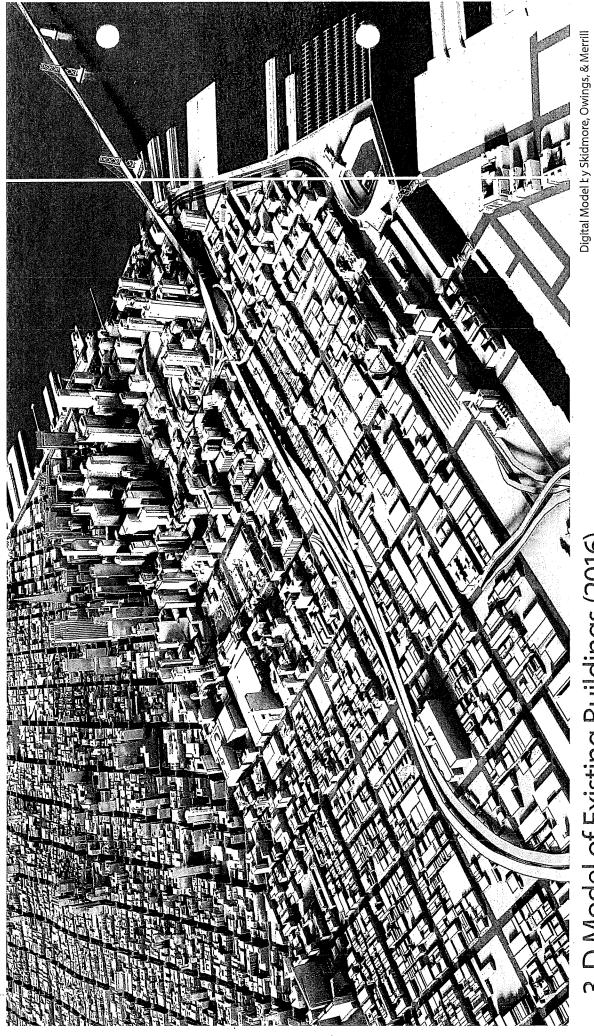
Western Soma Taskforce

Yerba Buena Alliance

Yerba Buena Community Benefit District

YIMBY Action

VISUALIZATION - EXISTING DEVELOPMENT



3-D Model of Existing Buildings (2016)

VISUALIZATION - POTENTIAL DEVELOPMENT

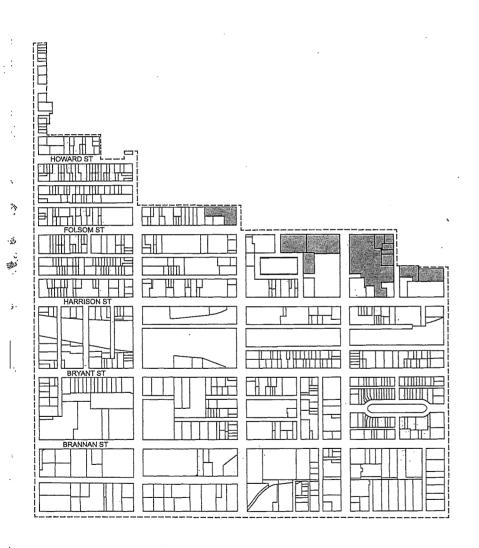
Central SoMa Development Potential
Anticipated Projects Outside of Central SoMa

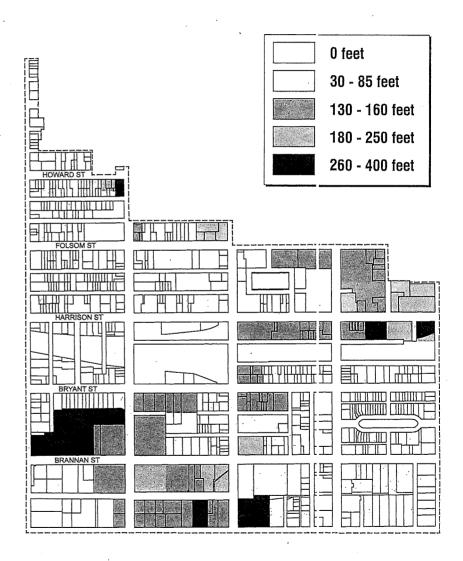


3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill

EXISTING AND PROPOSED DEVELOPMENT CAPACITY





Existing Development Capacity

Proposed Development Capacity

PUBLIC BENEFITS PACKAGE

No Plan = \$500 million in Public Benefits Central SoMa Plan = \$2.2 Billion in Public Benefits

400% increase due to the Plan

Plus ~\$1 billion in increased General Fund tax revenues

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS PACKAGE

	Affordable Housing 33 percent of total units	\$940 million
	Transit investment in both local and regional service	\$500 million
	Parks and Recreation transformative improvements such as parks, plazas, and recreation centers	\$185 million
Mai	Production, Distribution, & Repair (including Arts) no net loss of PDR space due to the Plan	\$180 million
in the second se	Complete Streets safe and comfortable streets for people walking and biking	\$110 million

(continued on next page)

PUBLIC BENEFITS PACKAGE (CONTINUED)

Community Services & Cultural Preservation funding towards community facilities and programs (e.g. health clinics, job training) and preservation of the Old Mint and other historic buildings	\$110 million
Environmental Sustainability a healthy, resilient, green, and resource-efficient neighborhood	\$70 million
Schools and Childcare funding to support growing population	\$65 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS: FUNDING SOURCES

FUNDING SOURCE AMOUNT Direct provision of benefits (e.g. on-site BMR units) \$836 million \$354 million Central SoMa Special Tax District (NEW) **Eastern Neighborhoods Infrastructure Fee** \$240 million Transportation Sustainability Fee \$220 million \$210 million Jobs-Housing Linkage Fee \$180 million Affordable Housing Fee Central SoMa Infrastructure Fee (NEW) \$40 million \$26 million **School Impact Fee** \$32 million Child Care Fee Central SoMa Community Facilities Fee (NEW) \$20 million TOTAL \$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

NEW FUNDING SOURCES: RESIDENTIAL (2018 RATES)

NEW REQUIREMENT	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	\$0	\$10	\$0
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	CONDO: \$3.30 (2% escalation)	CONDO: \$5.50 (2% escalation)
		RENTAL: \$0	RENTAL: \$0
Community Facilities Fee (\$/GSF)		\$1.30	

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)

NEW FUNDING SOURCES: NON-RESIDENTIAL (2018 RATES)

: NEW REQUIREMENT	TIER A & B (15'-85' height increase)	TIER C (90'+ height increase)		
Central SoMa Community Infrastructure Fee (\$/GSF)	Office >50k sq ft: \$21.50 All other projects: \$41.50	Office >50k sq ft: \$0 All other projects: \$20		
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	\$2.75 (4% escalation annually for 25 years, 2% thereafter)		
Transferable Development Rights (Floor Area Ratios)	0	1.25 FAR		
Community Facilities Fee (\$/GSF)	\$1.75			
POPOS	1 sq ft for every 50 GSF of development			
Production, Distribution, and Repair (PDR)	Office >50k: greater of 0.4 FAR or Sec. 202.8 (Prop X)			

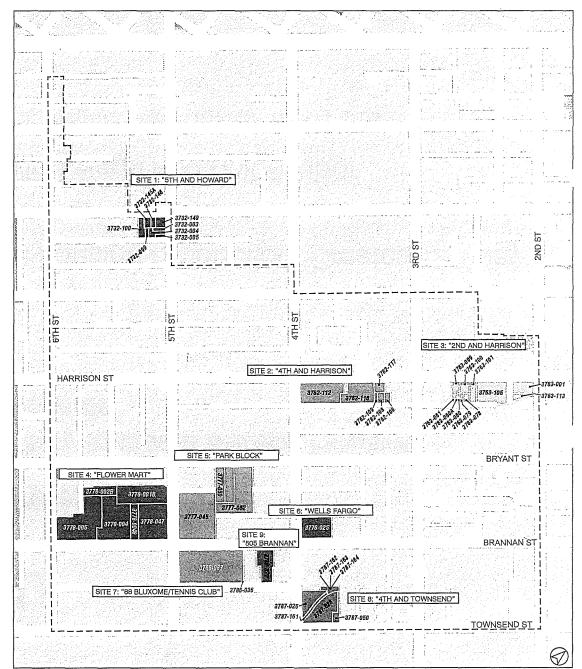
NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nohds Fee, etc.)

KEY DEVELOPMENT SITES

PURPOSE

Larger sites where we have crafted more flexible / site-specific zoning in exchange for a greater amount of public benefits, including:

- affordable housing
- parks & recreational facilities
- community facilities
- low-rent / extra PDR
- bike & ped improvements





HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA HSD OVERVIEW

 Enacts California AB73 (Chiu) to create the first Housing Sustainability District in the state

BENEFITS

- Incentivizes & streamlines housing production: Creates 1/20-day ministerial process
- Incentivizes use of prevailing wage and union labor
- Qualifies SF for 'zoning incentive payments' from State (TBD)

HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA HSD MEETS AB73 REQUIREMENTS

- District must provide 20% BMR units (Central SoMa provides 33%)
- District must have an approved EIR to address environmental impacts
- Projects must provide 10% on-site BMR units
- Projects must meet wage and labor standards
 - » Pay prevailing wages (projects <75 units)</p>
 - » Use skilled and trained workforce (projects 75+ units)

HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA LOCAL PROGRAM (Sec. 343)

- Projects that are NOT eligible:
 - » Projects over 160 ft (unless 100% affordable)
 - » Article 10 or 11 historic properties
 - » Properties containing existing units
 - » Projects with >25,000 GSF of office space

HOUSING SUSTAINABILITY DISTRICT

CENTRAL SOMA LOCAL PROGRAM (Sec. 343)

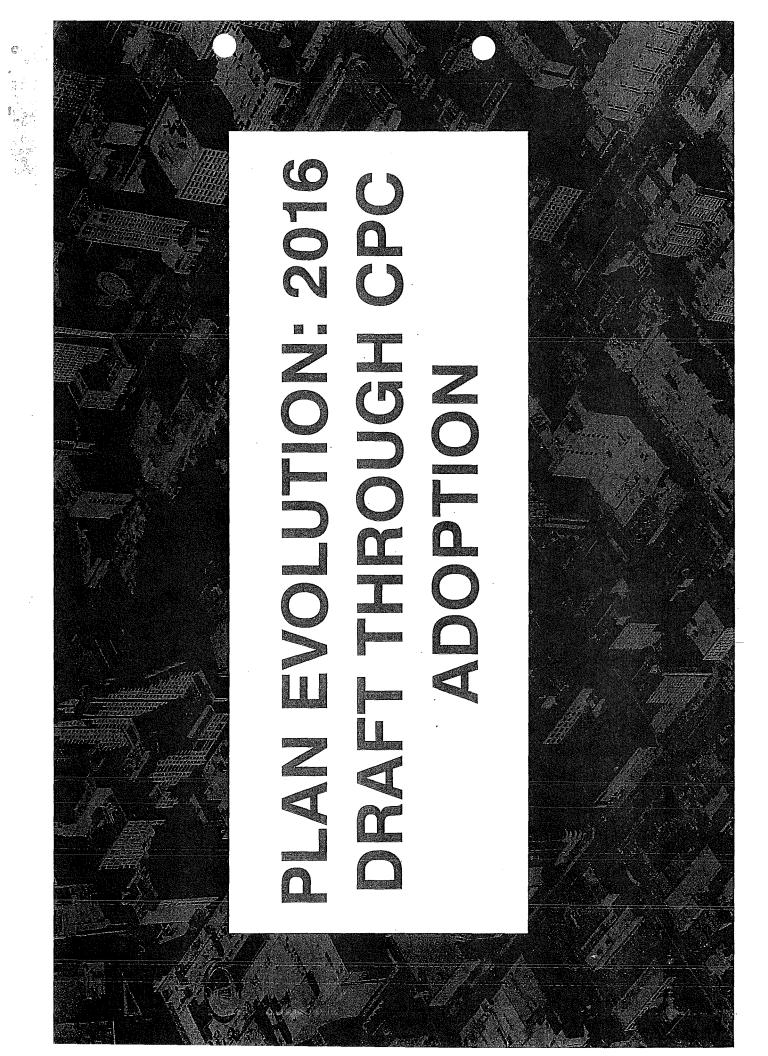
- 120-Day Review Process:
 - » Before applying: demonstrate compliance with EIR Mitigation Measures
 - » Design review
 - » Informational hearing
 - » Progress requirement: once approved, must seek a site/ building permit within 36 months of approval, or seek an extension

SPECIAL TAX DISTRICT - LEGISLATIVE ACTION

Administrative Code Chapter 43, Section 10: Special Tax Financing Law

Proposed amendments would enable the City to spend Central SoMa Special Tax revenues on eligible Facilities and Services*, which may include, but are not limited to:

- Grants to nonprofit/public social service organizations
- Environmental sustainability, including air quality mitigation and technical studies/guidelines
- Park programming and activation



PLAN EVOLUTION DURING ADOPTION PROCESS

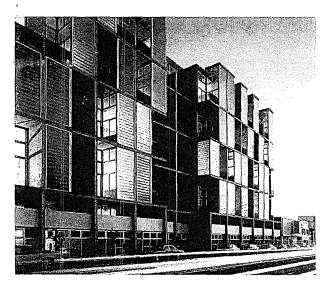
KEY AREAS

- Jobs-Housing Balance
- Public Benefits Package
- Development Requirements

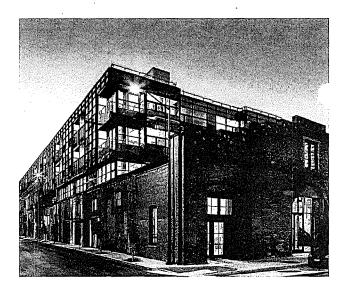
JOBS - HOUSING BALANCE

WHAT WE HEARD

- Maximize housing production, especially affordable units
- Streamline the production process
- Produce / protect affordable housing units upfront through aggressive site acquisition







JOBS - HOUSING BALANCE

HOW THE PLAN EVOLVED

- Housing production is now maxed out at the EIR cap (+17%, from 7100 to 8300 units)
- Central SoMa will be the state's 1st Housing Sustainability District (HSD) under AB73
- Some Key Sites are pursuing land dedication for affordable housing
- Continuing to work with MOHCD to leverage City programs:
 - » Acquisition / rehabilitation to stabilize existing units
 - Securing additional housing locations in the broader SOMA neighborhood

WHAT WE HEARD

- Maximize affordable housing (also see previous section)
- Provide funding for social/cultural programming (not just facilities)
- Plan for future capital needs at Yerba Buena Gardens
- Fund neighborhood cleaning & maintenance
- Work with SFUSD to support existing schools and plan for future growth
- Support development of Good Jobs (e.g. living wage and/or unionized) for low-income households
- Keep the Prop X Conditional Use for PDR replacement

HOW THE PLAN EVOLVED

- Increased housing = +230 more affordable units (2900 total)
- Additional \$70 million for public benefits from CFD (see below)
- A Good Jobs goal was added to General Plan amendments

ADDITIONAL FUNDING CATEGORIES	\$/YR	\$/25 YRS
Social & cultural programming (continue SoMa Stabilization Fund)	\$1,000,000	\$25 million
Park and greenery maintenance and activation	\$600,000	\$15 million
Capital for cultural amenities (e.g. Yerba Buena Gardens)	N/A	\$15 million
··· Neighborhood cleaning	\$350,000	\$8.75 million
Bessie Carmichael School supplemental services	\$250,000	\$6.25 million
TOTAL		\$70 million

OTHER TOPICS REQUIRING DISCUSSION

- Eastern Neighborhoods Community Advisory Committee (CAC) & SoMa Stabilization CAC
 - » Because adjusting the CAC will require significant consideration of responsibilities and allocation of funding from projects, this will return to the Planning Commission and the Board as trailing legislation.
- Staff are working with SFUSD to assess future school capacity needs and how growth here and Citywide may be accommodated
- The Good Jobs goal may need to be fleshed out through trailing legislation

OTHER TOPICS REQUIRING DISCUSSION (CONT.)

- NOTE: There is no need for a Conditional Use requirement for PDR replacement under Prop X, since PDR replacement is explicitly required.
 - » In addition, any CU requirement applied to housing would make them ineligible for the Housing Sustainability District, affecting ~75% of units impacted (up to 1/2 of total units)

DEVELOPMENT REQUIREMENTS

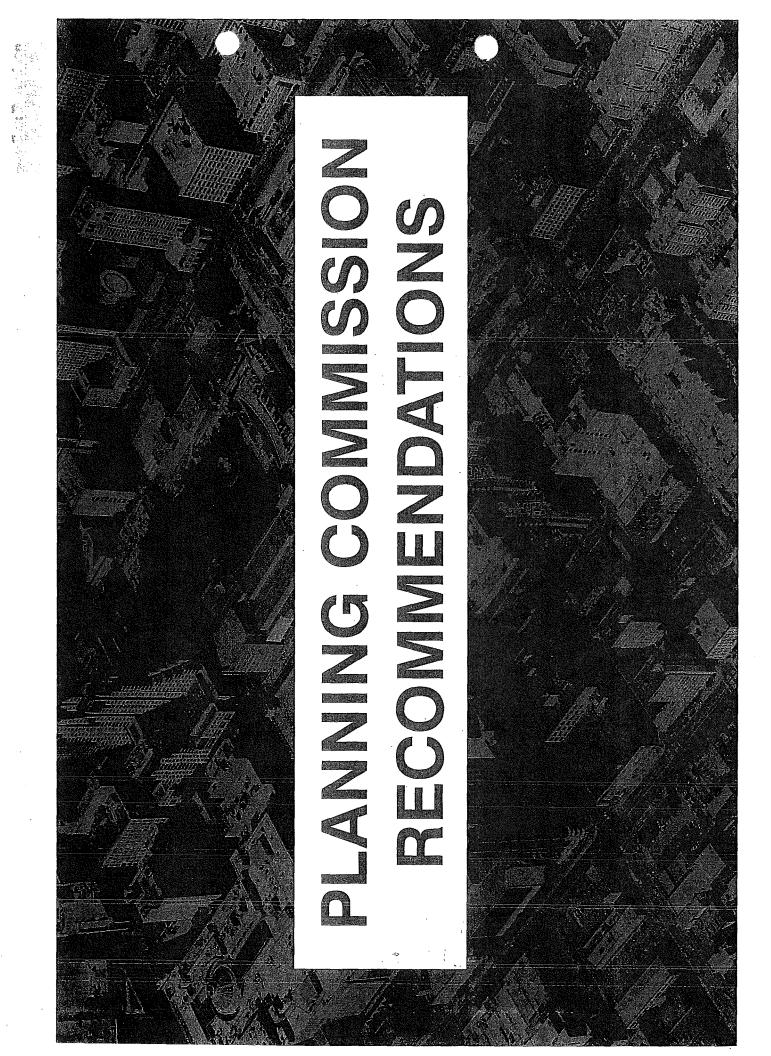
WHAT WE HAVE HEARD

- Changing financial market has made some projects less feasible, particularly rental housing
- Want greater flexibility / exceptions (e.g. similar to a Planned Unit Development)

DEVELOPMENT REQUIREMENTS

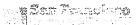
HOW THE PLAN EVOLVED

- Dropped the Mello-Roos Special Tax on rental housing to improve financial feasibility (\$1.75/sq ft)
- NOTE: Kept current zoning structure (no PUD-type exceptions possible)
 - » However, site-specific exceptions were crafted for individual Key Sites in Section 329(e).



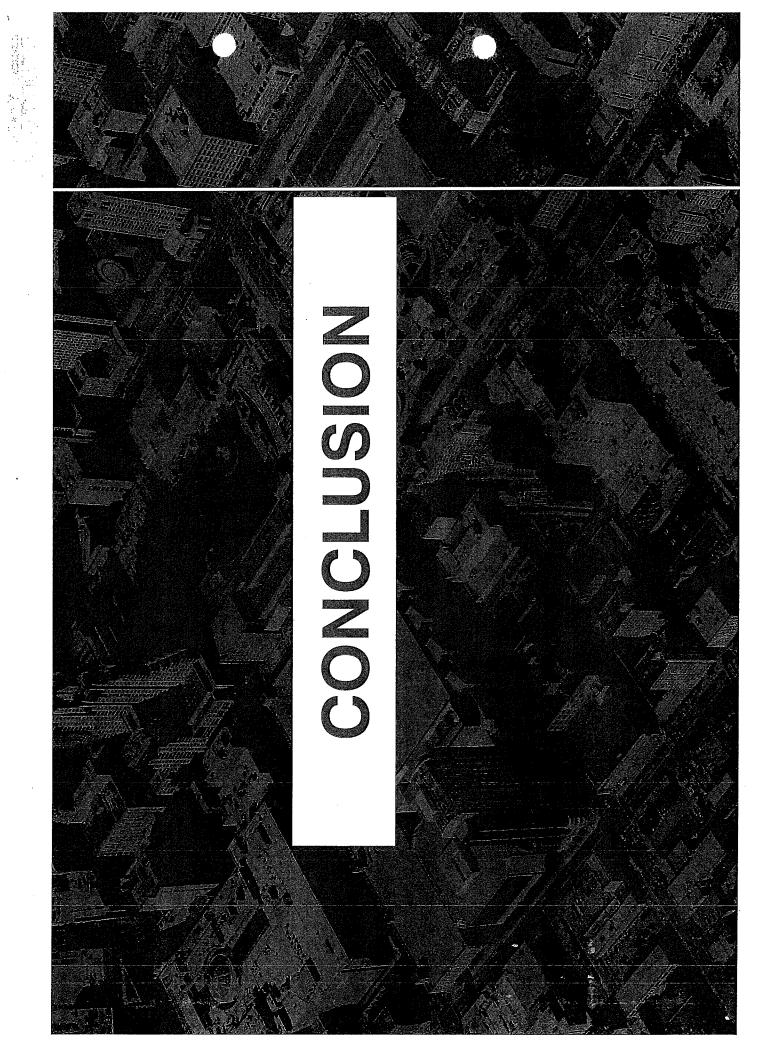
PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING

Change	Rationale
POPOS Design Exceptions	To allow greater flexibility and diversity of POPOS design.
Passenger & Freight Loading	To streamline and improve processes for reviewing passenger and freight loading.
Transportation Demand Management	To allow some relief for projects that have been designed assuming the same level of grandfathering as the citywide TDM ordinance.
Active Uses on Ground Floors	To allow some flexibility for micro-retail and hotel uses.
Alternate Uses in PDR Replacement Space	To support other desirable uses that cannot pay high rents.



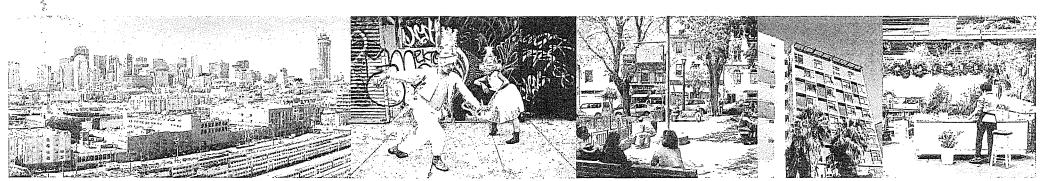
PLANNING COMMISSION RECOMMENDATIONS - 5/10/18 ADOPTION HEARING

Change	Rationale
Key Development Sites	To craft exceptions to specific key sites, and to add an additional key site (505 Brannan Street)
Park Fee Waiver at 598 Brannan Street	To enable construction of a park on land currently owned by SFPUC.
Central SoMa Mello- Roos Special Tax District	To establish the purpose and application of the proposed Mello-Roos Special Tax District in Central SoMa.
SoMa Stabilization Fund	To allow Mello-Roos tax revenues to accrue to the fund.
Community Advisory Committee (CACs)	To split the existing Eastern Neighborhoods CAC into two more manageable geographies.
Other Clarifying Amendments	To correct and clarify the code amendments.

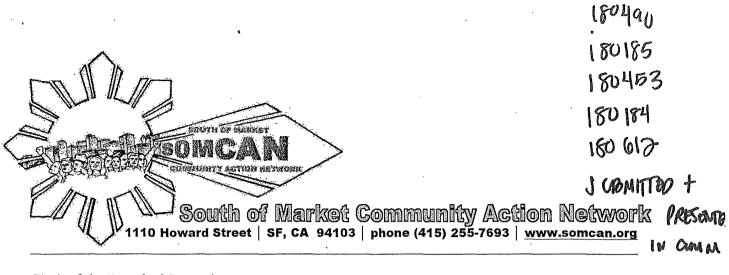


TODAY'S ACTIONS

- 1. Amendments to the General Plan (180490)
- 2. Amendments to the Planning Code and Administrative Code (180184)
- 3. Amendments to the Zoning Map (180185)
- 4. Approval of the Housing Sustainability District (180453)
- 5. Amendments to the Special Tax Financing Law (180612)







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

June 11, 2018

Via Hand Delivery

RE: Central SoMa Plan – Appeal of the 5/10/18 Planning Commission Decisions

Dear Clerk of the Board and the Members of the Board of Supervisors:

The South of Market Community Action Network (SOMCAN) appeals the following decisions concerning the Central SoMa Plan ("the Plan"). The Plan Area is bounded by Second Street on the east, Sixth Street on the west, Townsend Street on the south, and an irregular border that goes along Folsom, Howard, and Stevenson Streets to the north.

 Certification of the Environmental Impact Report (EIR) and Adoption of Findings and Evaluation of Mitigation Measures and Alternatives and a Statement of Overriding Considerations

The final resolutions for the relevant appeals are attached as **Exhibit A**. Evidence in support of the appeals is attached as **Exhibits A-D**.

I. Citizens appeal the decisions made by the Planning Commission to certify the Environmental Impact Report (EIR) and adopt Findings and Evaluation of Mitigation Measures and Alternatives and a Statement of Overriding Considerations, State Clearinghouse No. 2013042070 (Exhibit A, Resolutions)

The appeals related to CEQA are filed on the following bases.

- The EIR is inadequate, incomplete, and deficient
- Inadequate and incomplete analysis of and failure to disclose the severity of the level of impact for the following environmental impacts:
 - o Creation of a Second Financial District
 - o Existing Youth and Family Special Use District
 - o Transportation and Ride Hailing Companies
 - o State Density Bonus Laws
 - Economic Impacts from Displacement and Increase in Vehicle Miles Travelled

- o Residential Units Not Being Used as Traditional Housing
- o The 5M Project
- o New Office Space and Lack of Local Hiring Requirements
- o Consideration of Continued PDR Uses
- Lack of Affordability of Housing Incentivized by the Plan and Socioeconomic Makeup of New Residents
- o Open Space
- Stabilization of Non-Profit Organizations
- o Health Impacts
- Density of Workers Based on Square Footage of Office Space and Auxiliary Jobs is Under Calculated
- Failure to adopt all feasible mitigations and alternatives
- Strong disagreement with Responses to Comments on the Draft Environmental Impact Report
- Inadequate and incomplete Findings, Evaluation of Mitigation Measures and Alternatives, and Statement of Overriding Considerations

II. Exhibits (Attached)

Exhibit A: Resolutions

20182 EIR Certification 20183 CEQA Findings

Exhibit B: Letters (including comments submitted on the Plan EIR during the EIR comment period)

Exhibit C: Links to videos of hearings in which testimony was given on the Central SoMa Plan Exhibit D: Transcript Planning Commission Hearing, May 10, 2018 on the Central SoMa Plan

Thank you,

Angelica Cabande
Organizational Director, South of Market Community Action Network



February 13, 2017

Lisa M. Gibson
Acting Environmental Review Officer
1650 Mission Street
Suite 400
San Francisco, CA 94103
and via e-mail Lisa Gibson@sfqov.org

Re: Planning Department Case 2011.1356E

State Clearinghouse No. 2013042070

Dear Ms. Gibson:

The South of Market Community Action Network ("SOMCAN") is a multi-racial, community organization that educates, organizes, and mobilizes immigrant and low-income South of Market ("SoMa") residents to fight for improvements to their quality of life by engaging in the decision making processes that affect their neighborhood and greater San Francisco. Our mission is to build and support a strong, organized community that takes collective action to achieve equity, and social and economic justice. SOMCAN works to address gentrification and displacement issues in SoMa and San Francisco.

We respectfully submit this comment letter on the Central SoMa Plan Draft Environmental Impact Report (the "DEIR"), which encompasses the area of South of Market bounded by 2nd Street (east); 6th Street (west); Townsend Street (south); and an irregular border jogging between Folsom, Howard and Stevenson Streets (north).

Comment Period Extension Period Should Have Been Granted

Firstly, we object again on the grounds that there has been insufficient time for the public to review this nearly 700 page long technical document. We, along with other community members, submitted a letter dated February 3, 2017 requesting for an extension of the comment period, which Planning denied.

Since 2000, SOMCAN has worked to educate and organize the community particularly around land use issues. With only 60 days from the release of the DEIR to the closing of the comment period, and the fact that the DEIR was released on December 14, 2016 just prior to the holidays, there has not been enough time for our organization to complete a thorough review, technical and otherwise, of the DEIR, as well as present the contents to community members, and compile their feedback. This a fatal flaw and fundamental deficiency of this DEIR that it has not sufficiently been available to the public for review and comment.

A More Extensive and Thorough Public Review Needed of DEIR Given Relaxing of Project Level Reviews

This is not a project level EIR. This is a Plan Area EIR that comes to us in the new era of "by-right" development encouraged at the State level (there is once again legislation pending at the State level to allow development "by-right" without any project level environmental review or public hearings) and at our local level, with this Central SoMa Plan proposing a radical relaxing of development controls.

In the past, Area Plans have been written with the presumption that more detailed environmental review will be done as projects are proposed by developers during the implementation of the Area Plans. This will almost certainly not be the case here, yet the public has not been allowed a reasonable time to review this DEIR and provide comment; and Planning has ignored the fact that the City is reducing the public's ability to comment on implementation of the Central SoMa Plan going forward.

The following are SOMCAN's comments to the DEIR as we have best been able to compile them given the insufficient time Planning has afforded our organization to engage residents of SoMa in a thorough review and understanding of the contents of this DEIR.

SOMCAN's areas of concern are:

- 1. The Central SoMa Plan Creates a Second Financial District at the Expense of Families, Youth and Seniors Living, Working and Going to School in SoMa.
- 2. The Central SoMa Plan Disregards the SoMa Youth and Family Special Use District
- 3. The Inadequate Transportation Infrastructure and Impact of Ride Hailing Companies Within and Adjacent to the Plan Area of the DEIR are Not Fully Considered
- 4. The Proposed Intensity of Development and Relaxing of Development Controls
 Have Not Been Evaluated With Respect to State Density Bonus Laws in the DEIR
- 5. The Economic Impacts From Displacement Were Not Analyzed in the DEIR
- 6. The DEIR Omits Analyses of the Current Trend of Residential Units Not Being Used as Traditional Housing
- 7. The 5M Project Must be Included in the DEIR Analysis
- 8. The Impacts of New Office Space and Lack of Local Hiring Requirements are Not Properly Presented or Studied in the DEIR

- 9. Consideration of Continued PDR Uses in Central SoMa is Inadequate
- 10. The DEIR Does Not Address the Lack of Affordability of Housing Incentivized By the Plan and the Socioeconomic Makeup of New Residents That Will Result
- 11. The Plan Continues to Provide an Inadequate Amount of Open Space in SoMa By Relying on POPOS
- 12. The Plan Does Not Address the Stabilization of SoMa based Non-Profit Organizations
- 13. The DEIR Does Not Adequately Study the Health Impacts from Increased Noise, Degraded Air Quality, Pedestrian Safety Hazards, and Increased Wind Speeds

EXPLANATION OF CONCERNS:

1. The Central SoMa Plan Creates a Second Financial District at the Expense of Families, Youth and Seniors Living, Working and Going to School in SoMa

The area defined as the Central SoMa Plan Area is a neighborhood. While we are not opposed to further growth, we are opposed to Planning's proposed transformation of this neighborhood into a new Financial District. The scale of development and the mix of commercial, office and high end luxury development described in the Plan are not conducive to a healthy neighborhood.

There are many established aspects to what constitutes a healthy neighborhood that the DEIR should be studied against. We demand that this DEIR be studied against the City's Healthy Development Measurement Tool (HDMT), which was developed by Planning in partnership with the Department of Public Health and community organizations during the Eastern Neighborhoods rezoning¹. Please refer to the Eastern Neighborhoods Community Health Impact Assessment (ENCHIA)².³

Youth, families and seniors in SoMa demand a family-friendly neighborhood, human scale, safety for pedestrians of all ages and abilities, with access to light and air, and neighborhood services close by. The Plan as proposed is completely out of character with the goal of sustaining Central SoMa as a neighborhood and a dynamic employment center co-existing in a mutually supportive way. Instead of building towards the long-established community and City goal of creating a family-friendly neighborhood in Central SoMa, the DEIR proposes a second Financial District, which will harm the health of existing and future populations.

2. The Central SoMa Plan Disregards the SoMa Youth and Family Special Use District

¹ http://www.who.int/hia/conference/poster_bhatia 2.pdf

² http://www.pewtrusts.org/en/multimedia/data-visualizations/2015/hia-map/state/california/eastern-neighborhoods-community

³ http://www.pewtrusts.org/~/media/assets/2007/09/hiareportenchia.pdf?la=en

The Central SoMa Plan incorporates areas that are covered under the *SoMa Youth and Family Special Use District*⁴ was adopted by the Board of Supervisors in January 2009. The *SoMa Youth and Family Special Use District*'s purpose is to expand the stock of affordable housing, as well as protect and enhance the health and environment of youth and families in SoMa. The Central SoMa Plan does not adequately take into account the *SoMa Youth and Family Special Use District* and instead of strengthening its controls, the DEIR undermines its goals.

We demand that as part of the Central SoMa Plan, projects within the *SoMa Youth and Family Special Use District* are required to undergo review and approval by resident groups and community organizations before they are considered by the Planning Department. We are demanding that this community approval process function similarly to other Special Use Districts in the City such as the *Bernal Heights Special Use District.*⁵

Planning has abused the *SoMa Youth and Family Special Use District* since it was established during the Eastern Neighborhood rezoning. These abuses including the re-mapping of the *SoMa Youth and Family Special Use District* by the Hearst and Forest City's 5M development, which covers five city blocks near 5th and Mission Streets. The 5M project gained approval in December 2015 for a large office tower by re-mapping the boundaries of the *SoMa Youth and Family Special Use District* with justifications by the Planning Department that this Special Use District does not have strong controls. SOMCAN, along with several other community-based organizations, have been demanding strong controls since *before* 2009 for the *SoMa Youth and Family Special Use District* so we can protect youth, families and seniors in the neighborhood. Planning has ignored our calls to strengthen this *SoMa Youth and Family Special Use District* through the Central SoMa rezoning process. The Central SoMa Plan must be revised to address this deficiency.

The environmental impact of displacement is clear and further criticized in our point #5 below. As long as Planning continues to promote the displacement of youth, families and seniors from Central SoMa in favor of large scale office and luxury housing developments, there will be an increasing and compounding environmental impact which has not been studied or reported in the DEIR. We demand that Planning revises the Central SoMa Plan in partnership with the community to strengthen the controls of the *SoMa Youth and Family Special Use District* in order to stabilize and grow our economically and racially diverse community.

The Inadequate Transportation Infrastructure and Impact of Ride Hailing Companies Within and Adjacent to the Plan Area of the DEIR are Not Fully Considered

The transportation infrastructure within and adjacent to the plan area of the Central SoMa DEIR lags far behind the infrastructure needs of both past and current growth. This is true, even if you factor in the transportation improvements that are underway, such as the Central Subway.

⁵ http://masonkirby.com/wpb/wp-content/uploads/2010/03/nwbhdrb_infopacket.pdf

⁴ http://sf-planning.org/sites/default/files/FileCenter/Documents/1479-SoMa_YFZ_SUD_Legislation.pdf

The Central SoMa Plan is predicated on the construction of the Central Subway that connects Central SoMa with Chinatown. The Central Subway addresses a transit need that is long overdue as public transit for SoMa has been inadequate for decades. Because of years of lack of infrastructure improvements, the Central Subway is addressing a past need, not a present or future need. As State Senator Scott Wiener has said, "San Francisco's unfunded transportation needs are billions and billions of dollars" because "MTA has a long history of not moving quickly enough on important capital projects" Thus, even with the new Central Subway, the transportation infrastructure will continue to be inadequate.

There is also mention of the construction of the new Transbay Terminal just to the east of the Central SoMa Plan Area. However, Transbay Terminal won't be completed for some time, and it is unclear whether it will connect with CalTrain. Also, proximity to BART should not factor into the Central SoMa Plan because it runs down Market Street which is two to three long blocks north of the Central SoMa Plan Area. BART is not only far from the Plan Area, it has its own issues with capital obsolescence, and is hardly in condition to accommodate dramatic growth.

The DEIR is also negligent in assessing the new impacts of ride-hailing/ Transportation Network Company (TNC) services like Uber and Lyft. The references in the DEIR on pages IV.D-65 and IV.D-76 are completely inadequate. Their impact can in no way be equated with bicycles in terms of traffic or environmental impact. Their vehicles circle endlessly as they aim to be proximate to the next person who orders their services such as rides and food deliveries. As more office space and more residences are built in the Plan Area, the volume and impacts from these services will increase dramatically. The DEIR completely ignores this environmental impact.

The increase in ride-hailing/ TNC traffic not only increases "Vehicle Miles Traveled" (the new CEQA standard in assessing traffic impacts) it will also impact the "Level of Service" (the CEQA previous standard) at many intersections. It will also impact pedestrian safety in ways that have not been studied. All of these omissions-- inadequately evaluating the transportation infrastructure needs of the current and increased future population and the lack of proper analysis of ride-sharing traffic-- make the DEIR dangerously deficient.

4. The Proposed Intensity of Development and Relaxing of Development Controls
Have Not Been Evaluated With Respect to State Density Bonus Laws in the DEIR

In 2016, the City passed the "Density Done Right" legislation allowing 100% affordable housing developments to apply for a significant increase in height and number of units without any rezoning. Also during 2016, legislation passed at the State level to enable developers throughout California to more easily take advantage of State Density Bonus incentives.

The DEIR references these laws on p. II-22 but only in reference to increased heights. It's unclear how the State Density Bonus will or will not be applied to heights and to unit counts for

⁶ http://www.sfexaminer.com/wiener-proposes-major-fundraising-legislation-for-transportation-agencies-statewide/

market rate developments, especially in light of Planning's approval of the project at 333 12th Street, the first housing development in San Francisco to be approved with applying the State Density Bonus. The DEIR also references the Density Bonus for affordable housing projects on p. VI-2 but says that the increased number of units has not been considered for the DEIR. The DEIR is incomplete if it does not completely study the impacts of increased heights and increased number of units for both affordable and market rate housing.

The DEIR must also completely disclose to the public where developers are eligible to use either the State Density Bonus Program, or the San Francisco "Density Done Right" program. The DEIR must clearly indicate on maps where those sites are located, and must compare the new proposed zoning and its resulting intensity of use with the potential intensity of use if developers take either the State or Local density bonus. The DEIR must compare the relative impacts of these two scenarios on the environment. Without these analyses for each project within the plan area, as well as the overall impacts, the DEIR is inadequate.

5. The Economic Impacts From Displacement Were Not Analyzed in the DEIR

Regardless of the assertions in the DEIR, there are environmental impacts due to displacement of residents from their homes or small businesses in SoMa, especially when considering the huge increase in "Vehicle Miles Traveled" that will result with this proposed Central SoMa Plan.

There are several ways that the Central SoMa Plan encourages displacement in an area already suffering from increased no-fault evictions and skyrocketing rents. A UC Berkeley study in collaboration with UCLA shows that SoMa is undergoing "advanced gentrification." Gentrification happens when more affluent people replace less wealthy people. The DEIR encourages luxury, high end housing in SoMa, which in turn encourages the price of other housing to increase. Landlords of adjacent properties begin to charge more rent to cash in on the new populations in the nearby luxury condos or new high-end shops.

The DEIR upzones large swaths of Central SoMa. Upzoning of property increases the values of the underlying land, which leads to increased costs for residential and commercial tenancies and increased sale prices. Therefore existing residents or small businesses that are paying less than the new market rate will be forced out. Upzoning incentivizes tearing down existing housing and existing small businesses so that developers can maximize the new build-out potential of that property. Coupled with the relaxing of local controls and push to have less local approval hearings, there will be less incentive for developers to provide "right to return" or provide increased levels of affordability to existing residents or businesses that will be forced out when the buildings are torn down.

There are no new protections being implemented by the DEIR for existing tenants and community serving institutions and businesses. Other than the push to preserve certain historic areas and buildings, there are no new protections in place to prevent displacement that the City

⁷ http://www.urbandisplacement.org/map/sf

knows will occur due to the new development that will be incentivized by this Central SoMa Plan (as exhibited in Plan Bay Area "Communities of Concern"). As shown in a University of California Berkeley report on transit oriented development and gentrification⁸⁹, areas in the Bay Area that have convenient access to transit are areas most likely to suffer gentrification and displacement, including SoMa.¹⁰ The Central SoMa Plan talks about increasing land values as a primary reason for the underlying elements of the Central SoMa Plan, yet it does not adequately take into account the fact that increased land values cause speculation and displacement. The increased land values presented in the Central SoMa Plan's various "menu" options is a recipe for massive displacement of existing residents and small businesses.

Large-scale displacement creates a significant environmental impact when considering CEQA's "Vehicle Miles Travelled" standard. Working class and lower income households get displaced outside San Francisco and their commutes increase, increasing their "Vehicle Miles Travelled." When people who work in SoMa are displaced, they will often retain their employment in SoMa, therefore their "Vehicle Miles Travelled" will increase. Many existing residents in SoMa can not afford the luxury homes that are and will be built in SoMa and access to affordable housing is extremely limited, so if for any reason they need to move out, it's highly unlikely they will move be able to stay in the neighborhood.

Furthermore, much of the luxury housing that gets built doesn't provide housing even though it's approved by Planning to be residential housing units. When these units are used as "pied-a-terres" or "short term rentals" or "corporate rentals" or "student housing", they are not helping to alleviate any housing shortage, because although they are approved by Planning as residential use, they are not in fact used for residential purposes. Therefore people are being displaced and commuting farther for work, meanwhile the new housing units aren't necessarily supporting residents being able to live in homes close to their work.

Replacing low income residents with higher income residents replaces a population with lower car ownership with a population that has a higher rate of car ownership. 11 12 More affluent people are also more likely to use ride-hailing/ TNC services than public transit. They have access to the smartphone-based apps and can pay more for a ride than public transit riders. This puts more single vehicles on the road that are idling and circling in their competition for fare-paying customers. There are also tech shuttles that service SoMa residents to take them to their offices on the Peninsula. The impacts of the increased "Vehicle Miles Travelled" caused by the new, more affluent populations which is encouraged in the DEIR is not considered in the document.

⁸ http://ucconnect.berkeley.edu/transit-oriented-development-and-commercial-gentrification-exploring-linkages

⁹ http://www.urbandisplacement.org/map/sf

¹⁰ http://communityinnovation.berkeley.edu/reports/Gentrification-Report.pdf

¹¹ http://socrates.berkelev.edu/~raphael/BerubeDeakenRaphael.pdf

¹² http://www.sciencedirect.com/science/article/pii/S0965856400000185

This means that gentrification has a "quadruple" environmental impact by lengthening the commute times of people working in SoMa from their new place of residence outside of San Francisco; replacing these people with a population more likely to own and use automobiles; increasing the number of people living in SoMa as a "bedroom" community for their commute on a shuttle to the Peninsula; and increasing use of ride-hailing/ TNC services whose vehicles constantly idle and circle in competition for rides. None of these impacts of gentrification on the environment have been studied, which a significant flaw in the DEIR.

6. The DEIR Omits Analyses of the Current Trend of Residential Units Not Being Used as Traditional Housing

Cities across the US and even Canada are learning that developers are not producing housing units to be used for housing people. Many cities are now fully realizing the negative impacts of the push to "build, build, build," an ideology fully embraced by this Central SoMa Plan.

Footnoted here are examples of Vancouver¹³ and New York City¹⁴ that show that in world where real estate is solely developed as a commodity and home-sharing is corporatized, often new condos are not being occupied by local residents, or any people at all. Also footnoted is a map of vacant units in San Francisco indicating that many of our City's vacant units are in SoMa.¹⁵

We are not opposed to building new housing, but we feel that it is environmentally important to ask the question, who are we building new housing for? Without adequate controls and enforcement in place:

- SRO's in SoMa will not continue to be used as open and accessible affordable housing options;
- new condos will be affordable only as high end luxury housing or sitting vacant because they are owned by investors who have no intention of living in these units;
- new condos will be used as commercial "short term rentals" instead of as residential use;
- new condos will be used as "corporate rentals" instead of as residential use; and
- other buildings will be used as "student housing" instead of residential use.

The inadequacy of the DEIR is that it studies the impacts of residential development as though it will be used for residences. The environmental impacts of corporate rentals, short term rentals and other commercial uses are different from residential uses. Without sufficient controls and enforcement, there is no way to ensure that new housing that is incentivized to be built under this new land use Plan will be used as housing.

7. The 5M Project Must be Included in the DEIR Analysis

¹³ http://www.theglobeandmail.com/real-estate/vancouver/dark-windows-illuminate-problems-in-vancouvers-real-estate-market/article31822833/

¹⁴ https://www.nytimes.com/2015/02/08/nyregion/stream-of-foreign-wealth-flows-to-time-warner-condos.html

¹⁵ http://www.antievictionmappingproject.net/vacant.html

The DEIR has moved 5M from being "Plan-induced growth to cumulative growth" per footnote on p. IV-5. The problem is that 5M is the largest single development within the boundaries of the Central SoMa Plan Area. It created new rules for development (its own Special Use District) that were based on recommendations from a draft version of the Central SoMa Plan.

Furthermore, new development in the Central SoMa Plan Area is being proposed in this Plan at a scale that is conversely driven by the scale of development that Planning pushed to approve for 5M. With 5M being the largest single development in Central SoMa, they must be considered together in the Central SoMa Plan. They have linked, not dissociated as separate, cumulative impacts. 5M is not built and its construction timeline is not clear. 5M should be studied as a principal contributor to the environmental impacts of the Central SoMa Plan. The omission of any analyses of the impacts of the 5M project in the DEIR is a critical flaw of the DEIR.

8. The Impacts of New Office Space and Lack of Local Hiring Requirements are Not Properly Presented or Studied in the DEIR

The DEIR is inadequate on the grounds that it does not incorporate all the City's policies with respect to office space development controls. Page III-19 of the DEIR details the City's pipeline of office developments with respect to Planning Code Section 321, which caps large office construction at 950,000 square feet per year. The way that this section III.C.2 is presented is unclear since there is additional office space development that is not subject to this cap because the cap only applies to "large office." Furthermore, this section of the DEIR fails to incorporate the voter approved Proposition O passed in November of 2016, which significantly increased the large office cap to include an increased amount of office space at the Shipyard. The Plan is focused on constructing a massive amount of new office space and essentially makes SoMa a second Financial District (this is true for all the Project Alternatives as well). The DEIR's lack of clarity on how it will comply with Prop M requirements, especially in light of the passage of Proposition O, is a critical flaw.

Given the intensity of new high-end office space that is being proposed, the fact that "local hiring and training goals" are still in the section of the DEIR called "Areas of Controversy and Issues to be Resolved" (p. S-79) is not only offensive to the community, but is potentially very damaging environmentally. With this approach, Planning is saying that new jobs in SoMa will be for people who are not current residents which indicates an in-migration of new people. Planning is also saying that current residents of SoMa will have to move somewhere else to find work. What are the environmental impacts of all this forced migration? This is not analyzed in the DEIR. Also, as new, more affluent people move into SoMa displacing current residents who live and work in SoMa, how much farther will those displaced workers have to travel and what is the resulting environmental impact? Again this is not analyzed in the DEIR.

9. Consideration of Continued PDR Uses in Central SoMa is Inadequate

Page S-4 of the DEIR clearly indicates that Planning has not created an actual plan for Production, Distribution and Repair (PDR) uses in its vision for Central SoMa. This has historically been one of San Francisco's most important areas for PDR uses, which ensured a diversification of the economic base of the city and job opportunities for people with trade credentials, not just advanced university degrees.

The DEIR indicates that it is removing "protective zoning" for PDR, but there is no complete report of how much PDR has been lost since the implementation of the Eastern SoMa Plan, which was in part intended to protect against the loss of PDR. Creating "incentives to fund, build, and protect PDR uses" is problematic since features that appear to be incentives today will quickly not be incentives tomorrow depending on land use, financial, and capitalization macro conditions that are driving the development market at any particular time.

There are many innovative mixed-use building types, but the prospect of "require(ing) PDR space as part of large commercial developments" seems to be a limited application. It would be important to understand what precedent there is for such a mix of uses in new developments and how likely it would be to have PDR on the ground level of a large commercial tower. What kind of PDR would it be? Who would be employed?

For all PDR, we are concerned that there be increasing job opportunities for SoMa residents and diversification of San Francisco's economy. This will protect San Francisco against "boom and bust" cycles; it will ensure that there is less regional impact on the environment that comes when sectors of the economy are segregated geographically; and will therefore result in less "Vehicle Miles Traveled."

The Plan calls for adding technology jobs to SoMa, yet these jobs are largely inaccessible to existing community residents. SoMa needs a diversity of job types in the neighborhood that are not only accessible to community residents but provide a living wage that can support workers to stay in the neighborhood. This is highlighted especially in the types of jobs provided by production, distribution, and repair businesses that provide jobs for working class residents and are jobs that cannot afford to be lost. PDR businesses also provide essential support to other industries and sectors so should be proximate to those other functions for them to be viable and effective. More consideration of continued PDR use is required in the DEIR.

10. There is No Proof that the Plan will Accomplish its Goal of Alleviating Housing Prices or Maintaining a Diversity of Residents

The Plan states as one of its main goals accommodating housing demand and addressing such demand to alleviate housing prices. The Plan, however, does not provide any studies or figures that support the claim that new development will drive down housing costs. As a result, the goal of the Plan of maintaining the diversity of residents, here in terms of socioeconomic makeup, appears empty. The Plan would cause a greater increase in the number of people living and working in the area than would be seen without the Plan, as shown in the DEIR. As the DEIR states on page V-10, "what effect development under the Plan would have on housing

affordability is a matter of considerable controversy," and that "the influx of real estate investment and higher income, residents may increase gentrification of a neighborhood, with displacement of households being a negative outcome."

Further study must be done regarding what effects new housing development will have on housing prices if the Plan is serious about its commitment to maintaining a diversity of residents in the area. If new housing development under the Plan-- the majority of which is market-rate-cannot be proven to bring down housing prices, the Plan will then only work to exacerbate the gentrification and displacement crisis in the area. Studies must be done to address these facts if the Plan is to move forward in meeting its core goals, especially as they relate to affordability and maintaining a diversity of residents.

11. The Plan Continues to Provide an Inadequate Amount of Open Space in SoMa By Relying on POPOS

The SoMa is the most open space deficient neighborhood in San Francisco¹⁶, along with the neighboring Tenderloin. Instead of providing sufficient, green and publicly accessible open space, Planning has been defaulting to providing new open space for SoMa through Privately Owned Public Open Spaces (POPOS)¹⁷. POPOS have a negative impact on the community for many reasons:

- These spaces aren't truly open to the public, activity is discouraged and hours are limited;
- POPOS are not protected by the Proposition K Shadow Ordinance because they are not open spaces owned by the City's Rec and Park Department;
- Because there's no Prop K protection, it's difficult to establish a standard of shadow protection for these open spaces because CEQA is not specific on this matter;
- These spaces do not represent the type of open space that is public and accessible for use by youth, families, and seniors (like a public park); and
- POPOS overly regulate the types of activities allowed and have restrictive hours that limit access;

SoMa has such a lack of places for public recreation and truly accessible open spaces that there must be a clear plan for creating new public open spaces that are owned and managed by Rec and Park.

12. The Plan Does Not Address the Stabilization of SoMa based Non-Profit Organizations

The Central SoMa Plan has no provision for stabilizing nonprofit organizations in the neighborhood. As studied by Supervisor Kim, MOHCD, and the Northern California Community

¹⁶ http://default.sfplanning.org/publications reports/library of cartography/OpenSpaceMap.pdf

¹⁷ http://sf-planning.org/privately-owned-public-open-space-and-public-art-popos

Loan Fund, the escalation in property values, and the lack of commercial rent control has put nonprofit organizations at imminent risk of displacement. 1819

By encouraging the construction of a second financial district, commercial rents will become increasingly more expensive placing nonprofit organizations even more at risk. Low income and immigrant communities in SoMa rely on many of these nonprofit organizations for basic services and to be able to survive in the community. Without these organizations, SoMa residents will be further at risk for displacement.

As noted elsewhere in this letter, displacement does result in environmental impacts. Therefore, the DEIR is deficient in that it does not recommend strategies for stabilizing nonprofit organizations in SoMa.

13. The DEIR Does Not Adequately Study the Health Impacts from Increased Noise, Degraded Air Quality, Pedestrian Safety Hazards, and Increased Wind Speeds

On page V-3, section V.B.6 "Wind" it says that "Subsequent future development anticipated under the Plan could alter wind in a manner that substantially affects public areas." Organizations that work with seniors and people with disabilities in SoMa are concerned that any increase in wind speeds caused by the heights and bulk of the proposed buildings in Central SoMa will cause a hardship and injury to seniors and people with disabilities at both public open spaces and in the public rights of way.

Noise in SoMa is already the worst in the City.²⁰ Any increase in noise levels from construction incentivized by the Central SoMa Plan (p. VI-44 says it would be "significant" and that Mitigation Measure M-NO-2a "would be insufficient to reduce the construction-related noise impacts to a less than significant level" on p VI-45). Noise levels especially from construction activity have not been studied in the DEIR. Also after construction, the degraded air quality from increased traffic, increased idling from vehicles stuck in traffic or increased ride-hailing vehicles, or from increased truck traffic will all have detrimental impacts.

We are also concerned about the vulnerability of seniors and people with disabilities while walking in the neighborhood to injury from vehicle collisions. Providing sidewalk extensions may help in some areas, but the extent of increase in automobile traffic is under-reported in the DEIR, and the potential incidents of pedestrian injuries from automobiles is also underestimated. These environmental impacts are not sufficiently studied in the DEIR.

Conclusion: Preparation of the DEIR Did Not Sufficiently Allow for Public Input

¹⁸ https://www.ncclf.org/npdmitigation/

¹⁹ https://sfgov.legistar.com/View.ashx?M=F&ID=2730532&GUID=77CFF0CE-7AC6-4569-ACEE-D2568711018F

²⁰ http://default.sfplanning.org/publications_reports/library_of_cartography/Noise.pdf

The Central SoMa Plan DEIR is inadequate and should be revised with the additional suggested studies and recirculated to address the critical flaws we outlined above. Going forward, a version of the Central SoMa Plan that creates a family-friendly neighborhood would be SOMCAN's preferred alternative. We are recommending that Planning study a new alternative that supports growth of SoMa in a way that supports the needs of current and future youth, families and seniors. None of the alternatives currently outlined in the plan supports this vision or these needs, and instead will reshape SoMa to be San Francisco's second Financial District with little regard to the protection of the environment of existing residents, small businesses, non-profits and PDR spaces.

The preparation of this DEIR did not adequately allow for incorporation of community input. For example, the boundaries of the Central SoMa Plan changed significantly during 2016, and the public was not sufficiently noticed. Despite SOMCAN's history in engaging with a diverse and large constituency in SoMa, SOMCAN was not provided an opportunity to participate in TODCO's "community alternative", and therefore we can not endorse this alternative. While the Mid-Rise Alternative has intriguing elements, it does not come close to being a vision that we can embrace. The changes in boundaries, the brief public comment on the published DEIR all make it impossible for the SOMCAN, its members and the larger SoMa community to adequately assess the Plan or any of its proposed alternatives.

As a public disclosure document, the Central SoMa DEIR is wholly insufficient and a new alternative should be studied that fully supports families and seniors in SoMa, and the DEIR should be recirculated for public input and review.

Sincerely,

Angelica Cabande SOMCAN Organizational Director

Joseph Smooke SOMCAN Board Chair

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov

July 6, 2018

San Francisco Board of Supervisors 1 Dr. Carlton B. Goodlett Place City Hall, Room 244 San Francisco, CA 94102-4689.

RE: Housing Sustainability District Ordinance

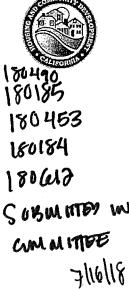
Dear Members of the Board of Supervisors:

Thank you for submitting the City and County of San Francisco's ("San Francisco") proposed ordinance establishing a housing sustainability district in central south of Market ("HSD-Central SOMA"). This letter serves as the preliminary determination by the Department of Housing and Community Development (HCD) required pursuant to Government Code (Gov. Code) section 66202.

HCD has preliminarily determined that the proposed HSD-Central SOMA ordinance addresses the requirements of housing sustainability districts, pursuant to Gov. Code, §§ 66200 through 66210. Please note that HCD's determination is only preliminary and may be subject to change for reasons including, but not limited to, the preparation of guidelines, new information in an adopted ordinance, certification of compliance, or other subsequent submittals (Gov. Code, § 66209). In addition, HCD has not conducted a full review of any design review standards for consistency with Gov. Code § 66207. Finally, please be aware that the Legislature has not appropriated funds for a zoning incentive payment and as a result, San Francisco is not entitled to a zoning incentive payment pursuant to Gov. Code, § 66202, subdivision (a)(2) or § 66204, subdivision (b) at this time.

Once the proposed HSD-Central SOMA ordinance takes effect, please submit an acknowledgement of such to HCD. Additionally, in the event the Legislature appropriates funds for zoning inventive payments, San Francisco should submit an application for a zoning incentive payment, including all of the information required by Gov. Code, §§ 66202, subdivisions (a) and (b), and 66204, subdivision (b).

HCD commends San Francisco for its leadership in advancing the state's housing goals. including with this implementation of AB 73 (Chiu) to streamline and incentivize housing production. Streamlining and production incentives such as housing sustainability districts are critical tools to increase housing supply and affordability, while conserving existing housing stock affordable to lower income households. HCD applauds San Francisco's longstanding commitment, innovation and success in promoting the development, conservation and preservation of affordable housing.

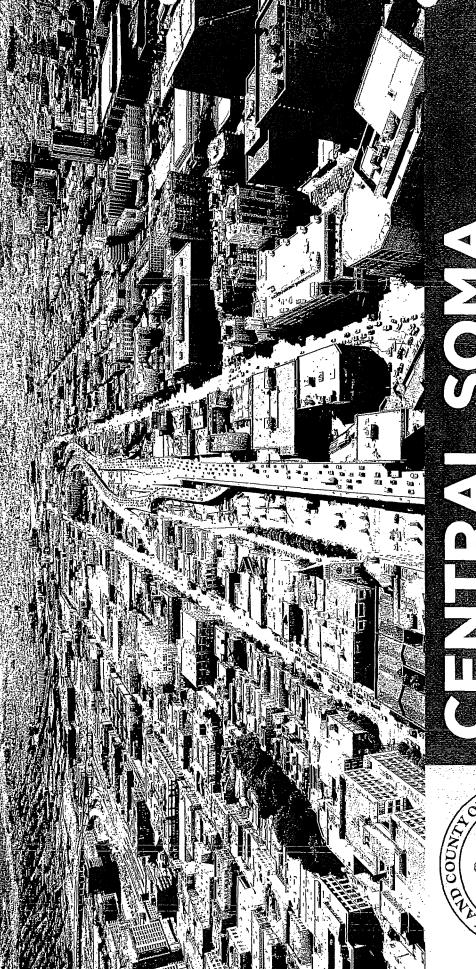


San Francisco Board of Supervisors Housing Sustainability District Ordinance Page 2

If HCD can provide any additional assistance, or if you or your staff have any questions, please contact Paul McDougall, Housing Policy Manager, at paul.mcdougall@hcd.ca.gov.

Sincerely,

Zachary Olmstead Deputy Director



PLAN & MPLEMENTATION STRATEGY

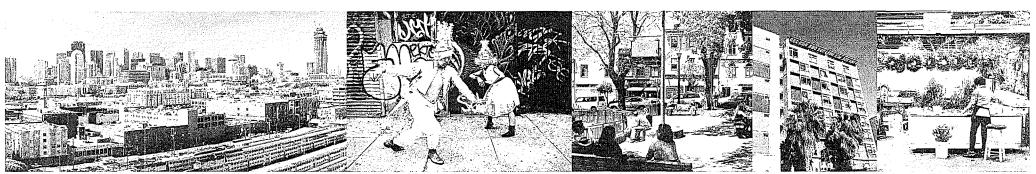
Board of Supervisors - Rules Committee Hearing July 9, 2018



TODAY'S ACTIONS

Hearing to consider:

- 1. Amendments to Administrative Code
 - Section 35: PDR and Residential / Hotel Compatibility
 - Chapter 43, Section 10: Special Tax Financing Law
- 2. Amendments to Planning Code
 - Note: this item is intended to be heard at Land Use & Transportation Committee





TODAY'S PRESENTATION

1 Overview of the Central SoMa Plan

- » Plan vision & goals
- » Public Benefits package
- 2 Central SoMa Plan: Administrative Code Amendments
- 3 Central SoMa Special Tax District
 - » Special Tax District Overview
 - » Special Tax Financing Law Amendments

CENTRAL SOMA PLAN - CONTENTS

General Plan Planning Code & Administrative Code Zoning Map **Implementation** Program

- Creation of the Central SoMa Plan
- Amendments to East SoMa & Western SoMa Plans
- Planning Code: creation of the Central SoMa Special Use District (SUD)
- Admin Code: PDR protection and Special Tax Financing Law
- Amendments to Height and Bulk District Maps
- Amendments to Zoning Use District Maps
- Implementation Matrix
- Public Benefits Program
- Guide to Urban Design
- Key Development Sites Guidelines
- Key Streets Guidelines

Bold text = items considered at Rules Committee on 7/9

(continued on next page)



CENTRAL SOMA PLAN - CONTENTS

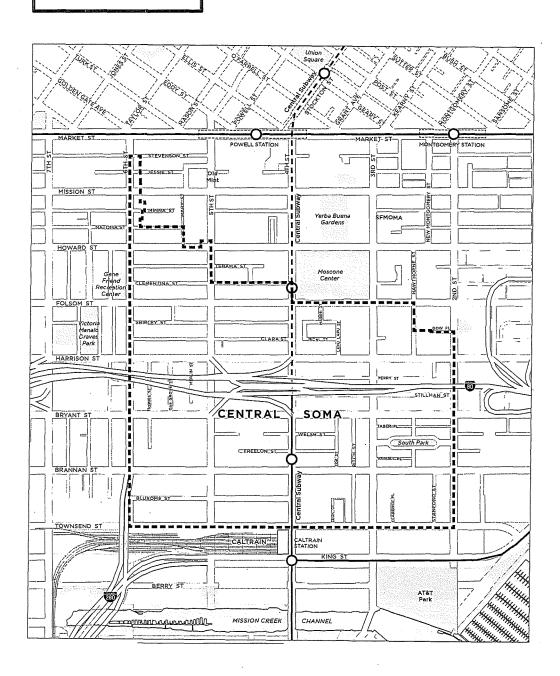
Special Tax District

Housing Sustainability District

- Resolutions of Intention (ROIs) and Ordinances to establish the Central SoMa Special Tax District
- Amendments to Business & Tax Regulations and Planning Codes to create a Central SoMa Housing Sustainability District (HSD), pursuant to California AB73



PLAN AREA



PLAN VISION A sustainable neighborhood: socially, economically, environmentally

■ ■ Central Subway under construction, expected to open in 2019

BART/Muni Metro Subway

Muni Metro (Surface)

PLAN STRATEGY

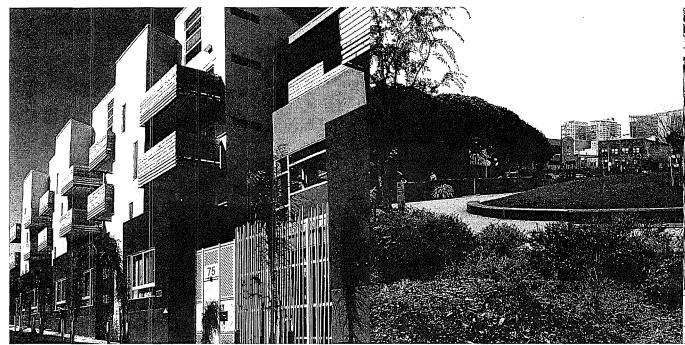
Accommodate Demand

급

Provide Public Benefits

-

Respect and Enhance Neighborhood Character







PLAN PHILOSOPHY

keep what's great









Diversity of Residents and Jobs

Diversity of Buildings and Architecture

Abundant Local and Regional Transit

Renowned Culture and Nightlife

address what's not









Unaffordable Rents

Unsafe and Unpleasant Streets

Lack of Public Parks and Greenery

Inefficient Zoning and Insufficient Funding



PLAN GOALS

- Goal 1 Accommodate a Substantial Amount of Jobs and Housing
- Goal 2 Maintain the Diversity of Residents
- Goal 3 Facilitate an Economically Diversified and Lively Jobs Center
- Goal 4 Provide Safe and Convenient Transportation that Prioritizes Walking, Bicycling, and Transit

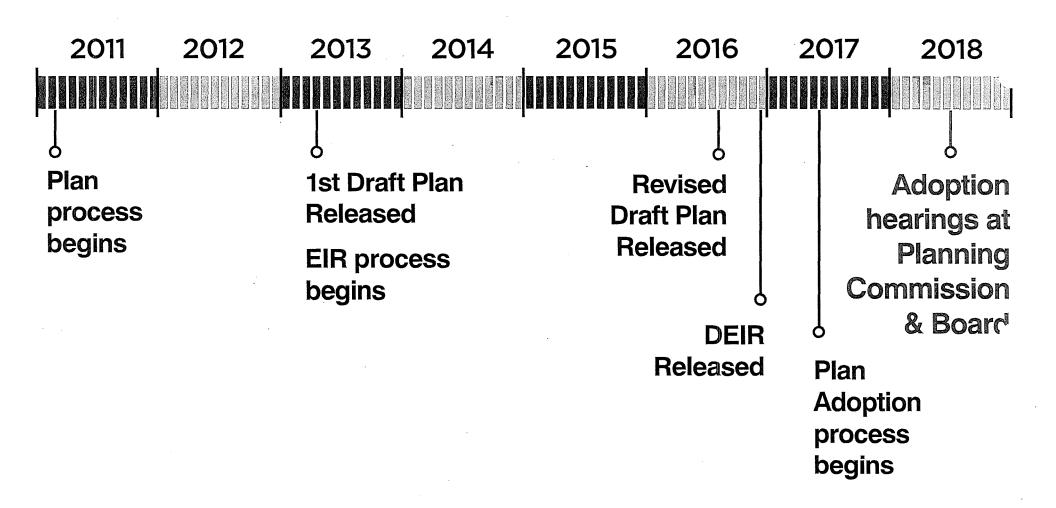


PLAN GOALS

- Goal 5 Offer an Abundance of Parks and Recreational Opportunities
- Goal 6 Create an Environmentally Sustainable and Resilient Neighborhood
- Goal 7 Preserve and Celebrate the Neighborhood's Cultural Heritage
- Goal 8 Ensure that New Buildings Enhance the Character of the Neighborhood and the City



PLAN TIMELINE

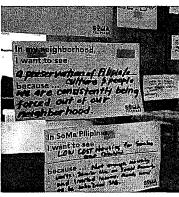




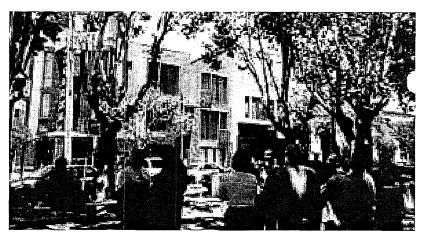
OUTREACH PROCESS: 2011 - 2018







- 15 public workshops, public surveys, office hours, charrettes, walking tours
- 17 hearings at Planning Commission
 & Historic Preservation Commission
- 2 informational hearings at Board of Supervisors (Land Use Committee)





OUTREACH: ADVOCACY GROUPS (PARTIAL LIST)

77 Dow Place HOA

Alliance for Better District 6

Arden HOA

Asian Neighborhood Design

California Culture and Music Association

Central City SRO Collaborative

Central Subway Outreach Committee

Clementina Cares

Eastern Neighborhoods Citizens Advisory Committee

Filipino-American Development Foundation

Good Jobs for All

Housing Action Coalition (HAC)

One Bluxome HOA

Rincon Hill /South Beach/Mission Bay Neighborhood Association

San Francisco Bicycle Coalition

San Francisco Planning and Urban Research (SPUR)

San Francisco Senior and Disability Action

San Francisco Youth Commission

SF BLU HOA

SoMa Community Coalition

SoMa Community Collaborative

SoMa Community Stabilization Fund Citizens

Advisory Committee

SoMa Pilipinas

South Beach/Mission Bay Merchants Association

South of Market Action Network (SOMCAN)

South of Market Business Association (SOMBA)

South of Market Leadership Council

South of Market Project Area Committee (SOMPAC)

TODCO

Walk SF

We Are SoMa

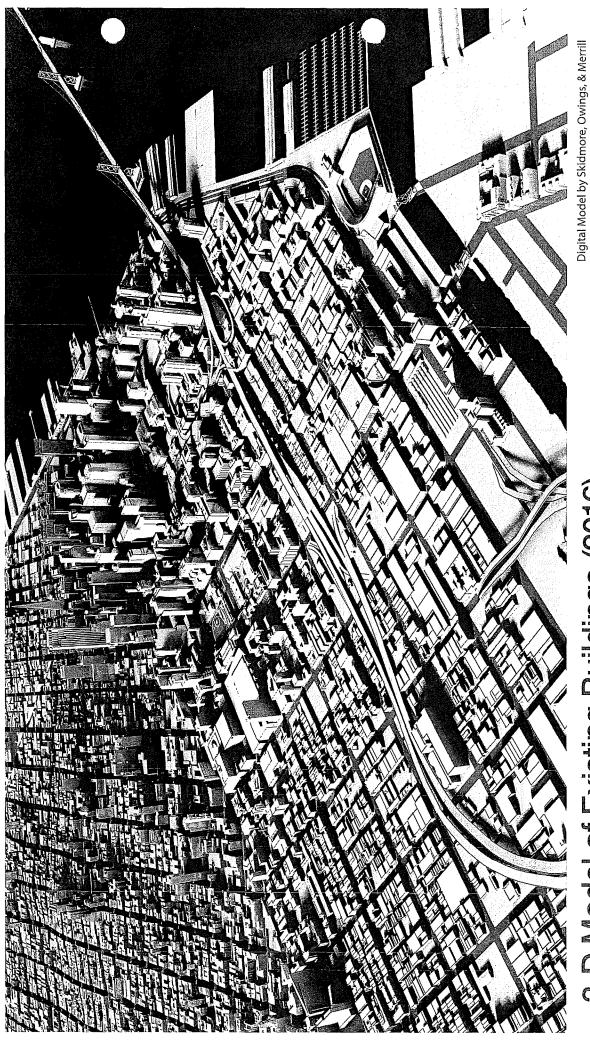
Western Soma Taskforce

Yerba Buena Alliance

Yerba Buena Community Benefit District

YIMBY Action

VISUALIZATION - EXISTING DEVELOPMENT



3-D Model of Existing Buildings (2016)



VISUALIZATION - POTENTIAL DEVELOPMENT

Central SoMa Development Potential Anticipated Projects Outside of Central SoMa



3-D Model of Potential Development

Digital Model by Skidmore, Owings, & Merrill



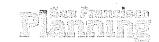
EXISTING AND PROPOSED DEVELOPMENT CAPACITY



0 feet 30 - 85 feet 130 - 160 feet 180 - 250 feet 260 - 400 feet

Existing Development Capacity

Proposed Development Capacity



PUBLIC BENEFITS: TOTAL (25 YEARS; 2017 DOLLARS)

No Plan = \$500 million in Public Benefits Central SoMa Plan = \$2.16 Billion in Public Benefits

400% increase due to the Plan

Plus ~\$1 billion in increased General Fund tax revenues

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.

PUBLIC BENEFITS PACKAGE

	Affordable Housing 33 percent of total units	\$940 million
	Transit investment in both local and regional service	\$500 million
	Parks and Recreation transformative improvements such as parks, plazas, and recreation centers	\$185 million
PTI	Production, Distribution, & Repair (including Arts) no net loss of PDR space due to the Plan	\$180 million
	Complete Streets safe and comfortable streets for people walking and biking	\$110 million

(continued on next page)



PUBLIC BENEFITS PACKAGE (CONTINUED)

	TOTAL	\$2.16 billion
6,8	Schools and Childcare funding to support growing population	\$65 million
	Environmental Sustainability a healthy, resilient, green, and resource-efficient neighborhood	\$70 million
	Community Services & Cultural Preservation funding towards community facilities and programs (e.g. health clinics, job training) and preservation of the Old Mint and other historic buildings	\$110 million

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.



PUBLIC BENEFITS: FUNDING SOURCES (25 YEARS; 2018 DOLLARS)

FUNDING SOURCE	AMOUNT
Direct provision of benefits (e.g. on-site BMR units)	\$836 million
Central SoMa Special Tax District (NEW)	\$354 million
Eastern Neighborhoods Infrastructure Fee	\$240 million
Transportation Sustainability Fee	\$220 million
Jobs-Housing Linkage Fee	\$210 million
Affordable Housing Fee	\$180 million
Central SoMa Infrastructure Fee (NEW)	\$40 million
School Impact Fee	\$26 million
Child Care Fee	\$32 million
Central SoMa Community Facilities Fee (NEW)	\$20 million
TOTAL	\$2.16 billion

NOTE: Public benefits package represents funds raised over the life of the plan (estimated as 25 years) in 2017 dollars.



NEW FUNDING SOURCES: RESIDENTIAL (2018 RATES)

NEW REQUIREMENT	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
Central SoMa Community Infrastructure Fee (\$/GSF)	\$0	\$10	\$0
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	CONDO: \$3.30 (2% escalation)	CONDO: \$5.50 (2% escalation)
		RENTAL: \$0	RENTAL: \$0
Community Facilities Fee (\$/GSF)		\$1.30	

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)

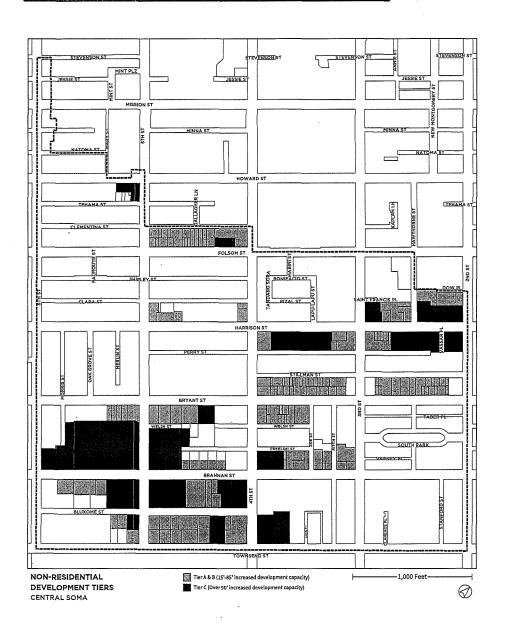
NEW FUNDING SOURCES: NON-RESIDENTIAL (2018 RATES)

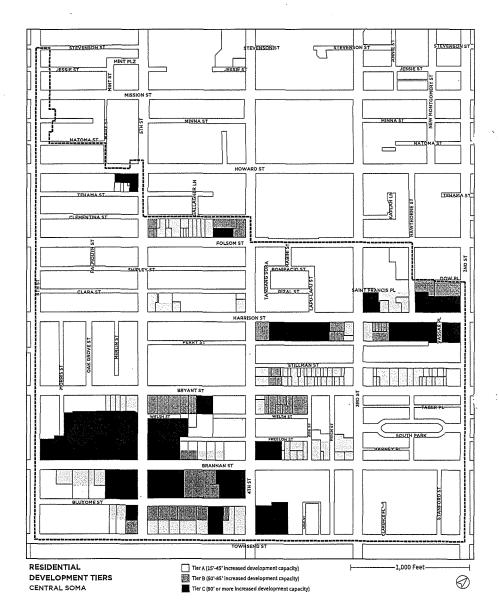
NEW REQUIREMENT	TIER A & B (15'-85' height increase)	TIER C (90'+ height increase)	
Central SoMa Community Infrastructure Fee (\$/GSF)	Office >50k sq ft: \$21.50 All other projects: \$41.50	Office >50k sq ft: \$0 All other projects: \$20	
Mello-Roos Special Tax District (CFD; \$/GSF/yr)	\$0	\$2.75 (4% escalation annually for 25 years, 2% thereafter)	
Transferable Development Rights (Floor Area Ratios)	0	1.25 FAR	
Community Facilities Fee (\$/GSF)	\$1.75		
POPOS	1 sq ft for every 50 GSF of development		
Production, Distribution, and Repair (PDR)	Office >50k: greater of 0.4 FAR or Sec. 202.8 (Prop X)		

NOTE: Projects must meet all existing requirements (e.g. affordable housing, Eastern Nbhds Fee, etc.)



CENTRAL SOMA FEE TIERS







ADMINISTRATIVE CODE AMENDMENTS

Administrative Code Section 35: Residential and PDR Compatibility and Protection

THE WAY IT IS

- Residents cannot complain about noise and other nuisance issues (odors, loading, etc.) from a neighboring PDR use if it complies with all applicable regulations & permit conditions ("no kvetching")
- Sellers must disclose this rule to potential homebuyers

THE WAY IT WOULD BE

- Hotels would be added to the list of uses that cannot lodge groundless complaints
- Improvements to notification process would be added



ADMINISTRATIVE CODE AMENDMENTS

RATIONALE

- As Central SoMa evolves, PDR uses should be protected from complaints from lawfully emitted noise and other impacts
- Based on best practices:
 - » PDR and other 24-hour uses (e.g. entertainment) are part of a complete and mixed-use neighborhood
 - » Similar to the current process for entertainment uses (Admin Code Section 116)



SPECIAL TAX DISTRICT - LEGISLATIVE ACTIONS

Administrative Code Chapter 43, Section 10: Special Tax Financing Law

Proposed amendments would enable the City to spend Central SoMa Special Tax revenues on eligible Facilities and Services*, which may include, but are not limited to:

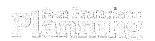
- Grants to nonprofit/public social service organizations
- Environmental sustainability, including air quality mitigation and technical studies/guidelines
- Park programming and activation



SPECIAL TAX OVERVIEW

- Applicability: large Condo and Non-Residential projects
 - Exemptions: 100% Affordable Housing Projects; BMR units; Rental Housing; Production, Distribution & Repair (PDR) uses; Community Facilities
 - Annexation required before 1st Certificate of Occupancy (COO); Tax levy commences at 1st COO
- Revenues can be used to issue bonds
 - Accelerates the provision of public benefits
 - Taxable properties in the Special Tax District are subject to foreclosure/sale in the event of non-payment of special taxes*

^{*} Special taxes are secured by priority liens (ahead of private liens)



SPECIAL TAX RATES (\$/SF, FY18-19 RATES)

Years 1-99: Facilities Tax*

Land Use	TIER A (15'-45' height increase)	TIER B (50'-85' height increase)	TIER C (90'+ height increase)
NON-RESIDENTIAL	\$0	\$0	\$2.75
CONDO	\$0	\$3.30	\$5.50

Years 100+: Services Tax Only

	TIERA	TIERB	TIERC
NON-RESIDENTIAL	\$0	\$0	\$0.69
CONDO	\$0	\$0.82	\$1.37

^{*}Facilities tax may be spent on either capital facilities or services (e.g. maintenance, programming)



SPECIAL TAX DISTRICT: EXPENDITURE PLAN*

During Plan Buildout (25 years)

	Transit	\$160 million
	Parks & Recreation	\$45 million
i i	Complete Streets	\$10 million
	Cultural Preservation & Community	\$69 million
43	Environmental Sustainability	\$64 million
ř.	Schools & Childcare	\$6 million
	TOTAL	\$354 million

Longer term needs (>25 years): could include, but are not limited to, Sea Level Rise adaptation and maintenance of capital facilities

^{*}in FY2018-2019 dollars. Note that projects are non-binding, and the Public Benefits may be amended



SPECIAL TAX DISTRICT: CHANGES SINCE PLAN INTRODUCTION

Additional public benefits identified during adoption process

	\$/YR	\$/25 YRS
Social & cultural programs (e.g. SoMa Stabilization Fund)	\$1,000,000	\$25 million
Park and greenery maintenance and activation	\$600,000	\$15 million
Capital for cultural amenities (e.g. Yerba Buena Gardens)*	N/A	\$15 million
Neighborhood cleaning	\$350,000	\$8.75 million
Bessie Carmichael supplemental services	\$250,000	\$6.25 million
TOTAL		\$70 million

^{*}If this funding is needed, it would be provided as a lump sum rather than an ongoing contribution..



ADMINISTRATION ENTITIES

Capital Planning Committee Director of Public

- Approve 5-year expenditure plan (subject to Board approval)
- Recommend changes in revenue allocation

Director of Public Finance

- Develop 5-year revenue forecast
- Authorize tax commencement
- Authorize bond issuances (subject to Board approval)
- Interagency Plan Implementation Committee (IPIC)
- Develop 5-year Expenditure Plan
- Advisor to CPC & Director of Public Finance

Community Advisory Committees (CACs)

Provide public oversight & advise on expenditure plan



COLLABORATION

- Joint Community Facilities Agreements (JCFAs)
 - Will be required for non-City agencies receiving tax revenues
 - Example: Regional transit providers (1/3 of transportation funding) will collaborate with City through IPIC and Mayor/ Board



COMMUNITY ADVISORY COMMITTEES (CAC)

Planning Commission Recommendation in Admin Code:

Amend the Eastern Neighborhoods Community Advisory Committee (CAC) and split it into two:

- SoMa-wide (East, West, and Central)
- Rest of Eastern Neighborhoods: Mission, Showplace Square / Potrero Hill, Central Waterfront

As this will require significant consideration of responsibilities and reallocation of funding, this will return to the Planning Commission and the Board as trailing legislation.



OTHER PLANNING CODE AMENDMENTS

Zoning amendments to create the Central SoMa Special Use District, including:

- Zoning district changes, including the newly created CMUO (Central SoMa Mixed Use Office)
- Urban design requirements
- Open space (POPOS) and environmental sustainability requirements
- Development exactions
- Changes to development review process



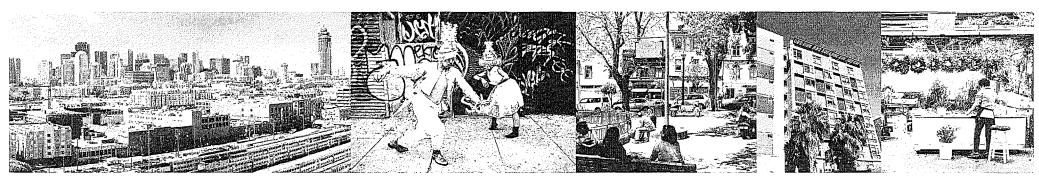
TODAY'S ACTIONS

Hearing to consider:

- 1. Amendments to Administrative Code
 - Section 35: PDR and Residential / Hotel Compatibility
 - Chapter 43, Section 10: Special Tax Financing Law

2. Amendments to Planning Code

 Note: this item is intended to be heard at Land Use & Transportation Committee



LISA CHEN

415.575.9124 -ISA.CHEN@SFGOV.ORG

SAN FRANCISCO
FLOWER
MART

SAN FRANCISCO FLOWER MART 180617

SUBALITHO IN COMM 7/16/18

June 29, 2018

Dear President Cohen and Members of the SF Board of Supervisors,

My name is Jeanne Boes, General Manager and Chief Operations Officer of the San Francisco Flower Mart LLC (SFFM). SFFM is the master tenant of the historic wholesale flower market at 6th & Brannan Streets in SoMa. I represent our members/ownership group and our 50+ tenants which make up the San Francisco Flower Mart. I am writing to express our support for the Central SoMa Plan and the Flower Mart Project.

To give you a brief history, the San Francisco Flower Mart has operated in the City of San Francisco since 1912. We were founded by groups of immigrant flower farmers to the Bay Area, Chinese, Italian and Japanese farmers of California cut flowers and plants. We have relocated our market four times over the years in SF, going from selling at the foot of Lotta's Fountain to our current location at 6th and Brannan Streets. These farmers even supported and worked their Japanese neighbors' farms during World War II, when Japanese Americans were relocated to internment camps. We have always stayed together in SF!

We are now at another transition in our life in the City, preparing to relocate to a temporary location at 2000 Marin Street, as our partner Kilroy Realty builds-out the new Flower Mart. We are eternally grateful for the support of both Supervisor Jane Kim, and Supervisor Aaron Peskin. These Supervisors worked tirelessly to assure that the temporary location of the SFFM will be at 2000 Marin Street and not at Piers 19 & 23 on the crowded, busy Embarcadero. This temporary site will assure the viability of our tenants during the buildout of the new Flower Mart at 6th & Brannan Streets.

Here is a snapshot of the SF Flower Mart. We are part of a \$26 billion US Industry; with retail sales in the US totaling \$7,500,000,000. This means we generate hundreds of millions of dollars annually in the City of San Francisco.

We house over 50 small businesses in the market (vendors), 26 of these vendors qualify as "Legacy Businesses" in SF. They are purveyors of cut flowers, potted plants, blooming plants and floral supply products. Products in our market at one time were only from the immediate Bay Area, now flowers come from all over the world. These products are delivered to our marketplace via the aid of the trucking and transportation industry. We are heavily reliant on semi-trucks and box trucks to receive and distribute our products.

In addition to showing our full support for the Plan and the Project, we want to bring attention to couple of very important issues as they relate to the viability of the wholesale flower market, parking and zoning requirements.

FLOWER M A R T

SAN FRANCISCO FLOWER MART

We employ over 350 blue-collar workers in the Flower Mart, and most of these workers drive their vehicles to work. They currently park on the surrounding streets and alley ways, with no cost to them. Our business depends on the use of personal vehicles — vans, and box trucks. We are heavily reliant on transportation; public transportation is not an option for our vendors. In addition to the inaccessibility of public transit during our early morning hours, our vendors often arrive with trucks full of product. We operate during the hours of:

12 am to 3 pm, Monday, Wednesday and Friday
5 am to 3 pm, Tuesday, Thursday and Saturday
Our peak hours of operation run from 5-6 am to 12-1 pm Monday-Friday.

We have over 4,300 registered buyers ("Badgeholders"), most of which are small business owners, who operate in every surrounding county of the Bay Area, including SF. Our customers load their vehicles with the product they purchase at the SFFM and deliver the product back to their businesses via personal vehicles, small trucks, or vans. Currently, our parking lot holds 144 customer cars and trucks and is often double parked to accommodate demand. Our vendors park their box trucks on the streets surrounding the market.

In the New Flower Mart Project we have been promised 150 car spaces and 25 truck parking spaces within the parking garage dedicated to the SFFM -- there is no way we can operate with less than that. In addition to those spaces within the project, we will also need to use the parking and loading spaces proposed on the streets surrounding the market for the early morning and late night hours.

Another issue that has been brought to our attention is the zoning requirement for PDR use to have transparent windows and doors on 60% of the ground floor street frontage. Looking at the current design and customer flow, either the windows would look into the refrigeration units causing temperature variations along with sunlight which would damage the product. Our perishable products need regulated stable environments to maximize shelf life. The other option would have the windows opening into the back-of-house of the vendor's operation, resulting in a lack of privacy and security. This requirement would negatively affect the operations of our vendors in the market.

We urge you to approve the Central SoMa Plan, and the Flower Mart Project, which will allow our vendors to continue to grow and thrive for another 100 years in SF. Please also consider the exceptions for the Flower Mart Project related to the two issues described above.

Respectfully,

J∉anne Boes

General Manager, Chief Operations Officer

SAN FRANCISCO FLOWER MART LLC

Central SoMa Zoning Analysis - Suggested Planning Code Amendments

The table below identifies issues in the proposed Central SoMa Planning Code amendments ordinance (BOS File No. 180184) that are of particular concern to the proposed Flower Mart Project. Suggested revisions are indicated in red.

1 • 1		Issue	Suggested Revision			
Code Section: SFFM Proposed Amendments not Addressed by Planning Commission						
Parking	Proposed § 329(e)(3)(B)	The proposed ordinance does not provide an exception from the parking standards for the Key Sites, even though those properties are required to provide large PDR spaces, the future tenants of which are likely to require large amounts of parking. In particular, the success of the replacement Wholesale Flower Market will depend in large part on the provision of adequate parking (as required by KRC's agreement with the Wholesale Flower Market tenants) to accommodate a high volume of wholesale customers moving large amounts of goods. We propose the addition of an exception that would allow Key Sites to receive an exception to provide additional parking for wholesale /distribution uses.	Proposed § 329(e)(3)(B) should be amended to allow Key Sites to seek an exception from the maximum accessory parking requirements in order to provide sufficient parking for large scale wholesale and distribution uses. (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6):, or the accessory parking maximums set forth in Section 151.1, such that the Key Site identified in Section 329(e)(2)(F) may provide accessory parking for Wholesale Sales and Distribution uses up to a rate of one car per each 750 square feet of Gross Floor Area.			
Transparent Fenestration of PDR	Proposed §§ 249.78(c)(1)(E) and 329(e)(3)(B)	The Proposed § 249.78(c)(1)(E) applies the transparency and fenestration requirements of existing Code Section 145.1 to PDR uses. The types of uses that occupy PDR space often involve machinery, noise, and abnormal operating hours, and are not the type of uses enhanced by ground floor transparency—nor are they the kinds of uses for which ground floor windows would enhance the pedestrian environment.	Proposed § 329(e)(3)(B) should be amended to allow Key Sites to seek an exception from the requirement that PDR uses meet the transparency and fenestration requirements contained in § 249.78(c)(1)(E). (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6):, or the requirement that PDR uses meet the transparency and fenestration requirements established in Section 249.78(c)(1)(E).			

POPOS	Amended § 138; Proposed § 329(e)(3)(B)	Under proposed § 329(e)(3)(B), Key Sites may seek an exception from "the requirement that POPOS be open to the sky established in Section 138(d)(2)(B)." But it is § 138(d)(2)(E)(i) that requires at grade open space to be open to the sky. Proposed § 138(d)(2)(B) requires that projects "on sites of 40,000 square feet or more and located south of Bryant Street shall provide the required open space outdoors and may not pay an in-lieu fee."	Proposed § 329(e)(3)(B) regarding open space exceptions that should be corrected as follows: (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(BE)(i); or the commercial orientation of large sites established in Section 249.78(c)(6).
POPOS & Open Space In-Lieu Fee	Amended § 426	As amended, § 426 states that an in-lieu fee is required for each square foot of POPOS and non-residential open space that is required but not provided.	Amended § 426 should be revised such that an in lieu fee would not be required where a project obtains an exception only from the qualitative standards of the POPOS requirements, but where the project provides the amount of POPOS mandated by the Code. We suggest the following amendment: In the CMUO District, the usable open space requirement of Section 135.3 and the POPOS requirement of Section 138 may be satisfied through payment of a fee of \$890 for each square foot of required usable open space not provided. Payment of a fee shall not be required for any square footage of usable open space or POPOS that is provided in the amount required, but for which a variance or exception is granted for design standards otherwise applicable to such open space or POPOS.
Living and Solar Roofs	Proposed §§ 249.78(d)(3) and 329(e)(3)(B)	Proposed § 249.78(d)(3) requires that Central SoMa buildings that are 160-feet-tall or less provide at least 50% of the roof area as living roof and comply with Building Code Section 5.201.1.2, which sets forth the requirements for solar systems on non-residential buildings.	Proposed § 329(e)(3)(B) should allow for a Key Sites exception from the living roof and solar requirements as long as a comparable amount of required living roof and/or solar system area is provided elsewhere on the property. (B) Exceptions the requirement that POPOS be open to the sky established in Section 138(d)(2)(B); or the commercial orientation of large sites established in Section 249.78(c)(6); or the living and solar roofs requirements established in Section 249.78(d)(3), so long as a comparable amount of required living and/or solar roof area is provided elsewhere on the property.

Tower Separation	Proposed §§ 132.4(d)(3) and 329(e)(3)(B)	Proposed § 329(e)(3)(B) states that Key Sites can seek an exception for the tower separation requirements in § 132.4, and Planning staff has advised that Key Sites are not required to meet the 4 criteria listed in proposed § 132.4(d)(3) in order to obtain this exception. However, this should be clarified in the Code language.	Proposed § 132.4(d)(3) should be amended to clarify that Key Sites can obtain an exception from the tower separation requirements without meeting the four criteria set forth in proposed § 132.4(d)(3)(B): Through the procedures of Section 329, the Planning Commission may reduce the separation required under subsection (A) if it finds that a Tower project meets all of the following criteria. Key Sites, as identified in § 329(e)(2), are not required to comply with the following criteria in order to obtain a reduction of the Building Separation requirements set forth in subsection (A), as the Key Sites are eligible for a general exception from the Building Separation requirements pursuant to §
Key Sites Exceptions, Generally	Proposed § 329(d)(12)	The proposed language eliminates the ability of Central SoMa SUD projects to seek the PUD exceptions under § 304, which are currently available to LPA projects pursuant to existing § 329(d)(12). The Central SoMa Plan requires or encourages a mix of PDR, office, retail, and residential in a relatively dense environment, all while striving for a dense, walkable, and transit-oriented neighborhood. Some measure of flexibility in applying prescriptive Code standards is necessary in order to facilitate building typologies and mixes of uses that are relatively novel.	Revise amended § 329(d)(12) to allow Key Sites projects to seek PUD-type exceptions (as set forth in § 304) via an LPA: Where not specified elsewhere in this Ssubsection (d), modification of other Code requirements which that could otherwise be modified as a Planned Unit Development (as set forth in Section 304), irrespective of the zoning district in which the property is located, except that such modifications shall not be permitted for non-Key Sites projects in the Central SoMa Special Use District. Those projects on Key Sites, as identified in subsection (e) below, may obtain exceptions from those Code requirements that could be otherwise be modified as a Planned Unit Development.



Received in Committee 7/9/2018 Q10:30am

San Francisco Board of Supervisors City Hall San Francisco CA 94102

July 9, 2018

RE:

CENTRAL SOMA PLAN

Establishing The South of Market Community Advisory Committee

Honorable Supervisors:

The Department of City Planning now recommends establishing a new South of Market CAC by splitting the existing Eastern Neighborhoods Citizens Advisory Committee in two. That is a logical starting point, but falls far short of what is really need to ensure full public and community participation in determining the future of our dynamic Neighborhood.

The current Eastern Neighborhoods CAC suffers from two fatal flaws:

- 1. As the Department now admits, it is too big, attempting to provide community engagement for three very complex and different neighborhoods SOMA, the Mission District, and Potrero/Central Waterfront.
- 2. Its scope of City development review is far too limited limited to just MTA, DPW, Park/Rec, and Childcare planning. The crucial Mayor's Office of Housing affordable housing programs are completely omitted, and also the Mayor's Offices of Community Development and Economic and Workforce Development.

To correct this, the scope of the purview of the new Central SOMA CAC must be substantially enlarged and very clearly specified, as follows (this would be a revision of the Eastern Neighborhoods ordinance section outlining that CAC's role):

"The SOMA CAC shall be the central community advisory body charged with providing input to City agencies and decision makers with regard to all activities related to implementation of the Central SOMA Plan and Eastern Neighborhoods Area Plans within the South of Market Special Use District by all City agencies, including but not limited to the City Planning Department, the Mayor's Office of Housing and Community Development, the Mayor's Office of Economic and Workforce Development, the Municipal Transportation Authority, the Recreation and Parks Department, the Department of Public Works, and the Arts Commission. The CAC is established for the purposes of providing input regarding Central SOMA Plan Area and Eastern Neighborhoods Plan Areas within the South of Market Special Use District on the (i) prioritization of Public Benefits, (ii) updating the

Public Benefits program, (iii) programming of public investments in South of Market including community facilities districts, (iv) proposed revisions to planning code and zoning provisions, (v) relaying information to community members in the South of Market neighborhood regarding the status of development proposals, and (vi) providing input to plan area monitoring efforts as appropriate. The CAC shall be advisory, as appropriate, to the Planning Department, the Interagency Planning & Implementation Committee (IPIC), the Planning Commission, relevant City departments and agencies, and the Board of Supervisors."

Sincerely,

John Elberling President

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

MEMORANDUM

TO:

John Rahaim, Director, Planning Department

Todd Rufo, Director, Office of Economic and Workforce Development

FROM:

Alisa Somera, Legislative Deputy Director

Rules Committee

DATE:

June 11, 2018

SUBJECT:

LEGISLATION INTRODUCED

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Mayor Farrell on June 5, 2018:

File No. 180612

Ordinance amending the Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

c: Scott Sanchez, Planning Department
Lisa Gibson, Planning Department
AnMarie Rodgers, Planning Department
Dan Sider, Planning Department
Aaron Starr, Planning Department
Joy Navarrete, Planning Department
Laura Lynch, Planning Department
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Office of the Mayor San Francisco



TO:

Angela Calvillo, Clerk of the Board of Supervisors

FROM:////////Mayor Farrell

RE: San Francisco Special Tax Financing Law

DATE: June 5, 2018

Attached for introduction to the Board of Supervisors is an ordinance to amend the San Francisco Administrative Code Special Tax Financing Law, constituting Article 43.10, to authorize special tax financing of certain facilities and services related to the Central SoMa Plan Area and to make other necessary amendments.

Should you have any questions, please contact Andres Power 554-5168.

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